

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

January 11, 2018

12:00 P.M.

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

County of Pittsylvania Members

**Robert W. Warren
Ronald S. Scarce
Elton W. Blackstock, Alternate**

City of Danville Members

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

Staff

**Ken Larking, City Manager, Danville
David M. Smitherman, 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. 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.]*

4. APPROVAL OF MINUTES OF THE DECEMBER 11, 2017 MEETING

5. NEW BUSINESS

- A. Election and Reappointment of Officers for Calendar Year 2018 – Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority
 - 1. Election of Chairman from Pittsylvania County Member Locality (see Bylaws, Article VI, paragraph 1)
 - 2. Election of Vice Chairman from Danville Member Locality (see Bylaws, Article VI, paragraph 4)
 - 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 Reports as of December 31, 2017 – Michael L. Adkins, CPA, Treasurer of the Authority, and/or Henrietta Weaver, CPA, City of Danville, Virginia

6. 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/or Danville, Virginia;
- B. As permitted by Virginia Code § 2.2-3711(A)(39) 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); and

Danville-Pittsylvania Regional Industrial Facility Authority

- C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

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

7. COMMUNICATIONS FROM:

Mr. Blackstock
Mr. Saunders
Mr. Searce
Mr. Shanks
Mr. Vogler
Mr. Warren

- Staff

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	01/11/2018
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's review and approval are the Meeting Minutes from the Wednesday, December 11, 2017 meeting.

ATTACHMENTS

Meeting Minutes – 12/11/2017

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

December 11, 2017

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 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 and Alternate J. Lee Vogler; Fred O. Shanks, III was absent. Pittsylvania County Members present were Vice Chairman Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock.

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Project Manager Kelvin Perry, City of Danville Director of Finance Michael Adkins, Senior Accountant Henrietta Weaver, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Ashley Wolfe, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present was Brian Bradner from Dewberry & Davis.

Chairman Saunders presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE NOVEMBER 15, 2017 MEETING

Upon **Motion** by Mr. Barksdale and **second** by Mr. Vogler, Minutes of the November 15, 2017 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2017-12-11-5A – APPROVING ONE YEAR RENEWAL OF LEASE WITH MOUNTAIN VIEW FARMS

Mr. Warren **moved** for adoption of Resolution No. 2017-12-11-5A, *approving a one-year renewal of the lease with Mountain View Farms, 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 Berry Hill 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. Vogler.

Mr. Sides explained this is a renewal of an existing agricultural lease; RIFA has decided not to renew hunting leases as potentially being a detriment to development of the Park. This agricultural lease is an area that is not being developed and there are various exit aspects included in the lease; staff recommends renewal.

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

VOTE: 4-0
AYE: Barksdale, Warren, Saunders and Vogler (4)
NAY: None (0)

5B. PRESENTATION OF AUDIT OF AUTHORITY'S FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2017

Mr. Chris Murray, from Brown, Edwards, thanked City staff for being ready and prepared for the Audit. Mr. Murray reviewed the three audit documents beginning with the Financial Report for which they issued a Clean, Unmodified Opinion again this year. Looking at a few highlights, on the Statement of Net Position, RIFA did have a dip in cash related to disbursements for the ongoing work at the Berry Hill Mega Park. There is a \$1.4M receivable related to the timing of collections of reimbursements for that work. Current Liabilities show a spike in Construction Accounts Payable that also relates to the work being performed. Unearned Revenue increased over \$300,000 due to timing; a few of the County and City contributions for FY2018 were received before year end. On the Statement of Revenues and Expenses, there is nearly \$2.4M in Tobacco Commission money related to the ongoing work. Under Operating Expenses, Economic Development at the Cyber Park, the majority of that is related to the ten acres of land donated to the IDA related to the Kyocera agreement.

The Required Communication for Those Charged with Governance is the standard letter they are required to issue, and identifies the auditors' responsibilities, the management's responsibilities and allows them to identify any disagreements they have with management; Mr. Murray noted there were none. It also identifies the adjustments they worked with management to report. The final document is the Comments on Internal Controls and Mr. Murray noted there are no new comments this year. The only comment is the segregation of duties, and as they say each year, that has to do with staffing limitations. That comment does not rise to the level of a Significant Deficiency or Material Weakness.

Mr. Vogler **moved** to accept the Audit Report as presented. The Motion was seconded by Mr. Warren and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Saunders and Vogler (4)
NAY: None (0)

5C. FINANCIAL STATUS REPORT AS OF NOVEMBER 30, 2017

City of Danville Director of Finance Michael Adkins gave the Financial Status report as of November 30, 2017 starting with the \$7.3M Bonds issued for Cane Creek with an expenditure to Clement & Wheatley for legal fees of \$11,245 for the month of November. General Expenditures shows RIFA received \$2,500 from Pittsylvania County for reimbursement for a Utility Application fee, and expenditures were \$159 to LeClair Ryan for legal services dealing with the Wilmot Project Lot 3B, \$10,166 to Clement Wheatley, \$5,000 to Brown, Edwards for the FY17 Audit, \$261 in meals and \$31 in monthly utilities. Mega Park Funding Other than Bond Funds showed no activities for the month of November; Berry Hill Lot 4 Site Development shows \$50,785 to Dewberry for Amendments #10 and #17 as well as a progress

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payment of \$111,554 to Haymes Brothers for Phase 1 Grading. Rent, Interest and Other Income shows rent received of \$21,400 from the Institute for the Hawkins' Building, RIFA paid \$21,400 to the Institute as a Management Fee for the Hawkins Building, and earned \$437 in interest for the month of November.

Mr. Barksdale **moved** to accept the Financial Report as presented; the Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Saunders and Vogler (4)
NAY: None (0)

Chairman Saunders commended Mr. Adkins and his staff for another clean audit; Mr. Adkins explained Ms. Weaver takes the lead on the accounting and auditing for RIFA and does a great job. Mr. Saunders thanked Ms. Weaver for her work.

5D. CONSIDERATION OF RESOLUTION 2017-12-11-5D IN RECOGNITION OF SERVICE OF JESSIE L. BARKSDALE

Mr. Vogler **moved** for adoption of Resolution 2017-12-11-5D *in Recognition of Service of Jessie L. Barksdale to the Authority as a Chairman, Vice Chairman and Director.*

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

VOTE: 4-0
AYE: Barksdale, Warren, Saunders and Vogler (4)
NAY: None (0)

Mr. Saunders asked Board Members and staff to stand and join him in the presentation of the plaque to Mr. Barksdale. Mr. Saunders read Resolution 2017-12-11-5D and presented Mr. Barksdale with a plaque in recognition of his service. Mr. Barksdale thanked everyone and stated it has been a pleasure to serve on the RIFA Board; he has learned a lot in the last few years. He recognized the expertise, commitment and devotion of everyone on the Board and staff. He will remember this always and thanked everyone for their support over the years.

6. 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.]

At 12:39 p.m. Mr. Vogler **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purpose:

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/or Danville, Virginia;

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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); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE: 4-0
AYE: Barksdale, Warren, Saunders and Vogler (4)
NAY: None (0)

D. On **Motion** by Mr. Barksdale and **second** by Mr. Warren and by unanimous vote at 1:29 p.m., the Authority returned to open meeting.

E. Mr. Barksdale **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

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

VOTE: 4-0
AYE: Barksdale, Warren, Saunders and Vogler (4)
NAY: None (0)

7. COMMUNICATIONS

Mr. Vogler noted it was a great honor to serve on this board with Mr. Barksdale; he is going to be missed.

Mr. Warren stated it has truly been a pleasure to serve with him on RIFA and on the Board of Supervisors, and appreciates his help in the beginning; he was a great mentor.

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Mr. Guanzon thanked Mr. Barksdale for his service and wished everyone Happy Holidays.

Mr. Rowe noted it has been a pleasure working with him and looks forward to seeing him around.

Mr. Bradner thanked Mr. Barksdale for his service.

Mr. Perry stated he hoped he enjoyed his retirement.

Ms. Teague-Bobe noted it has been a pleasure to work with Mr. Barksdale over the years and thanked him for being such a supporter of regional efforts.

Mr. Larking noted it has also been a pleasure working with Mr. Barksdale on a number of occasions; he has been a great champion for Pittsylvania County, but also a great champion for the region and looks forward to working with him on future projects.

Mr. Tucker noted it has been a delight to work with Mr. Barksdale, having traveled with him internationally on economic development and working locally, he appreciated his calm demeanor and regional approach to economic development and improving the region. He will be missed and thanked him for his service.

Mr. Blackstock noted he and Mr. Barksdale are friends and do things outside of politics, but noted he is a gentleman and a statesman and he has learned being involved in politics for years, they are few and far between. Mr. Blackstock noted he hopes he continues to be involved in the community, looks forward to supporting him in future endeavors and he will be missed at RIFA and on the Board of Supervisors.

Mr. Saunders thanked Mr. Barksdale for his service to the community and region and is glad he moved back here after living in many different areas. Mr. Saunders noted he hears good things about Mr. Barksdale all over the region and thanked him for his service.

Mr. Barksdale thanked everyone and stated he likes Paul Simon's music and he wrote a song, *Born at the Right Time*, and stated that is what he feels like when he is with everyone here on the RIFA Board. Mr. Barksdale noted he learned a lot, he will miss it, it has been wonderful, thanked everyone and wished everyone a nice holiday and, he is not done.

The Meeting adjourned at 1:41 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5-A
Meeting Date: 01/11/2018
Subject: Election and Reappointment of Officers for 2018
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

ATTACHMENT

Resolution 2018-01-11-5A – Reappointment of Secretary and 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, 2017; 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, 2018 and shall continue until her successor is appointed or reappointed)

Treasurer: **Michael L. Adkins** (term of office expires on December 31, 2018 and shall continue until his successor is appointed or reappointed)

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, 2018, 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 2018.

(SEAL)

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

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5-B
Meeting Date:	January 8, 2017
Subject:	Financial Status Reports – December 31, 2017
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through December 31, 2017 will be provided at the meeting. The financial status reports as of December 31, 2017 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of December 31, 2017 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2018
- 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, 2017

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
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	28,711.62	43,169.38	
Land		-	2,792,945.57	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	124,519.08	-	
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	\$ 7,396,765.95	\$ 43,169.38	\$ 138,646.79

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 9/30/2010 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 8/1/2013 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 2018

As of December 31, 2017

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2017	77,180.29				
Transfer to Mega Park Funding-Other Than Bonds ¹	(20,000.00)				
Contingency					
Miscellaneous contingency items		\$ 98,680.29	\$ 0.00	\$ -	\$ 98,680.29
Berry Hill Wilmot Project (Lot 3B)			7,314.00		\$ (7,314.00)
Total Contingency Budget		<u>98,680.29</u>	<u>7,314.00</u>	<u>-</u>	<u>91,366.29</u>
Legal		80,000.00	17,587.00	-	62,413.00
Accounting		20,300.00	20,900.00	(600.00)	-
Annual Bank Fees		600.00		-	600.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	1,044.76	-	2,955.24
Utilities		500.00	122.80	-	377.20
Insurance		3,000.00		-	3,000.00
Total		<u>\$ 207,180.29</u>	<u>\$ 207,180.29</u>	<u>\$ 46,968.56</u>	<u>\$ (600.00)</u>
					<u><u>\$ 160,811.73</u></u>

¹ - Transfer to Mega Park Fund-Other Funds for \$20,000 to cover contingent liability due to Appalachian Power Company if RIFA cancels the development of Lot 8 at Berry Hill Mega Park or delays completion of the project beyond January 31, 2019. The \$20,000 would cover mobilization and other line relocation costs of Appalachian Power Company. Reference Resolution No. 2017-08-14-5C. (Note Appalachian is a unit of American Electric Power (AEP)).

Danville-Pittsylvania Regional Industrial Facility Authority
Mega Park - Funding Other than Bond Funds
As of December 31, 2017

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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 Comm. 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				
Contingency funds allocated per Resolution 2017-08-14-5C ⁹	20,000.00				
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	987,879.29	2,970.71	
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	-	
Transfer from General Funds contingency ⁹		20,000.00		20,000.00	
Total	\$ 14,251,524.83	\$ 14,251,524.83	\$ 14,228,554.12	\$ 22,970.71	\$ (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

⁹ As approved by RIFA Board on 8/14/2017

Danville-Pittsylvania Regional Industrial Facility Authority
Berry Hill Mega Park - Lot 4 Site Development
As of December 31, 2017

Funding	Funding	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
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.		2,454,957.24	1,541,812.81	913,144.43	
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	77,027.64	64,968.36	
Banister Bend Farm, LLC - Wetland and Stream Credits		122,968.00	122,968.00	-	
DEQ - Construction Activity General Permit		9,600.00	9,600.00	-	
Haymes Brothers, Inc. - Construction on Phase 1 Graded Pad		4,072,642.15	3,680,213.49	392,428.66	
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	\$ 6,751,400.04	\$ 5,380,858.59	\$ 1,370,541.45	<u>\$ 1,148,956.11</u>

¹ \$300,000 of this was received from each locality 6-2014. \$450,000 received 8-2014. \$450,000 received 9-2014.

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 for Fiscal Year 2018
As of December 31, 2017

<i>Source of Funds</i>	<u>Funding</u>			<u>Expenditures</u> FY2018	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2017</u>	<u>Receipts</u> <u>Current</u> <u>Month</u>	<u>Receipts</u> <u>FY2018</u>		
<u>Carryforward</u>	\$ 630,797.74				
<u>Current Lessees</u>					
Institute for Advanced Learning and Research (IALR) ¹		<u>Park</u>	<u>Property</u>		
Capital Outdoor, Inc.		Cyberpark	Hawkins Research Bldg.	\$ 21,400.32	\$ 128,401.92
		Cane Creek	Lot 6	-	1,800.00
<u>Total Rent</u>				\$ 21,400.32	\$ 130,201.92
<u>Interest Received</u> ²				\$ 423.07	\$ 3,038.21
<u>Miscellaneous Income</u>				\$ 85,500.00	\$ 85,500.00
<u>Expenditures</u>					
Hawkins Research Bldg. Property Mgmt. Fee					\$ 107,001.60
Totals	\$ 630,797.74	\$ 107,323.39	\$ 218,740.13	\$ 107,001.60	\$ 742,536.27

Restricted ¹	\$ 335,095.38
Unrestricted	\$ 407,440.89

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, 2017*

	Unaudited FY 2018
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,034,353
Cash - money market	792,311
<i>Total current assets</i>	1,826,664
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	188,316
Restricted cash - debt service fund CCC bonds	424,126
Restricted cash - debt service fund Berry Hill bonds	22
Restricted cash - debt service reserve fund Berry Hill bonds	1,951,083
Capital assets not being depreciated	24,885,889
Capital assets being depreciated, net	23,796,253
Construction in progress	7,226,063
<i>Total noncurrent assets</i>	58,471,752
Total assets	60,298,416
Liabilities	
<i>Current liabilities</i>	
Bonds payable - current portion	1,673,450
<i>Total current liabilities</i>	1,673,450
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	3,468,190
<i>Total noncurrent liabilities</i>	3,468,190
Total liabilities	5,141,640
Net Position	
Net investment in capital assets	50,954,881
Restricted - debt reserves	2,375,231
Unrestricted	1,826,664
Total net position	\$ 55,156,776

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, 2017 as of December 27, 2017, 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, 2017*

	Unaudited FY 2018
Operating revenues	
Virginia Tobacco Commission Grants	1,434,773
Reimbursement of incentive grants	-
Rental income	131,677
Other Income	85,500
Total operating revenues	1,651,950
Operating expenses ⁴	
Mega Park expenses ³	1,416,222
Cane Creek Centre expenses ³	13,767
Cyber Park expenses ³	109,821
Professional fees	38,807
Insurance	2,199
Other operating expenses	1,441
Total operating expenses	1,582,257
Operating income (loss)	69,693
Non-operating revenues (expenses)	
Interest income	10,207
Interest expense	(51,703)
Total non-operating expenses, net	(41,496)
Net income (loss) before capital contributions	28,197
Capital contributions	
Contribution - City of Danville	724,694
Contribution - Pittsylvania County	724,694
Total capital contributions	1,449,388
Change in net position	1,477,585
Net position at July 1, 2017	53,679,191
Net position at December 31, 2017	\$ 55,156,776

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.

⁵ Please note this statement will change once all FY2018 entries are made and may also change depending on audit adjustments, if any, for FY2018 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
December 31, 2017*

	Unaudited FY 2018
Operating activities	
Receipts from grant reimbursement requests	\$ 2,811,392
Receipts from leases	130,200
Other receipts	85,500
Payments to suppliers for goods and services	(2,583,530)
Net cash used by operating activities	443,562
Capital and related financing activities	
Capital contributions	1,146,222
Interest paid on bonds	(98,255)
Principal repayments on bonds	(845,000)
Net cash provided by capital and related financing activities	202,967
Investing activities	
Interest received	10,207
Net cash provided by investing activities	10,207
Net increase (decrease) in cash and cash equivalents	656,736
Cash and cash equivalents - beginning of year (including restricted cash)	3,733,475
Cash and cash equivalents - through December 31, 2017 (including restricted cash)	\$ 4,390,211
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ 69,693
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	230
Change in other receivables	1,376,619
Change in accounts payable	(1,001,505)
Change in unearned income	(1,475)
Net cash used by operating activities	\$ 443,562

Components of cash and cash equivalents at December 31, 2017:

American National - Checking	\$ 1,034,353
American National - General money market	792,311
Wells Fargo - \$7.3M Bonds CCC Debt service fund	424,126
Wells Fargo - \$7.3M Bonds CCC Project fund	188,316
US Bank - \$11.25M Bonds Berry Hill Debt service fund	22
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	1,951,083
	\$ 4,390,211