

# **Danville-Pittsylvania Regional Industrial Facility Authority**

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

## **AGENDA**

**April 9, 2018**

**12:00 P.M.**

**Institute for Advanced Learning and Research  
150 Slayton Avenue, Room 206  
Danville, Virginia**

### **County of Pittsylvania Members**

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

### **City of Danville Members**

**Sherman M. Saunders, Vice 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 MARCH 12, 2018 MEETING**

### **5. NEW BUSINESS**

- A. Consideration of Resolution No. 2018-04-09-5A, approving a one-year renewal of the Lease to the Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Berry Hill Project (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia; the Lease Term shall be subject to a right of Landlord to show the demised premises upon 24-hours notice and the obligation of Tenant to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law; the Authority shall have the right to early terminate the Lease with at least 30-days notice; and the Lease shall be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$1,000. – Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority
- B. Consideration of Resolution No. 2018-04-09-5B, formalizing an internal procedure for the Authority's staff to approve certain project approvals and notices from the Authority - Brian K. Bradner, P.E., Vice President, Dewberry Engineers, Inc. and Mr. Guanzon
- C. Consideration of Resolution No. 2018-04-09-5C, approving that certain Proposal for Professional Services dated March 23, 2018, for Phase 1 Pad Expansion of the Authority's Berry Hill Mega Park project to make the pad more marketable to larger industries at (i) an aggregate lump sum of \$189,500 for wetland permit modification and preliminary engineering (\$90,000), final construction plans and specifications (\$60,000) and construction administration services (\$39,500), and (ii) a budget estimate of \$45,000 for construction testing and inspection services, subject, however, to grant use approval from the Virginia Tobacco Regional Revitalization Commission – Mr. Bradner.
- D. Financial Status Reports as of March 31, 2018 – Michael L. Adkins, CPA, Treasurer of the Authority, and/or Henrietta Weaver, CPA, City of Danville, Virginia

## **Danville-Pittsylvania Regional Industrial Facility Authority**

### **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 (i) 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 (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority’s Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority’s Berry Hill Mega Site project subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); 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.

### **RETURN TO OPEN SESSION**

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

### **7. COMMUNICATIONS FROM:**

- Authority Board Members
- Staff

### **8. ADJOURN**

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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<b>Agenda Item No.:</b>	Item 4
<b>Meeting Date:</b>	04/09/18
<b>Subject:</b>	Meeting Minutes
<b>From:</b>	Susan M. DeMasi, Authority Secretary

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### **SUMMARY**

Attached for the Board's review and approval are the Meeting Minutes from the Tuesday, March 12, 2018 meeting.

### **ATTACHMENTS**

Meeting Minutes – 03/12/18

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 12, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:12 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Robert W. Warren, Ronald S. Searce and Alternate Elton W. Blackstock. *Mr. Vogler entered the meeting at 12:14 p.m.*

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, Pittsylvania County Director of Economic Development Matt Rowe, City of Danville Director of Finance Michael Adkins, Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner from Dewberry & Davis and Danville City Council Member Madison Whittle.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE FEBRUARY 12, 2018 MEETING**

Upon **Motion** by Mr. Saunders and **second** by Mr. Searce, Minutes of the February 12, 2018 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. CONSIDERATION – RESOLUTION 2018-03-12-5A – ACCEPTING THE BID FROM HAYMES BROTHERS FOR BERRY HILL PHASE I SANITARY SEWER PROJECT**

Brian Bradner with Dewberry explained bids were received on the Berry Hill Phase 1 Sanitary Sewer Project; after review of the bids, it was determined that Haymes Brothers was the apparent low bidder. Staff has been working with Haymes and recommends an award be made to Haymes in the amount of \$4,809,414.75.

Mr. Shanks questioned if any of the bids changed after they were received; he thought the low bidder was someone from out of state; Mr. Bradner noted that was correct. There was a provision within the contract documents that if a bidder makes a material error in the bid, they have within twenty-four hours to notify; as long as they can produce evidence of that, they are allowed to withdraw. Mr. Bradner noted the initial apparent low bidder, S.J. Construction, were very low on bid day and staff had that suspicion. Within the twenty-four hour window they made notice that they would like to withdraw and they submitted subsequent information that verified that.

Mr. Guanzon explained one thing that needed to be clarified is that RIFA is exempt from procurement; in another part of the project, staff went through a lot of the steps that the Procurement Act would require, had RIFA been subject to it; all the bids originally came in over available funds. With the next responsive bidder, staff had to negotiate to get it within

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the available funds which is based on the Tobacco Commission grant amount. RIFA is exempt from the procurement act but has done this in the past depending on the type of project, for issues of transparency; it is not required and RIFA is not really waiving its rights to be exempt.

Mr. Saunders stated RIFA is exempt from the Procurement Act and Mr. Guanzon noted it was, for its own projects that RIFA is doing, it is exempt from construction procurement; it is actually in the Virginia Code. Mr. Saunders asked if that exemption will apply to Pittsylvania County when they start their RIFA and Mr. Guanzon noted all RIFAs have that exemption. That is the reason why it is very important how things are done because the County and the City are not exempt, even though they are members. If it is a RIFA project, then it is exempt from procurement.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-03-12-5A, accepting the bid on or before February 21, 2018, from Haymes Brothers, Inc., a Virginia corporation, as the lowest responsive and responsible bidder submitted for Berry Hill Commerce Centre – Phase I Sanitary Sewer project, which includes among other things the Trotters Creek Gravity Sewer project, McGuffs Creek Gravity Sewer project, Pump Station & Access Drive project, and Force Main & Waterline project as more particularly described in that certain Advertisement for Bids dated January 11, 2018, issued by the Authority; such bid having been negotiated consistent with Virginia Code §2.2-4318 and others in order to obtain a contract price of \$4,809,414.75 which is within available funds of the Authority.*

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

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

**5B. CONSIDERATION – RESOLUTION 2018-03-12-5B – APPROVING THE PROPOSAL FOR PROFESSIONAL SERVICES DATED JANUARY 11, 2018 FROM DEWBERRY ENGINEERS**

Brian Bradner from Dewberry explained this is for services related to the construction administration and inspection of the upcoming water line construction which will follow after the sanitary. It is very similar in nature, there are Tobacco grants and they are going to maximize the amount of work that can be done within that Tobacco grant. This line is going to run through a portion of the park to the state line, it involves normal construction administration items that need to be done as the engineer of record, and also to have the inspection component as well.

Mr. Shanks questioned is the water line coming from Eden and Mr. Bradner noted that was correct. Mr. Shanks asked if there was a Pittsylvania County line that comes in from the other side. Mr. Bradner explained there is a Pittsylvania County line so there will be the ability to do some level of interconnection there. There is a line that currently could provide service to the park from the north that comes off the Henry County and City of Danville, but it is limited in the amount that it can provide. This would provide connection with the City of Eden, and it is going to provide the bulk water capacity.

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Mr. Saunders **moved** for adoption of *Resolution No. 2018-03-12-5B, approving that certain Proposal for Professional Services dated January 11, 2018, by Dewberry Engineers Inc., a New York corporation, related to modifying design documents and providing construction phase services for water infrastructure to serve the Authority's Berry Hill Mega Park project at (i) an aggregate lump sum of \$149,600 for review and update basis of design, plans and specifications, consolidation of design documents, permit applications and reviews, and construction administrative services and (ii) an estimated fee of \$45,000 (to be billed at \$65 per hour) for resident inspection, in addition to a railroad pipe occupancy permit fee estimated at \$30,000 payable by the Authority to Norfolk Southern Railway.*

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

VOTE: 4-0  
AYE: Warren, Scarce, Saunders and Shanks (4)  
NAY: None (0)

**5C. CONSIDERATION – RESOLUTION 2018-03-12-5C – APPROVING THE PROPOSAL FOR PROFESSIONAL SERVICES DATED JANUARY 11, 2018 FOR PHASE 1 PAD EXPANSION.**

Mr. Warren noted staff has asked the Board to Table Item C, and asked for a Motion to Table Item 5C.

Mr. Shanks moved to **TABLE** Resolution No. 2018-03-12-5C, approving that certain Proposal for Professional Services dated January 11, 2018, for Phase 1 Pad Expansion of the Authority's Berry Hill Mega Park project to make the pad more marketable to larger industries at (i) an aggregate lump sum of \$189,500 for wetland permit modification (\$65,000), grading construction plans and specifications (\$85,000) and construction administration services (\$39,500), and (ii) a budget estimate of \$45,000 for construction testing and inspection services.

The Motion to Table was **seconded** by Mr. Scarce and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Scarce, Saunders and Shanks (4)  
NAY: None (0)

**5D. FINANCIAL STATUS REPORT AS OF FEBRUARY 28, 2018**

Authority Treasurer Michael Adkins gave the Financial Status report as of February 28, 2018 beginning with the \$7.3M Bonds for Cane Creek which showed no activity for the month of February. General Expenditures show \$1,894 paid to the City of Danville Public Works for street light repairs at the Cyber Park, \$261 for meals and \$61 for monthly utilities. Mega Park Funding Other than Bond Funds show no activity for the month of February. Berry Hill Lot 4 Site Development shows no activity for the month of February but RIFA does have the final bill for Haymes and next month will show that. Rent, Interest and Other Income shows RIFA received \$20,654 from the Institute for Advanced Learning and Research, \$438 in interest, and paid \$21,400 to the Institute for the Hawkins' Building maintenance.

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

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

**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 12:23 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

A. As permitted by § 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 (i) 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 (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority’s Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority’s Berry Hill Mega Site project subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); 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. Searce and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

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D. On **Motion** by Mr. Shanks and **second** by Mr. Saunders and by unanimous vote at 1:31 p.m., the Authority returned to open meeting.

E. Mr. Saunders **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. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Scearce, Saunders and Shanks (4)  
NAY: None (0)

**7. COMMUNICATIONS**

Mr. Warren congratulated Mr. Bradner on his promotion to Vice President.

Mr. Shanks asked Mr. Bradner to let Mr. Harden know that the Board is thinking of him and their prayers for his recovery.

Mr. Warren reminded everyone to be safe leaving today.

Meeting adjourned at 1:34 p.m.

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Chairman

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Secretary to the Authority

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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<b>Agenda Item No.:</b>	Item 5A
<b>Meeting Date:</b>	04/09/2018
<b>Subject:</b>	Osborne Company Lease Renewal
<b>From:</b>	Michael C. Guanzon, Esq., Clement Wheatley Legal Counsel to the Authority

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### **SUMMARY**

The Board will review a request for a one-year lease renewal with the Osborne Company of North Carolina for property in the Authority's Mega Park.

### **ATTACHMENTS**

Resolution 2018-04-09-5A

**Resolution No. 2018-04-09-5A**

**A RESOLUTION APPROVING A ONE-YEAR RENEWAL OF THE LEASE TO THE OSBORNE COMPANY OF NORTH CAROLINA, INC., A NORTH CAROLINA CORPORATION, OF APPROXIMATELY 100 ACRES OF PASTURELAND IN THE AUTHORITY'S BERRY HILL PROJECT (A PORTION OF GPINs 1366-78-4718 AND 1367-70-4519), COMMONLY KNOWN AS 4380 BERRY HILL ROAD, IN PITTSYLVANIA COUNTY, VIRGINIA; THE LEASE TERM SHALL BE SUBJECT TO A RIGHT OF LANDLORD TO SHOW THE DEMISED PREMISES UPON AT LEAST 24-HOURS NOTICE AND THE OBLIGATION OF TENANT TO KEEP THE IDENTITY OF ANY PROSPECTIVE BUSINESS RECRUITS CONFIDENTIAL UNTIL A PUBLIC ANNOUNCEMENT IS MADE, IF EVER, OR AS OTHERWISE REQUIRED BY LAW; THE AUTHORITY SHLL HAVE THE RIGHT TO EARLY TERMINATE THE LEASE WITH AT LEAST 30-DAYS NOTICE; AND THE LEASE SHALL BE FOR THE USE OF HARVESTING GRASS HAY AND INCIDENTAL USES ACCEPTABLE TO THE AUTHORITY, AT A TOTAL RENTAL FEE OF \$1,000.**

**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 Osborne Company of North Carolina, Inc., a North Carolina corporation, entered into that certain Lease Agreement with the Authority, dated May 9, 2011, as amended and renewed (the "Lease"), for the lease of one hundred (100) acres, more or less, of pasture land in the Authority's Berry Hill project (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia, for the use of harvesting grass hay and incidental uses acceptable to the Authority, which Lease was subsequently renewed by the parties, at a total rental fee of One Thousand Dollars (\$1,000); and

**WHEREAS**, the current term of the Lease expires on May 15, 2018; and

**WHEREAS**, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County and the City of Danville, Virginia, for the Authority to enter into a one-year renewal of the Lease at a total rental fee of One Thousand and 00/100 Dollars (\$1,000), subject to (i) a 30-day right of early termination by the Authority, (ii) the right of the Authority upon at least twenty-four (24) hours' notice to Tenant to enter upon and to show the demised premises to prospective business recruits, and (iii) Tenant's agreement to keep in strictest confidence the identity of any such prospective business recruits until a public announcement is made by the Authority, if ever, or as otherwise required by law; and

**WHEREAS**, the terms of such proposed renewal are set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Renewal"); and

**WHEREAS**, the Authority finds appropriate and proper that in the event both the Director of Economic Development for Pittsylvania County, Virginia, and the Director of Economic

**Resolution No. 2018-04-09-5A**

Development for the City of Danville, Virginia (collectively, the “**Authority Staff Leadership**”), recommend that the Lease be terminated early in order to facilitate the orderly and efficient development of the real property covered by the Lease, each of the Chairman and the Vice Chairman should be authorized to exercise the Authority’s right of early termination under the Lease.

**NOW, THEREFORE, BE IT RESOLVED**, that

1. The Authority hereby approves the Renewal as reviewed at this meeting, together with such amendments, deletions or additions thereto as may be approved by the Chairman or the Vice Chairman of the Authority, and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver the Renewal on behalf of the Authority, such execution of the Renewal by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any amendments, deletions or additions thereto.

2. In the event that the Authority Staff Leadership recommends that the Lease be terminated early in order to facilitate the orderly and efficient development of the real property covered by the Lease, the Chairman and the Vice Chairman, either of whom may act independently of the other, are hereby authorized to exercise the Authority’s right of early termination under the Lease.

3. 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 are contemplated by the Renewal, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Renewal and the matters contemplated therein.

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

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**Resolution No. 2018-04-09-5A**

**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 April 9, 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 9th day of April 2018.

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

(SEAL)

Exhibit A

**THIS 2018 LEASE RENEWAL**, made as of the 15th day of May 2018, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Landlord**”); and **THE OSBORNE COMPANY OF NORTH CAROLINA, INC.**, a North Carolina corporation (“**Tenant**”);

**WITNESSETH:**

**WHEREAS**, Landlord and Tenant entered into that certain Lease Agreement dated as of May 9, 2011 (the “**Lease**”), which has been subsequently renewed, for that certain real property located in Landlord’s Berry Hill project in Pittsylvania County, Virginia, containing an aggregate of 100 acres, more or less, commonly known as 4380 Berry Hill Road (a portion of GPINs 1366-78-4718 and 1367-70-4519); and

**WHEREAS**, Landlord and Tenant desire to renew the Lease for an additional one (1) year term, subject to an early termination right by Landlord, and provide for the payment of additional rent during such renewal term, all as set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants contained in this Lease, the parties agree as follows:

1. The “**Renewal Term**” shall be for a term of one (1) year beginning on May 15, 2018, and ending on May 15, 2019. The “**Term**” (as defined in the Lease) shall include the initial Term and any Renewal Term.
2. Prior to the end of the Renewal Term, Landlord shall have the right to terminate the Lease upon giving at least thirty (30) days prior written notice to Tenant, in which event Landlord shall reimburse Tenant for a pro rata portion of the Additional Rent (as hereafter defined) covering the period between the date of termination and May 15, 2019.
3. Tenant agrees to pay to Landlord as additional rent (“**Additional Rent**”) for the Renewal Term set forth herein the amount of One Thousand and 00/100 Dollars (\$1,000.00), due and payable on the first day of the Renewal Term set forth herein. The “**Base Rent**” (as defined in the Lease) shall include the Base Rent payable for the initial Term and any Additional Rent payable for any Renewal Term.
4. At any time during the Renewal Term, Landlord shall have the right, upon at least twenty-four (24) hours’ notice to Tenant (which can be by telephone or by e-mail), to enter upon and to show the demised premises to prospective business recruits (the “**Recruits**”).
5. Tenant agrees to keep in strictest confidence the identity of any Recruits until a public announcement is made by Landlord, if ever, or as otherwise required by law.
6. All other terms and conditions of the Lease not specifically changed herein shall remain in full force and effect.

**[SIGNATURES ON FOLLOWING PAGE]**

WITNESS the following signatures to this **2018 LEASE RENEWAL**:

**LANDLORD:**

**DANVILLE-PITTSYLVANIA REGIONAL  
INDUSTRIAL FACILITY AUTHORITY**, a political  
subdivision of the Commonwealth of Virginia

*[DO NOT SIGN – EXHIBIT ONLY]*

By: \_\_\_\_\_  
Robert W. Warren, Chairman

**TENANT:**

**THE OSBORNE COMPANY OF NORTH  
CAROLINA, INC.**, a North Carolina corporation

*[DO NOT SIGN – EXHIBIT ONLY]*

By: \_\_\_\_\_  
Peter F. Osborne, President

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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<b>Agenda Item No.:</b>	Item 5B
<b>Meeting Date:</b>	04/09/2018
<b>Subject:</b>	Formalizing Internal Procedure
<b>From:</b>	Brian K. Bradner, Vice President Dewberry Engineers, Inc.

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### **SUMMARY**

The Board will review a request for formalizing an internal procedure to approve certain project approvals and notices.

### **ATTACHMENTS**

Resolution 2018-04-09-5B

**A RESOLUTION FORMALIZING AN INTERNAL PROCEDURE FOR THE AUTHORITY'S STAFF TO APPROVE CERTAIN PROJECT APPROVALS AND NOTICES FROM THE AUTHORITY, SUBJECT IN ALL CASES TO CERTAIN STAFF APPROVAL LIMITATIONS**

**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 (Virginia Code §§ 15.2-6400 *et seq.*) as amended; and

**WHEREAS**, the Authority has adopted and may adopt resolutions authorizing or approving certain development projects and their associated the costs and expenses under written contracts (each, a "**Project Contract**"); and

**WHEREAS**, under a Project Contract, the Authority has certain rights and obligations, the exercise or performance of which might require a written approval or notice from the Authority; and

**WHEREAS**, it has been the internal procedure of the Authority that the Authority staff from the locality member in which the project is located (i.e., Danville or Pittsylvania County) is delegated to gives such approvals or notices on behalf of the Authority (the "**Internal Approval/Notice Procedure**"), except those pertaining to amendment of a Project Contract, termination of a Project Contract, exercise of other remedies of the Authority, waiver of Authority's rights or remedies, renewal of a Project Contract or authorization of material change orders resulting in a Project cost increase (collectively, "**Staff Approval Limitations**"); and

**WHEREAS**, the Authority has determined that formalizing the Internal Approval/Notice Procedure will improve the Authority's operations and efficiency, and will advance its development projects.

**NOW, THEREFORE, BE IT RESOLVED**, that

1. The Authority hereby formalizes and adopts the Internal Approval/Notice Procedure, subject to Staff Approval Limitations. In addition, the Internal Approval/Notice Procedure shall include the following:
  - a. Prior to an approval or notice by an Authority staff member on behalf of the Authority under the Internal Approval/Notice Procedure, such staff member shall consult with, and receive oral or written approval from, the City Manager (if the Project is located in Danville) or the County Administrator (if the Project is located in Pittsylvania County).
  - b. In the event that there is a question of whether a proposed approval or notice by an Authority staff member is prohibited by Staff Approval Limitations, legal counsel to the Authority should be promptly consulted.

**Resolution No. 2018-04-09-5B**

- c. A copy of each approval or notice given by an Authority staff member on behalf of the Authority under the Internal Approval/Notice Procedure shall be promptly reported to the Secretary of the Authority.
- d. The Authority staff member shall report on those approvals or notices at the next regular meeting of the Authority.
- e. At all times, the Chairman or Vice Chairman of the Authority shall have the power to suspend or to revoke any authority given under the Internal Approval/Notice Procedure to an Authority staff member.

2. The Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver such other documents in connection with the formalization of the Internal Approval/Notice Procedure, as may be approved by the Chairman (or the Vice Chairman as the case may be), such execution by the Chairman (or the Vice Chairman as the case may be) to conclusively establish his approval of such other documents.

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the formalization and adoption of the Internal Approval/Notice Procedure and the matters contemplated in this Resolution.

4. 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 April 9, 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 9th day of April 2018.

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Susan M. DeMasi, Secretary  
Danville-Pittsylvania Regional Industrial Facility  
Authority

(SEAL)

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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<b>Agenda Item No.:</b>	Item 5C
<b>Meeting Date:</b>	04/09/2018
<b>Subject:</b>	Approving Proposal for Professional Services
<b>From:</b>	Brian K. Bradner, Vice President Dewberry Engineers, Inc.

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### **SUMMARY**

The Board will review a Resolution approving a Proposal for Professional Services dated March 23, 2018 for Phase 1 Pad Expansion at Berry Hill.

### **ATTACHMENTS**

Resolution 2018-04-09-5C  
Dewberry Letter

**RESOLUTION APPROVING THAT CERTAIN PROPOSAL FOR PROFESSIONAL SERVICES DATED MARCH 23, 2018, FOR PHASE 1 PAD EXPANSION OF THE AUTHORITY’S BERRY HILL MEGA PARK PROJECT TO MAKE THE PAD MORE MARKETABLE TO LARGER INDUSTRIES AT (I) AN AGGREGATE LUMP SUM OF \$189,500 FOR WETLAND PERMIT MODIFICATION (\$65,000), GRADING CONSTRUCTION PLANS AND SPECIFICATIONS (\$85,000) AND CONSTRUCTION ADMINISTRATION SERVICES (\$39,500), AND (II) A BUDGET ESTIMATE OF \$45,000 FOR CONSTRUCTION TESTING AND INSPECTION SERVICES, SUBJECT, HOWEVER, TO GRANT USE APPROVAL FROM THE VIRGINIA TOBACCO REGIONAL REVITALIZATION COMMISSION**

**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 finds that as part of the development of the Authority's Berry Hill Industrial Park project (the "**Berry Hill Project**") located in Pittsylvania County, Virginia, certain engineering services related to Phase 1 pad expansion to make the pad more marketable to larger industries; and

**WHEREAS**, these engineering services are more particularly described in that certain “Proposal for Professional Services: Berry Hill Industrial Park – Phase 1 Pad Expansion”, dated March 23, 2018, from Dewberry Engineers Inc., a New York corporation (the “**Proposal**”), a copy of which is attached as **Exhibit A**, incorporated herein by this reference; and

**WHEREAS**, under the Proposal, the fees for these engineering services are itemized as follows: (i) an aggregate lump sum of \$189,500 for wetland permit modification and preliminary engineering (\$90,000), final construction plans and specifications (\$60,000) and construction administration services (\$39,500), and (ii) a budget estimate of \$45,000 for construction testing and inspection services; and

**WHEREAS**, the fiscal agent of the Authority has determined that funding for the Proposal is within “Lot 4 Site Development”, a funding sheet under the budget previously approved by the Authority for this project for this purpose; and

**WHEREAS**, the Board of Directors of the Authority has hereby determined, in open session, that the Proposal is reasonable and necessary; that the Proposal, in furtherance of the development of the Berry Hill Project, serves the purpose of the Authority to enhance the economic base of the City of Danville (the “**City**”) and Pittsylvania County (the “**County**”) by developing, owning, and operating the Berry Hill Project on a cooperative basis involving the City and the County; and that it is in the best interests of the Authority and the citizens of the City and the County for the Authority to authorize, approve, execute and adopt in all respects the Proposal.

**NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:**

**Resolution No. 2018-04-09-5C**

1. The Authority hereby authorizes and directs its Chairman and/or Vice Chairman, either of whom may act independently of the other, to execute and deliver, and otherwise pursue, the Proposal, together with such further amendments, deletions or additions to the Proposal, so long as the costs under the Proposal does not exceed five percent (5%) of the amounts set forth in the Proposal, as may be approved by the Chairman or the Vice Chairman, such execution by the Chairman or the Vice Chairman to conclusively establish his approval of the Proposal or such other related documents and any amendments, deletions or additions thereto. However, the work under the Proposal shall not commence until the Authority has received grant use approval from the Virginia Tobacco Regional Revitalization Commission.

2. The Authority hereby authorizes its Chairman and Vice Chairman, either of whom may act independently of the other, to execute and deliver such other documents in connection with the Proposal, as may be approved by its Chairman or Vice Chairman (as the case may be), such execution by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of such other documents.

3. 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 are contemplated by the Proposal or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of this Resolution.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Proposal and the matters contemplated in this Resolution.

5. 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 April 9, 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 as of the 9th day of April 2018.

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

(SEAL)

**Exhibit A**

[Dewberry Engineers Inc. – 01/11/2018 Proposal Re Phase 1 Pad Expansion]



March 23, 2018

**Mr. Robert “Bob” Warren**

Chairman

Danville-Pittsylvania Regional Industrial Facility Authority (RIFA)

P.O. Box 3300

Danville, Virginia 24543

RE: Proposal for Professional Services:  
Berry Hill Industrial Park - Phase 1 Pad Expansion

Dear Mr. Warren:

Dewberry Engineers Inc. (Dewberry) has been assisting the Danville Pittsylvania County Regional Industrial Facility Authority (RIFA) with development of the Berry Hill Industrial Park. The Phase 1 Pad Grading is nearing completion and RIFA wishes to expand the pad to make it more marketable to larger industries.

#### UNDERSTANDING OF THE PROJECT

The extents of pad grading in Phase 1 development were based on industry specific layouts prepared using design criteria specified in the market study prepared by Jones Lang LaSalle in 2014. Phase 1 development plans were prepared to keep the wetland/WOUS impacts under the threshold of a State Program General Permit (1 acre wetlands and 2,000 LF of WOUS impacts). The selected layout provided ±133 acres of pad area capable of supporting up to 1,830,000 SF of total building area (multiple buildings). RIFA now desires to expand the phase 1 pad to increase the marketable to larger industry.

It is assumed that this work will be processed as a Change Order with the Phase I Pad contractor, Haymes Brothers, Inc.

#### SCOPE OF SERVICES

Dewberry proposes to provide the following Scope of Services with associated fees:

##### Item 1 - Wetland Permit Modification and Preliminary Engineering

Dewberry will revise the existing SPGP permit application for this phase 1 pad expansion. The revised permit application will become an Individual Permit from the US Army Corps of Engineers and the Virginia Department of Environmental Quality. Dewberry will attend up to three (3) meetings with the Corps/DEQ and prepare up to two (2) revisions to the permit application. It is assumed that mitigation will be handled by the purchase of wetland/stream credits from an approved bank. It is assumed that any Corps requested off-site alternatives analysis will only include County/City owned properties. Dewberry will prepare up to five (5) separate layouts on County/City properties for this analysis. This scope of work does not include a revised threatened and endangered species search or a revised cultural resources study. In addition, this scope of work does not include any updated biological, chemical or physical assessments for the surrounding streams and rivers. Should the Corps requests these items, Dewberry will request an amendment to our contract to complete these services.

To accurately identify proposed impacts and limits of construction, preliminary engineering for the improvements will be required. This will include:

- Preliminary Existing Condition and Demolition Plan
- Preliminary Erosion and Sediment Control Plan
- Preliminary Grading Plans (Overall and Detailed)
- Preliminary Stormwater Management Plan (Overall and Detailed)

Existing aerial surveys, contractor submitted as-built surveys, current wetland delineations, and plans previously prepared, will be used as base mapping for the project. No additional land surveying will be completed. It is assumed stormwater management requirements will be addressed through the modification of two existing ponds.

#### Item 2 - Final Construction Plans and Specifications

Dewberry will prepare detailed final construction documents for the grading of a ±27 pad acre expansion based on the preliminary plans described above. Dewberry will use existing geotechnical information to review potential maximum cut/fill depth to minimize rock excavation where possible. Final Plans will include:

- Existing Condition and Demolition Plan
- Phase 1 Overall Erosion and Sediment Control Plan
- Phase 1 Detailed Erosion and Sediment Control Plan (three sheets)
- Phase 2 Overall Erosion and Sediment Control Plan
- Phase 2 Detailed Erosion and Sediment Control Plan (three sheets)
- Overall Grading Plan
- Detailed Grading Plan (three sheets)
- Overall Stormwater Management Plan
- Detailed Stormwater Management Plan (modification of two existing ponds)
- Technical Specifications

The stormwater management program will be designed to meet current (2014) VSMP requirements. Stormwater quantity calculations and pond sizes will be based on impervious areas depicted on the Corps permitted layout. Stormwater quality calculations will be based on the graded pad area flowing to each stormwater quality measure. Once completed, Dewberry will submit the final plans and associated calculations to Pittsylvania County and DEQ for review and approval.

#### Item 3 – Construction Administration Services

Dewberry will provide Construction Administration Services (CONA) for the Phase 1 pad expansion to consist of the following:

- Contract Negotiation – Dewberry will assist the Client in negotiating a change order price with Haymes Brothers for the completion of this work.
- Construction Administration Services – Dewberry will provide construction administration (CONA) services that will include the following:
  - Prepare and distribute meeting minutes from all construction meetings (assumes 8 meetings).
  - Monthly progress meetings with contractor until completion (assumes 8 meetings over an 8 month construction time).
  - Review shop drawings.
  - Review monthly pay requests.
  - **Review and respond to Contractor Requests for Information (RFI's).**
  - Attend substantial and final completion inspection (two meetings).
  - Prepare project closeout documentation.

Mr. Robert "Bob" Warren  
March 23, 2018

Item 4 – Construction Testing and Inspection Services

Dewberry will subcontract with Froehling & Robertson, Inc. (F&R) for Construction Testing and Inspection Services. These services will include testing and inspections of earthwork for the Pad area and Storm Water Management installation. F&R will be onsite as needed to perform required testing and inspections in general accordance with the project documents. F&R will collect and test bulk soil samples and aggregate base material samples for the determination of soil compaction properties. It is anticipated that full time testing and inspection services will be needed for 6 months of the total 8 month construction time period. Dewberry will charge these services at cost plus 15%.

FEE SUMMARY

Below is a summary of fees for the respective services listed above:

- I. Lump Sum Tasks
  1. Item 1 - Wetland Permit Modification and Preliminary Engineering  
FEE: \$90,000.00 Lump Sum
  2. Item 2 – Final Construction Plans and Specifications  
FEE: \$60,000.00 Lump Sum
  3. Item 3 – Construction Administration Services  
FEE: \$39,500.00 Lump Sum

Subtotal: \$189,500.00 Lump Sum

- II. Budget Estimate Task
  1. Item 4 – Construction Testing and Inspection Services  
FEE: Budget Estimate \$45,000.00

TOTAL ESTIMATED FEE: \$234,500.00

Except as amended in this proposal, all other terms, provisions, and conditions of our current Agreement for Professional Services to develop the Berry Hill property, dated February 9, 2009 shall remain in full force and effect, and the parties ratify and confirm that the Agreement for Professional Services to develop the Berry Hill property, dated February 9, 2009, as amended by this proposal, is and remains in full force and effect.

Again, we appreciate the opportunity to submit this contract amendment and look forward to continuing to work with you on this project. Please do not hesitate to call if you have questions or wish to discuss the proposal or project further. The return of an executed copy of this proposal will serve as our authorization to proceed. Dewberry will not begin work under this contract until authorized by RIFA and City/County staff.

Sincerely,



Shawn R. Harden, PE  
Senior Associate



Brian K. Bradner, PE  
Vice President | Branch Manager

Attachment – Pad Expansion Exhibit

P:\50018376\Adm\Contract\2018.03.23. Amendment 19 Phase 1 Expansion.docx

Mr. Robert "Bob" Warren  
March 23, 2018

The foregoing Contract Amendment of Dewberry Engineers Inc. is accepted:

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Print (Type) Individual, Firm, or Corporate Name

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Signature of Authorized Representative                      Date

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Print (Type) Name of Authorized Representative and Title



# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

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<b>Agenda Item No.:</b>	Item 5D
<b>Meeting Date:</b>	April 9, 2018
<b>Subject:</b>	Financial Status Reports – March 31, 2018
<b>From:</b>	Michael L. Adkins, Authority Treasurer

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### **SUMMARY**

A review of the financial status reports through March 31, 2018 will be provided at the meeting. The financial status reports as of March 31, 2018 are attached for the DPRIFA Board's review.

### **RECOMMENDATION**

Staff recommends approving the financial status reports as of March 31, 2018 as presented.

### **ATTACHMENTS**

Financial Status Reports

# Financial Status

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## 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. Berry Hill Mega Park – Lot 8 Site Development
- F. Berry Hill Mega Park – Water & Sewer
- G. Rent, Interest, and Other Income Realized
- H. Unaudited Financial Statements

**Danville-Pittsylvania Regional Industrial Facility Authority**

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

As of March 31, 2018

<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 <sup>7</sup>	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
<b>Cane Creek Parkway <sup>3</sup></b>		\$3,804,576.00	\$3,724,241.16	\$ -	
<b>Swedwood Drive <sup>2</sup></b>		69,414.00	69,414.00	-	
<b>Cane Creek Centre entrance <sup>3</sup></b>		72,335.00	53,878.70	-	
<b>Financial Advisory Services</b>		9,900.00	9,900.00	-	
<b>Dewberry contracts <sup>1</sup></b>		69,582.50	69,582.50	-	
<b>Dewberry contracts not paid by 1.7 grant <sup>4,5</sup></b>		71,881.00	28,711.62	43,169.38	
<b>Land</b>		-	2,792,945.57	-	
<b>Demolition services</b>		71,261.62	71,261.62	-	
<b>Legal fees</b>		-	124,519.08	-	
<b>CCC - Lots 3 &amp; 9 project - RIFA Local Share <sup>6</sup></b>		142,190.00	112,464.98	-	
<b>Other expenditures</b>		-	339,846.72	-	
<b>Total</b>	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,396,765.95	\$ 43,169.38	<u>\$ 138,646.79</u>

**notes:**

<sup>1</sup> Dewberry Contracts consist of wetland, engineering, surveying and site preparation

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

<sup>3</sup> Project completed under budget

<sup>4</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> The \$7.3 million bonds were refunded on 8/1/2013 with the issuance of refunding bonds in the amount of \$5,595,000.

<b>Road Summary-Cane Creek Parkway:</b>	
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
<b>Total Road Contract Allocated to RIFA</b>	<b>\$ 5,271,916.00</b>

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

# Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2018

As of March 31, 2018

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<b>Funding</b>					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2017	77,180.29				
Transfer to Mega Park Funding-Other Than Bonds <sup>1</sup>	(20,000.00)				
<b>Contingency</b>					
Miscellaneous contingency items		\$ 98,680.29	\$ 19,472.51	\$ -	\$ 79,207.78
Berry Hill Wilmot Project (Lot 3B)			7,314.00		\$ (7,314.00)
<b>Total Contingency Budget</b>		<u>98,680.29</u>	<u>26,786.51</u>	<u>-</u>	<u>71,893.78</u>
<b>Legal</b>		80,000.00	56,001.90	-	23,998.10
<b>Accounting</b>		20,300.00	20,900.00	(600.00)	-
<b>Annual Bank Fees</b>		600.00	550.00	-	50.00
<b>Postage &amp; Shipping</b>		100.00		-	100.00
<b>Meals</b>		4,000.00	1,828.33	-	2,171.67
<b>Utilities</b>		500.00	245.60	-	254.40
<b>Insurance</b>		3,000.00		-	3,000.00
<b>Total</b>		<u>\$ 207,180.29</u>	<u>\$ 207,180.29</u>	<u>\$ (600.00)</u>	<u>\$ <b>101,467.95</b></u>

<sup>1</sup> - 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 March 31, 2018**

<b>Funding</b>	<b>Funding</b>	<b>Budget / Contract Amount</b>	<b>Expenditures</b>	<b>Encumbered</b>	<b>Unexpended / Unencumbered</b>
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property <sup>1,4</sup>	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 <sup>5</sup>	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 <sup>6</sup>	11,854.39				
Contingency funds allocated per Resolution 2017-08-14-5C <sup>9</sup>	20,000.00				
<b>Land</b>					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property <sup>2</sup>		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	-	
<b>Other</b>					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis <sup>3</sup>		990,850.00	987,879.29	2,970.71	
Consulting Services - McCallum Sweeney <sup>7</sup>		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project <sup>8</sup>		-	11,203.15	-	
Transfer from General Funds contingency <sup>9</sup>		20,000.00		20,000.00	
<b>Total</b>	<b>\$ 14,251,524.83</b>	<b>\$ 14,251,524.83</b>	<b>\$ 14,228,554.12</b>	<b>\$ 22,970.71</b>	<b>\$ (0.00)</b>

<sup>1</sup> 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.

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

<sup>3</sup> 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.

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

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> Unencumbered the remaining \$11,203.15 due to termination of contract.

<sup>8</sup> As approved by RIFA Board on 10/16/2014

<sup>9</sup> 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 March 31, 2018**

<b>Funding</b>	<b>Funding</b>	<b><u>Budget / Contract Amount</u></b>	<b><u>Expenditures</u></b>	<b><u>Encumbered</u></b>	<b><u>Unexpended / Unencumbered</u></b>
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion <sup>1</sup>	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion <sup>1</sup>	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion <sup>2</sup>	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget <sup>3</sup>	11,203.15				
<b>Expenditures</b>					
Dewberry Engineers Inc.		1,538,073.24	1,437,812.81	100,260.43	
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		4,164,043.41	4,159,043.41	5,000.00	
<b>Transfers to "General Expenditures Fiscal Year 2015" Contingency <sup>3</sup></b>					
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)	
<b>Total</b>	<b>\$ 7,900,356.15</b>	<b>\$ 5,925,917.30</b>	<b>\$ 5,755,688.51</b>	<b>\$ 170,228.79</b>	<b><u>\$ 1,974,438.85</u></b>

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

<sup>2</sup> 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.

<sup>3</sup> As approved by RIFA Board on 10/16/2014

# Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 8 Site Development

As of March 31, 2018

	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
<b>Funding</b>					
<b>TIC #3358 Site Improvements for Project Lignum</b>					
Tobacco Commission Grant	\$ 2,624,800.00				
State Match for Property & Improvements	500,000.00				
County Match for Contractual Services	261,800.00				
County Match for Property & Improvements	800,600.00				
City Match for Contractual Services	261,800.00				
City Match for Property & Improvements	800,600.00				
<b>Expenditures</b>					
Dewberry Engineers Inc.		89,300.00	82,800.00	6,500.00	
<b>Total</b>	<b>\$ 5,249,600.00</b>	<b>\$ 89,300.00</b>	<b>\$ 82,800.00</b>	<b>\$ 6,500.00</b>	<b><u><u>\$ 5,160,300.00</u></u></b>

# Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Water & Sewer

As of March 31, 2018

	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
<b><i>Funding</i></b>					
<b><i>TIC #2641 Phase I Sanitary Sewer</i></b>					
Tobacco Commission Grant 2641	\$ 4,908,240.00				
Local Match for Contractual Services	282,400.00				
Local Match for Property & Improvements	262,960.00				
<b><i>TIC #3011 Water System Improvements Phase II</i></b>					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Improvements	224,160.00				
<b><i>Expenditures</i></b>					
Dewberry Engineers Inc.		248,684.00	26,371.20	222,312.80	
<b><i>Total</i></b>	<b>\$ 7,919,327.00</b>	<b>\$ 248,684.00</b>	<b>\$ 26,371.20</b>	<b>\$ 222,312.80</b>	<b>\$ <u>7,670,643.00</u></b>

**Danville-Pittsylvania Regional Industrial Facility Authority**  
**Rent, Interest, and Other Income Realized for Fiscal Year 2018**  
**As of March 31, 2018**

<i>Source of Funds</i>	<u>Funding</u>			<u>Expenditures</u> FY2018	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> from FY2017	<u>Receipts</u> Current Month	<u>Receipts</u> FY2018		
<u>Carryforward</u>	\$ 630,797.74				
<u>Current Lessees</u>					
Institute for Advanced Learning and Research (IALR) <sup>1</sup>		\$ 20,653.94	\$ 191,110.12		
Mountain View Farms of Virginia, L.C.			1,200.00		
Capital Outdoor, Inc.		-	1,800.00		
<i>Total Rent</i>		\$ 20,653.94	\$ 194,110.12		
<u>Interest Received</u> <sup>2</sup>		\$ 395.50	\$ 4,308.75		
<u>Miscellaneous Income</u>		-	\$ 85,500.00		
<b>Expenditures</b>					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 170,456.18	
<b>Totals</b>	<u>\$ 630,797.74</u>	<u>\$ 21,049.44</u>	<u>\$ 283,918.87</u>	<u>\$ 170,456.18</u>	<u>\$ 744,260.43</u>
				<b>Restricted</b> <sup>1</sup>	\$ 334,349.00
				<b>Unrestricted</b>	\$ 409,911.43

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

<sup>2</sup> 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**<sup>1, 2</sup>  
**March 31, 2018\***

	<b>Unaudited FY 2018</b>
<b>Assets</b>	
<i>Current assets</i>	
Cash - checking	\$ 765,245
Cash - money market	793,581
Prepays	231
<i>Total current assets</i>	1,559,057
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	188,316
Restricted cash - debt service fund CCC bonds	21,436
Restricted cash - debt service fund Berry Hill bonds	41,904
Restricted cash - debt service reserve fund Berry Hill bonds	1,914,483
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>	58,074,344
<b>Total assets</b>	59,633,401
<b>Liabilities</b>	
<i>Current liabilities</i>	
Unearned income	600
Bonds payable - current portion	1,288,450
<i>Total current liabilities</i>	1,289,050
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	3,468,190
<i>Total noncurrent liabilities</i>	3,468,190
<b>Total liabilities</b>	4,757,240
<b>Net Position</b>	
Net investment in capital assets	51,339,881
Restricted - debt reserves	1,977,823
Unrestricted	1,558,457
<b>Total net position</b>	\$ 54,876,161

<sup>1</sup> 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.

<sup>2</sup> 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 March 31, 2018 as of March 27, 2018, 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**  
**March 31, 2018\***

	<b>Unaudited FY 2018</b>
<b>Operating revenues</b>	
Virginia Tobacco Commission Grants	1,707,955
Rental income	194,985
Other Income	85,500
<b>Total operating revenues</b>	<b>1,988,440</b>
<b>Operating expenses</b> <sup>4</sup>	
Mega Park expenses <sup>3</sup>	1,923,757
Cane Creek Centre expenses <sup>3</sup>	24,665
Cyber Park expenses <sup>3</sup>	176,664
Professional fees	56,645
Insurance	2,199
Other operating expenses	4,490
<b>Total operating expenses</b>	<b>2,188,420</b>
<b>Operating income (loss)</b>	<b>(199,980)</b>
<b>Non-operating revenues (expenses)</b>	
Interest income	16,759
Interest expense	(69,197)
<b>Total non-operating expenses, net</b>	<b>(52,438)</b>
<b>Net income (loss) before capital contributions</b>	<b>(252,418)</b>
<b>Capital contributions</b>	
Contribution - City of Danville	724,694
Contribution - Pittsylvania County	724,694
<b>Total capital contributions</b>	<b>1,449,388</b>
<b>Change in net position</b>	<b>1,196,970</b>
<b>Net position at July 1, 2017</b>	<b>53,679,191</b>
<b>Net position at March 31, 2018</b>	<b>\$ 54,876,161</b>

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

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

<sup>5</sup> 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**  
**March 31, 2018\***

	<b>Unaudited FY 2018</b>
<b>Operating activities</b>	
Receipts from grant reimbursement requests	\$ 3,084,574
Receipts from leases	194,108
Other receipts	85,500
Payments to suppliers for goods and services	(3,189,924)
<b>Net cash used by operating activities</b>	<b>174,258</b>
<b>Capital and related financing activities</b>	
Capital contributions	1,146,222
Interest paid on bonds	(115,749)
Principal repayments on bonds	(1,230,000)
<b>Net cash provided by capital and related financing activities</b>	<b>(199,527)</b>
<b>Investing activities</b>	
Interest received	16,759
<b>Net cash provided by investing activities</b>	<b>16,759</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(8,510)</b>
<b>Cash and cash equivalents - beginning of year (including restricted cash)</b>	<b>3,733,475</b>
<b>Cash and cash equivalents - through March 31, 2018 (including restricted cash)</b>	<b>\$ 3,724,965</b>
<b>Reconciliation of operating loss before capital contributions to net cash used by operating activities:</b>	
Operating income (loss)	\$ (199,980)
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	(1)
Change in other receivables	1,376,619
Change in accounts payable	(1,001,505)
Change in unearned income	(875)
<b>Net cash used by operating activities</b>	<b>\$ 174,258</b>

<b>Components of cash and cash equivalents at March 31, 2018:</b>	
American National - Checking	\$ 765,245
American National - General money market	793,581
Wells Fargo - \$7.3M Bonds CCC Debt service fund	21,436
Wells Fargo - \$7.3M Bonds CCC Project fund	188,316
US Bank - \$11.25M Bonds Berry Hill Debt service fund	41,904
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	1,914,483
	<b>\$ 3,724,965</b>