

Danville-Pittsylvania Regional Industrial Facility Authority

**City of Danville, Virginia
County of Pittsylvania, Virginia**

AGENDA

January 11, 2016

12:00 P.M.

**Danville Regional Airport
Eastern Conference Room
424 Airport Drive, Danville, Virginia**

County of Pittsylvania Members

**Jessie L. Barksdale
Robert Warren
Elton W. Blackstock, Alternate**

City of Danville Members

**Sherman M. Saunders, Chairman
Fred O. Shanks, III
J. Lee Vogler, Jr., Alternate**

Staff

**Kenneth Larking, Interim City Manager, Danville
Clarence C. Monday, Pittsylvania County Administrator
Clement Wheatley, Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer**

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. WELCOME AND INTRODUCTION OF NEW BOARD MEMBERS AND ALTERNATE BOARD MEMBERS

4. PUBLIC COMMENT PERIOD

Members of the public who desire to comment on a specific agenda item will be heard during this period. The Chairman/Vice Chairman of the Authority may restrict the number of speakers. Each speaker shall be limited to a total of three minutes for comments. *[Please note that the public comment period is not a question-and-answer session between the public and the Authority.]*

5. APPROVAL OF MINUTES OF THE DECEMBER 14, 2015 MEETING

6. NEW BUSINESS

- A. Election and Reappointment of Officers for Calendar Year 2016
 - Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority
 - 1. Election of Chairman
 - 2. Election of Vice Chairman
 - 3. Reappointment of Secretary from the Authority's staff – Susan M. DeMasi, City Clerk, City of Danville
 - 4. Reappointment of Treasurer from the Authority's staff - Michael L. Adkins, Director of Finance, City of Danville
- B. Financial Status Report as of December 31, 2015 – Michael L. Adkins, CPA, Authority Treasurer and Patricia K. Conner, CPA, Assistant Finance Director, City of Danville

7. CLOSED SESSION

[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia; and
- B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development).

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RETURN TO OPEN SESSION

- C. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- D. Motion to Certify Closed Meeting.

8. COMMUNICATIONS FROM:

Jessie L. Barksdale
Elton Blackstock
Sherman M. Saunders
Fred O. Shanks, III
J. Lee Vogler, Jr.
Robert Warren

Staff

9. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5
Meeting Date:	01/11/2016
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, December 14, 2015 Meeting.

ATTACHMENTS

Meeting Minutes – 12/14/15

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

December 14, 2015

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:17 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James A. Snead and Alternate Brenda H. Bowman.

City/County staff members attending were: Pittsylvania County Administrator Clarence Monday, Interim City Manager Ken Larking, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Assistant Director of Economic Development Corrie Teague, City of Danville Finance Director/Authority Treasurer Michael Adkins, City of Danville Assistant Finance Director Patricia Connor, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Jennifer Burnette and Secretary to the Authority Susan DeMasi.

Also present were Brian Bradner of Dewberry & Davis and Chris Murray of Brown, Edwards.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE OCTOBER 13, 2015 MEETING

Upon **Motion** by Mr. Harville and **second** by Mr. Shanks, Minutes of the October 13, 2015 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

Chairman of the Authority, Sherman Saunders noted Item F would be heard first.

5F. CONSIDERATION – RESOLUTION 2015-12-14-5F – APPROVING A JOINT PERMIT APPLICATION FOR INSTALLATION OF A MONITORING STATION AT BERRY HILL

City of Danville Division Director of Water/Wastewater Barry Dunkley noted the City purchased this monitoring station approximately four years ago; the unit is pretty much self-contained, with solar power and battery backup. It will monitor five parameters, a sixth parameter can be added and it will be mounted on a short pier in the Dan River at the Mega Park. The station will provide continuous monitoring for Ph, turbidity, temperature, and conductivity which will be transmitted to the City's water plant through its SCADA system. Several Authority members expressed concern over security of the unit and Mr. Dunkley explained the unit will be locked. Mr. Shanks questioned if there was a way the City, through SCADA, could have video surveillance and Mr. Dunkley noted they could install a camera and they will look into hooking into the SCADA.

In response to Mr. Snead, Mr. Dunkley noted the probes go into the river and the unit itself is located above the river on the dock. It is installed on a high point so floods would not affect it. In response to Mr. Harville, Mr. Dunkley noted they could put an alarm on the unit. Ms. Bowman suggested metal poles around the unit to protect it.

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Mr. Harville **moved** for adoption of Resolution No. 2015-12-14-5F, *approving the joint permit application for the installation of a monitoring station on the Dan River at the Authority's Berry Hill Industrial Park.*

The **Motion** was seconded by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

Mr. Saunders recognized Ms. Jennifer Burnette, Attorney with Clement Wheatley, filling in for Michael Guanzon.

5A. CONSIDERATION – RESOLUTION 2015-12-14-5B – RECOGNITION OF THE SERVICE OF COY E. HARVILLE

Mr. Shanks **moved** for adoption of Resolution No. 2015-12-14-5A *in Recognition of the Service of Coy E. Harville to the Authority as a Director, Chairman and Vice Chairman.*

The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5B. CONSIDERATION – RESOLUTION 2015-12-14-5B – RECOGNITION OF THE SERVICE OF JAMES H. SNEAD

Mr. Shanks **moved** for adoption of Resolution No. 2015-12-14-5B *in Recognition of the Service of James H. Snead to the Authority as a Director.*

The Motion was **seconded** by Mr. Harville and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5C. CONSIDERATION – RESOLUTION 2015-12-14-5C – RECOGNITION OF THE SERVICES OF BRENDA H. BOWMAN

Mr. Shanks **moved** for adoption of Resolution No. 2015-12-14-5C *in Recognition of the Service of Brenda H. Bowman to the Authority as a Director.*

The Motion was **seconded** by Mr. Harville and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

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Mr. Saunders then recognized Mr. Harville, Mr. Snead and Ms. Bowman and read a Resolution in recognition of their service. Mr. Harville, Mr. Snead and Ms. Bowman were then presented with their Resolutions and plaques.

5D. CONSIDERATION – RESOLUTION 2015-12-14-5D – APPROVING A ONE YEAR LEASE RENEWAL WITH MOUNTAIN VIEW FARMS OF VIRGINIA L.C.,

Mr. Snead **moved** for adoption of Resolution No. 2015-12-14-5D, *approving a one-year renewal of the lease with Mountain View Farms of Virginia, L.C., a Virginia limited liability company, as tenant, for that certain real property (GPIN 1356-75-8216) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Mega Park project, in Pittsylvania County, Virginia, for the purpose of planting and harvesting sod, soybeans, and/or other cover crops, but not tobacco, at a total rental fee of \$1,200; such renewal also includes a 60-day early termination right and right to show the Property to business recruits of the Authority.*

The Motion was **seconded** by Mr. Shanks.

Mr. Harville noted Mountain View Farms of Virginia is in good standing and he supports renewal of this lease. The **Motion** was carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5E. CONSIDERATION – RESOLUTION 2015-12-14-5E – RATIFYING LETTER TO ROBERT E. GITTLER, U.S. DEPARTMENT OF COMMERCE

Mr. Shanks **moved** for adoption of Resolution No. 2015-12-14-5E, *ratifying the letter to Robert E. Gittler, U.S. Department of Commerce, Economic Development Administration, Philadelphia Regional Office, from Sherman Saunders, which was the subject of Resolution No. 2015-10-13-5B at the October 13, 2015 RIFA Board meeting, in support of previous grant funding for the development of Lots 3 and 9 in the Authority's Berry Hill Industrial Park project, located in Pittsylvania County, Virginia, and future economic development.*

The Motion was **seconded** by Mr. Harville.

Assistant County Administrator for Planning & Development Gregory Sides explained staff felt it would be important to reinforce with the EDA, the Board's appreciation for the funding it has received to grade lots in Cane Creek Centre, let them know they are being actively marketed and how important it is in the Board's process in marketing sites. The County and the City have each sent separate letters and this letter was a joint letter through the RIFA Board, signed by the Chairman. It was authorized by a prior resolution and staff is requesting a ratifying vote today.

The **Motion** was carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

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5G. BERRY HILL INDUSTRIAL PARK – UPDATE OF PERMIT APPLICATION

Brian Bradner from Dewberry & Davis updated the Board on RIFA's permit application explaining they have all agency sign-offs and approvals with the exception of the 106 Review Process which involves the cultural resources. Staff has responded to two rounds of comments with the Department of Historic Resources, and the Corp has concurred with their latest response to DHR. Preservation of Virginia is also reviewing the cultural resource information; they have until December 21 to provide any additional comments to the Corp of Engineers. Once that process is complete, the Board will have permit approval.

In response to Mr. Shanks, Mr. Brander noted this application is for the Phase I development which includes approximately 133 acres of pad area. Mr. Shanks asked if the original permit is still where it was and Mr. Bradner noted it was. Mr. Shanks noted the Board had contacted its U.S. Senator and U.S. Congressman about this, and questioned Mr. Bradner on its status. Mr. Bradner explained the Authority's direction was to move forward with the permit approval for the Phase I development; the original permit is currently not active. Mr. Shanks noted he believed RIFA would pursue both permits. Mr. Sides explained the Board would follow both paths; take a short term approach to get a permit to allow RIFA to continue grading, but to continue to fight the larger issue of speculative development and not being able to move forward without users, legislatively. Board Members thanked Mr. Bradner for his presentation.

Mr. Adkins introduced a new City of Danville Finance employee, Henrietta Weaver.

5H. FINANCIAL REPORT/AUDIT REPORT FOR FISCAL YEAR ENDED JUNE 30, 2015

Mr. Chris Murray from Brown, Edwards gave a brief review of RIFA's audit report. Mr. Murray thanked the City and County staff for their cooperation and assistance and being very well prepared for another audit. The first document is the Financial Report, and page two indicates another Unmodified or Clean Opinion for this year. Mr. Murray reviewed some highlights on page three, the Statement of Net Position, including the increase in cash balance this year as well as an overall increase in total net position. Bonds payable was down, just based on scheduling debt payments as expected. The Statement of Revenue, Expenses and Change in Fund Net Position shows consistency with the prior years. One item to note is the \$58,000 for Virginia Tobacco Funds which is related to a draw down for work performed on the Berry Hill Park. There were no new incentive agreements this year, however, one item note is \$14,000 for reimbursement relating to Elkay not meeting job creation. Also related to that, under Subsequent Event Note, is approximately \$77,000 to be reimbursed in FY2016, which has been refunded and also relates to job creation. In the Comment to Internal Controls document, there were no new comments this year and there is only one comment relating to segregation of duties which is strictly a comment the auditors have to communicate based on the limited staffing for the Authority. There are mitigating controls in place which are also noted in the letter. The final document is the Audit Committee Letter which is a required communication. This highlights the Auditor's responsibility and engagement, the Authority's responsibility and engagement and also notes there were no difficulties between the parties and no corrected or uncorrected misstatements from this year's audit.

Mr. Saunders questioned the comment about segregation of duties, would that be an issue with the Authority's bonds and Mr. Murray noted they did not anticipate that being an issue

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with the bond review. If it rose to a Significant Deficiency or a Material Weakness, that the Authority's financial statements could be materially misstated because of it, it might be more of an issue, but it is not rising to any of those levels.

Mr. Shanks stated the Auditor referenced Elkay on two separate pages, and asked the Auditor to go over those two references. Mr. Murray explained the \$14,000 was an amendment where the company agreed to pay a pro-rated dollar amount for the jobs they were short in their agreement. In early FY2016, the company did not meet the job requirement and they agreed to a prorated amount, which was the \$77,000 amount; this didn't relate specifically to June 30, 2015 which is why it is in the Subsequent Event note as an alert that that item would be coming through in 2016. Mr. Shanks questioned if both of those are reimbursements back to RIFA and Ms. Connor noted they are coming back to RIFA as part of RIFA's agreement.

Mr. Harville **moved** to accept the Financial Report/Audit for the Fiscal Year ending June 30, 2015 with Brown Edwards & Company LLP Auditors. The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5I. FINANCIAL STATUS REPORT AS OF NOVEMBER 30, 2015

Mr. Adkins reviewed the financial activity through the end of November, beginning with the \$7.3M bonds for Cane Creek; the only expenditure was \$180 to Dewberry for Wetland monitoring. Under General Expenditures for the fiscal year, the Authority paid out \$9,153 to Clement Wheatley for legal services, \$14,000 to Brown, Edwards for the annual audit fees, \$532 for meals and \$63 for utilities. There was no activity under Mega Park Funding. The Berry Hill Mega Park Lot 4 Site Development shows \$44,499 to Dewberry for two amendments; Amendment Number 9 was \$12,500 and Amendment Number 11, was just under \$32,000. Rent, Interest and Other Income indicates RIFA received \$36,582 from the Institute for Advanced Learning and Research for the monthly lease payments, \$600 from Securitas and \$341 in interest. The Authority also made its property management fee to the Institute for \$35,213. Mr. Adkins noted RIFA did make its debt service payment on time, the principal amount was \$780,000 with interest was \$91,209. Mr. Harville noted staff needs to clean up some of the things in the financial statements where it refers to State Road 863, that is now 311.

Mr. Harville **moved** to accept the Financial Statement as presented. The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

County Administrator Clarence Monday introduced the County's new Economic Development Director Matt Rowe. Board Members welcomed Mr. Rowe.

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6. COMMUNICATIONS

Ms. Bowman noted her goodbyes and thanked everyone for their courtesies and respect over the last year while she served on the Board. Ms. Bowman noted she has enjoyed working with City staff and elected officials and is looking forward to the next chapter of her life.

Mr. Harville noted this has been a wonderful venture and project that the City and County pursued and thanked the City members for working together with the County to move this forward.

Mr. Shanks noted it has been an honor and pleasure to work with the County members over the last six or seven years he has been on the Board.

Mr. Snead thanked everyone, he has been on RIFA for seven years, it has been a pleasure to serve and is looking forward to the next chapter in his life.

Mr. Vogler noted he has enjoyed working with the County members and thanked them for all they work they have done for RIFA.

Mr. Saunders noted Ken Larking is now officially the Interim City Manager for Danville. Mr. Saunders reminded the Board that on January 1, RIFA will need a new chairman. His term, based on the by-laws expires December 31, 2015. Pittsylvania County will be in line for that position. Mr. Saunders noted everyone will miss the County members.

Mr. Harville noted he has spoken to Mr. Saunders and several board members and noted he is concerned; RIFA needs to have a Chairman on a day to day basis and would like to **amend** the Agenda to discuss the Chairmanship of RIFA. Mr. Snead **seconded** the Motion and the Motion passed with the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

Mr. Harville noted he would like to make a **motion** that Mr. Saunders have the authority on January 1, 2016 to carry on as Chairman until the pre-RIFA meeting with the staff and the RIFA meeting is set for elections. Mr. Snead **seconded** the Motion. Mr. Shanks questioned if that would run from January 1 until the first RIFA meeting and Mr. Harville noted that would give staff time to discuss this for the future election. Mr. Monday could discuss the new members when they are appointed.

Secretary to the Authority asked Mr. Harville to clarify his Motion, did he want Mr. Saunders to serve as Chairman until the next RIFA meeting and Mr. Harville confirmed he did. Mr. Shanks asked if there would be any reason to say instead of the next meeting until the new Chairman is elected and Mr. Harville noted his agreement.

Mr. Saunders noted in his experience in different boards that the Chairperson maintains their position until it is filled by another person. Ms. Burnette noted RIFA by-laws states the term of office for the officers is for the calendar year in which they are elected and shall

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continue until their successors are elected. Mr. Saunders noted that Mr. Harville's Motion confirms the by-laws.

The **Motion** was carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

Mr. Larking expressed his gratitude to the Pittsylvania County Board members for all the work they have put into RIFA and their cooperation working with the City.

Mr. Monday commended the three Pittsylvania County Board members for their leadership efforts and responsibilities to RIFA and it was a pleasure serving with them.

The Meeting adjourned at 1:16 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 6A
Meeting Date:	01/11/2016
Subject:	Election and Reappointment of Officers for 2016
From:	Michael C. Guanzon, Esq., Legal Counsel to the Authority

SUMMARY

1. Election of Chairman
2. Election of Vice Chairman
3. Reappointment of Secretary
4. Reappointment of Treasurer

A RESOLUTION TO REAPPOINT THE SECRETARY AND TREASURER OF THE AUTHORITY.

WHEREAS, the Danville-Pittsylvania Regional Industrial Facility Authority (the “**Authority**”) is a political subdivision of the Commonwealth of Virginia duly created pursuant to the Virginia Regional Industrial Facilities Act, as amended; and

WHEREAS, the Authority, pursuant to paragraph 5 of Article VI of the Amended and Restated Bylaws of the Authority (the “**Bylaws**”), is required to appoint a Secretary and Treasurer from the Authority’s staff, which may include staff provided by a Member Locality or other persons employed or contracted by the Authority;

WHEREAS, under paragraph 2 of Article VI of the Bylaws, the term of office of a Secretary and Treasurer shall be for the calendar year, and accordingly, the terms of Secretary Susan M. DeMasi and Treasurer Michael L. Adkins expired on December 31, 2015; and

WHEREAS, each of Susan M. DeMasi and Michael L. Adkins is eligible for reappointment under the paragraph 5 of Article VI of the Bylaws.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Board hereby reappoints the following persons to serve the Authority in the office designated below and to have such powers and duties as prescribed to that person by the Bylaws and pursuant to applicable law:

Secretary: Susan M. DeMasi (term of office expires on December 31, 2016)
Treasurer: Michael L. Adkins (term of office expires on December 31, 2016)

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

3. This Resolution shall take effect immediately upon its adoption.

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on January 11, 2016, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 11th day of January 2016.

(SEAL)

SUSAN M. DeMASI, Secretary
Danville-Pittsylvania Regional Industrial Facility Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 6B
Meeting Date:	1/11/2016
Subject:	Financial Status Reports – December 31,
From:	2015 Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through December 31, 2015 will be provided at the meeting. The financial status reports as of December 31, 2015 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of December 31, 2015 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2016
- C. Mega Park – Funding Other than Bond Funds
- D. Berry Hill Mega Park – Lot 4 Site Development
- E. Rent, Interest, and Other Income Realized
- F. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

\$7,300,000 Bonds for Cane Creek Centre - Issued in August 2005 ⁷

As of December 31, 2015

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funds from bond issuance	\$7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost ⁷	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
Cane Creek Parkway ³		\$3,804,576.00	\$3,724,241.16	\$ -	
Swedwood Drive ²		69,414.00	69,414.00	-	
Cane Creek Centre entrance ³		72,335.00	53,878.70	-	
Financial Advisory Services		9,900.00	9,900.00	-	
Dewberry contracts ¹		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant ^{4,5}		71,881.00	25,454.12	46,426.88	
Land		-	2,792,945.57	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	57,156.80	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	339,846.72	-	
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,326,146.17	\$ 46,426.88	\$ 206,009.07

notes:

¹ Dewberry Contracts consist of wetland, engineering, surveying and site preparation

² Funds being used to cover City and County matching contributions for a VDOT grant for Swedwood Drive

³ Project completed under budget

⁴ In September 2008 the outstanding principal balance of \$6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.

⁴ These contracts were originally to be paid by the \$1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.

⁵ The budget amount decreased \$71,279.61 from the September 30, 2010 reports. This amount represented the remaining budget amount carried from the \$1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.

⁶ This line item represents the amount of expenditures on the "CCC - Lots 3 & 9" budget sheet that is covered by bond funds. RIFA's local share of 5% of these project costs is being covered by these bond funds. Project finished under original budget.

⁷ The \$7.3 million bonds were refunded on August 1, 2013 with the issuance of refunding bonds in the amount of \$5,595,000.

Road Summary-Cane Creek Parkway:	
English Contract-Construction	\$ 5,363,927.00
Change Orders	165,484.50
Expenditures over contract amount	3,579.50
(Less) County's Portion of Contract	(935,207.00)
(Less) Mobilization Allocated to County	(9,718.00)
Portion of English Contract Allocated to RIFA	4,588,066.00
Dewberry Contract-Engineering	683,850.00
Total Road Contract Allocated to RIFA	\$ 5,271,916.00

Funding Summary - Cane Creek Parkway	
VDOT	\$ 1,467,340.00
Bonds	3,804,576.00
	\$ 5,271,916.00

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2016

As of December 31, 2015

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2015	85,503.42				
<i>Contingency</i>					
Miscellaneous contingency items		\$ 127,003.42	\$ 1,061.82	\$ -	\$ 125,941.60
<i>Total Contingency Budget</i>		127,003.42	1,061.82	-	125,941.60
<i>Legal</i>					
		80,000.00	20,449.00	-	59,551.00
<i>Accounting</i>					
		20,300.00	19,700.00	600.00	-
<i>Annual Bank Fees</i>					
		600.00	-	-	600.00
<i>Postage & Shipping</i>					
		100.00	-	-	100.00
<i>Meals</i>					
		4,000.00	1,300.20	-	2,699.80
<i>Utilities</i>					
		500.00	159.57	-	340.43
<i>Insurance</i>					
		3,000.00	-	-	3,000.00
<i>Total</i>	\$ 235,503.42	\$ 235,503.42	\$ 42,670.59	\$ 600.00	<u>\$ 192,232.83</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of December 31, 2015

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ^{1,4}	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Tobacco Commission FY10 SSED Allocation - Eng. Portion Deobligated	(244,797.00)				
Local Match for TIC FY10 SSED Allocation - Engineering Portion ⁵	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 ⁶	11,854.39				
Land					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property ²		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	973,629.29	17,220.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 14,231,524.83	\$ 14,231,524.83	\$ 14,214,304.12	\$ 17,220.71	\$ (0.00)

¹ This figure does not include the interest the City lost from the uninvested funds, which was paid to the City 1/3/2012 and totaled \$144,150.41.

² Settlement fees were drawn from bonds issued for the Berry Hill project 12/1/2011.

³ This contract was originally for \$814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. \$740,000 was covered by the FY09 Tobacco Allocation. \$162,928 was covered by the FY10 Tobacco Allocation. \$87,922 will be covered with RIFA Funds.

⁴ RIFA paid the City back for all advances on 1/3/2012.

⁵ The RIFA Board approved to utilize the remaining funds from the Mega Park bond funds and approximately \$65,000 of the 'Funds Available for Appropriation' towards the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park.

⁶ Due to the expiration of the Tobacco Commission FY10 SSED Allocation, the RIFA Board approved on 1/14/2013 to utilize \$11,854.39 of the 'Funds Available for Appropriation' to cover the funding shortfall for the budgeted Dewberry & Davis contract.

⁷ Unencumbered the remaining \$11,203.15 due to termination of contract.

⁸ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority
Berry Hill Mega Park - Lot 4 Site Development
As of December 31, 2015

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,637,985.74	1,034,195.74	603,790.00	
Jones Lang LaSalle		95,000.00	95,000.00	-	
Jones Lang LaSalle - Economic Analysis		12,000.00	-	12,000.00	
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Wetlands Studies and Solutions, Inc.		141,996.00	63,989.20	78,006.80	
Transfers to "General Expenditures Fiscal Year 2015" Contingency ³					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)	-	
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	-	(12,000.00)	
Total	\$ 7,900,356.15	\$ 1,729,218.39	\$ 1,047,421.59	\$ 681,796.80	\$ 6,171,137.76

¹ \$300,000 of this was received from each locality in June 2014. \$450,000 received in August 2014. \$450,000 received in September 2014.

² The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

³ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized

As of December 31, 2015

<u>Source of Funds</u>	<u>Funding</u>			<u>Expenditures</u>	<u>Unexpended /</u>
	<u>Carryforward</u>	<u>Current</u>	<u>Receipts</u>		
	<u>from FY2015</u>	<u>Month</u>	<u>FY2016</u>	<u>FY2016</u>	<u>Unencumbered</u>
<u>Carryforward</u>	\$ 460,739.60				
<u>Current Lessees</u>					
	<u>Park</u>	<u>Property</u>			
Institute for Advanced Learning and Research (IALR) ¹	Cyberpark	Hawkins Research Bldg. at 230 Slayton Ave.	\$ 36,482.30	\$ 89,301.71	
Institute for Advanced Learning and Research (IALR)	Cyberpark	IALR Building at 150 Slayton Ave.	-	-	
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.	300.00	1,800.00	
Guilford Whitetail Management	Berry Hill	Kluttz Farm off State Rd. 863/U.S. 311	-	-	
Mountain View Farms of Virginia, L.C.	Berry Hill	30 acre tract on Stateline Bridge Rd.	-	-	
Osborne Company of North Carolina, Inc.	Berry Hill	4380 Berry Hill Road Pastureland	-	-	
Clodfeiter Hunting Lease	Berry Hill	371.13 acres off State Road 863	-	-	
<u>Total Rent</u>			\$ 36,782.30	\$ 91,101.71	
<u>Interest Received</u> ²			\$ 184.54	\$ 823.78	
<u>Yorktowne Repayment</u>			\$ 76,834.52	\$ 76,834.52	
<u>Expenditures</u>				\$ 89,301.71	
Hawkins Research Bldg. Property Mgmt. Fee				\$ 89,301.71	
Totals			<u>\$ 460,739.60</u>	<u>\$ 113,801.36</u>	<u>\$ 168,760.01</u>
				<u>\$ 89,301.71</u>	<u>\$ 540,197.90</u>

Restricted ¹ \$ 357,391.06
Unrestricted \$ 182,806.84

¹ Please note that rent proceeds must be used in accordance with the U.S. Economic Development Administration's (EDA) Standard Terms and Conditions

² Please note that this is only interest received on RIFA's general money market account.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position^{1,2}
December 31, 2015*

	Unaudited FY 2016
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,028,076
Cash - money market	1,143,776
<i>Total current assets</i>	2,171,852
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	258,936
Restricted cash - debt service fund CCC bonds	1,315,032
Restricted cash - debt service fund Berry Hill bonds	220
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,033
Capital assets not being depreciated	25,071,362
Capital assets being depreciated, net	25,369,730
Construction in progress	4,051,228
<i>Total noncurrent assets</i>	58,066,541
Total assets	60,238,393
Liabilities	
<i>Current liabilities</i>	
Bonds payable - current portion	1,158,450
<i>Total current liabilities</i>	1,158,450
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	7,250,090
<i>Total noncurrent liabilities</i>	7,250,090
Total liabilities	8,408,540
Net Position	
Net investment in capital assets	46,342,716
Restricted - debt reserves	3,315,285
Unrestricted	2,171,852
Total net position	\$ 51,829,853

¹ Please note this balance sheet does not include the Due to/Due from between the County and the City since it nets out and only changes at fiscal year-end.

² Please note this balance sheet does not include all general accounts receivable or accounts payable at the month-end date. This is because information regarding accrued receivables/payables is not available at the time of statement preparation.

*Please note these statements are for the period ended December 31, 2015 as of December 2, 2015, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
*December 31, 2015**

	Unaudited FY 2016
Operating revenues	
Virginia Tobacco Commission Grants	-
Reimbursement of incentive grants	76,834
Rental income	98,952
Total operating revenues	175,786
Operating expenses ⁴	
Mega Park expenses ³	71,177
Cane Creek Centre expenses ³	2,793
Cyber Park expenses ³	90,210
Professional fees	37,212
Insurance	2,207
Other operating expenses	1,319
Total operating expenses	204,918
Operating income	(29,132)
Non-operating revenues (expenses)	
Interest income	910
Interest expense	(68,559)
Total non-operating expenses, net	(67,649)
Net loss before capital contributions	(96,781)
Capital contributions	
Contribution - City of Danville	684,774
Contribution - Pittsylvania County	684,774
Total capital contributions	1,369,548
Change in net position	1,272,767
Net position at July 1, 2015	50,557,086
Net position at December 31, 2015	\$ 51,829,853

³ A portion or all of these expenses may be capitalized at fiscal year-end.

⁴ Please note that most non-cash items, such as depreciation and amortization, are not included here until year-end entries are made.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*December 31, 2015**

	Unaudited FY 2016
Operating activities	
Receipts from grant reimbursement requests	\$ -
Receipts from reimbursement of incentive grants	76,834
Receipts from leases	91,100
Payments to suppliers for goods and services	(237,343)
Net cash used by operating activities	(69,409)
Capital and related financing activities	
Capital contributions	1,369,548
Interest paid on bonds	(136,996)
Principal repayments on bonds	(780,000)
Net cash provided by capital and related financing activities	452,552
Investing activities	
Interest received	910
Net cash provided by investing activities	910
Net increase in cash and cash equivalents	384,053
Cash and cash equivalents - beginning of year (including restricted cash)	5,362,020
Cash and cash equivalents - through December 31, 2015 (including restricted cash)	\$ 5,746,073
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating loss	\$ (29,132)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	2,437
Change in due from other governments	-
Change in other receivables	-
Change in accounts payable	(34,864)
Change in unearned income	(7,850)
Net cash used by operating activities	\$ (69,409)

Components of cash and cash equivalents at December 31, 2015:	
American National - Checking	\$ 1,028,076
American National - General money market	1,143,776
Wells Fargo - \$7.3M Bonds CCC Debt service fund	1,315,032
Wells Fargo - \$7.3M Bonds CCC Project fund	258,936
US Bank - \$11.25M Bonds Berry Hill Debt service fund	220
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,033
	\$ 5,746,073