

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

May 14, 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 APRIL 9, 2018 MEETING

5. NEW BUSINESS

- A. Consideration of Resolution No. 2018-05-14-5A, approving that certain Grant Agreement dated January 9, 2018, with the Tobacco Region Revitalization Commission, a body corporate and political subdivision of the Commonwealth of Virginia, for Grant #3358, Berry Hill Industrial Park - Site Improvements for Project Lignum, in the amount of \$2,624,800.00 for site improvements to create a buildable construction pad for a rail spur in the Authority's Berry Hill Industrial Park located in Pittsylvania County, Virginia, with a 36-month expiration period for undisbursed funds; however, funds for such projects shall not be expended by the Authority until and unless closing occurs under that certain Purchase and Sale Agreement dated June 12, 2017, with the Authority and Enviva Development Holdings, LLC, a Delaware limited liability company – Gregory L. Sides, Assistant County Administrator for Planning and Development, Pittsylvania County
- B. Consideration of Resolution No. 2018-05-14-5B, authorizing Mountain Valley Pipeline, LLC and its affiliates, agents, employees and contractors to enter upon the Authority's Berry Hill Industrial Park located in Pittsylvania County, Virginia, for the limited purpose of conducting civil, environmental and cultural resource surveys as part of its interstate Mountain Valley Pipeline (MVP) project for natural gas delivery - Brian K. Bradner, P.E., Vice President, Dewberry Engineers, Inc. and Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority
- C. Consideration of Resolution No. 2018-05-14-5C, approving (i) the transfer of \$30,000.00 from the Fiscal Year 2018 "Contingency" budget to the "Legal" budget and (ii) the transfer of \$600.00 from the Fiscal Year 2018 "Contingency" budget to the "Accounting" budget in order to cover expenses for the remainder of the fiscal year – Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia *[No written resolution.]*
- D. Financial Status Reports as of April 30, 2018 – Mr. Adkins and Ms. Weaver

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.]

Danville-Pittsylvania Regional Industrial Facility Authority

- 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

Agenda Item No.:	Item 4
Meeting Date:	05/14/2018
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's review and approval are the Meeting Minutes from the Monday, April 9, 2018 meeting.

ATTACHMENTS

Meeting Minutes – 04/09/2018

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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April 9, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:14 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, Room 206, 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, and Alternate Elton W. Blackstock. Ronald S. Scarce was absent.

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, 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 and Shawn Harden from Dewberry & Davis and Danville City Council Member Madison Whittle.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE MARCH 12, 2018 MEETING

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

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2018-04-09-5A – APPROVING A ONE YEAR RENEWAL OF THE LEASE WITH OSBORNE COMPANY

Mr. Guanzon explained this is a one year renewal of the existing sod lease to the Osborne Company of North Carolina, at Berry Hill. The rent is \$1,000 per year and RIFA can access the property giving them twenty four hours notice. They have to keep any potential visitors staff brings there confidential, RIFA can terminate the lease with thirty days notice and give them a pro rata refund. They are required to maintain liability insurance naming the Authority as an additional insured. The benefits are having someone on the property who is responsible for the property, to make sure RIFA has someone with eyes on the acres they are leasing. They have been there at least four years and there have been no problems with them.

Mr. Shanks **moved** for adoption 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 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*

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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.

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

Mr. Warren asked if there was anything in the lease that strictly prohibits any hunting and Mr. Guanzon explained it can only be used for sod and no other purpose; that would be a prohibited use.

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

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

5B. CONSIDERATION – RESOLUTION 2018-04-09-5B – FORMALIZING AN INTERNAL PROCEDURE FOR STAFF TO APPROVE CERTAIN PROJECT APPROVALS AND NOTICES

Mr. Guanzon noted whenever RIFA has a project there are some routine notifications that need to be given, and notices from the Authority. It has been the internal procedure of the Authority to have a representative from the County or the City sign those documents on behalf of the Authority, depending on the location of the project. They are not allowed to provide certain notices that affect the material parts of the project. If there is a change order that requires the possibility of an increased amount of the project, that would always come back to the Authority for full voting and signature. If it is something routine, they would go ahead and sign those. This resolution formalizes what has been the practice in the past; if it is in the City, the City Manager can designate the person to take care of these things, in the County, the County Administrator would do the same. Mr. Bradner noted it is trying to streamline the process and not have to burden the Chairman or Vice Chairman with administrative items. Mr. Guanzon noted the procedure also states that if they do sign something, at the next board meeting they make it part of the staff report.

Mr. Shanks **moved** for adoption 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.*

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

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

5C. CONSIDERATION – RESOLUTION 2018-04-09-5C - APPROVAL OF A PROPOSAL FOR PROFESSIONAL SERVICES FOR PHASE 1 PAD EXPANSION AT BERRY HILL

Mr. Bradner explained this Resolution is related to additional services on the Phase 1 Pad Expansion. Construction is substantially complete and there is approximately \$2M remaining in those grant funds. Staff has met, looked at various options on how to utilize those within the confines of the Phase 1 project, and the decision was made that the best use of those

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funds would be to try to expand the pad in the configuration on the Exhibit attached to the site plan. The first step is modification of the permit; staff would not do anything beyond that until they get assurances from the Corp that RIFA can get approval to move forward. Mr. Sides and the staff have been working with the Tobacco Commission to secure their approval of this; they will be submitting a breakdown of the proposed budget. If the Board approves this today, they will not move forward until they get firm confirmation from the Tobacco Commission that they are in agreement.

Mr. Shanks questioned the leftover grant amount of \$2M and Mr. Bradner explained it was the total between the grant and local matching funds. Mr. Sides has been in communication with the Tobacco Commission staff, they have verbally acknowledged they really don't have any issue with this, they just asked for a breakdown of the budget as it relates to the \$2M. Mr. Shanks asked if RIFA was buying wetland credits and Mr. Bradner noted they were and it would be a big credit. They looked at a lot of different options and there were options where they might get a little bit more land area. A lot of the money is being spent for credits, but the feedback from Economic Development staff was that from the standpoint of the industries that are looking currently, having the configuration of the pad in that manner in today's market would be more advantageous than having a little bit larger land mass somewhere else.

Mr. Blackstock stated this is covered by Tobacco Commission money, but also some local funds have already been allocated for that and questioned if the County already budgeted these funds and are they set aside or is this something new; Mr. Sides noted they are encumbered in the budget and accounted for. Mr. Shanks asked for the City, is that encumbered from a previous budget or budgeted in a new budget and Mr. Adkins noted when the grant was awarded, the City budgeted and transferred the local match the City was responsible for. RIFA has that cash in the bank. Mr. Blackstock stated when RIFA received the grant the County moved money from the general fund surplus into a fund that is held by RIFA, and Mr. Adkins explained all the local funds have been transferred to RIFA.

Mr. Warren noted when he looks at the shaded map, would it have been more cost effective to have done that piece at the same time when doing the others. Mr. Bradner explained the original intent was to grade the entire area and create a sizeable pad. The reason it ended up in the configuration it did was to achieve the environmental permit from the Corp of Engineers. At that time, RIFA had to hold it under a certain threshold, if they choose to fight it they would still be fighting it right now and run the risk of losing all funding. The decision was made to make the best use of the funds, and grade as much a pad as could be useable.

Mr. Harden noted the original permit submittal for Lot 4 was 230 acres total of graded area. They kept bringing it down until they got to the configuration that was finally permitted, and that was done to keep it under an SPGP which the state issued. Staff feels in discussions with the Corp, the different climate now in Economic Development and what industries are looking for, that RIFA has a pretty good shot at this expanded pad.

Mr. Warren asked what they were experiencing with DEQ and the Corp of Engineers now that RIFA is at the level they are with Berry Hill, how the state is viewing Berry Hill, are they more cooperative. Mr. Bradner noted the state level had not been an issue for the most part, DEQ has been pretty good, and with respect to the Corp, it is a little better today.

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Mr. Guanzon noted for background for those who were not here, RIFA had to engage a consultant to try and get whatever permit they could. That also involved some careful planning and discussions at what level, if any, were local politicians going to assist in this process, whether that was going to help or hinder or a combination of both. It was quite an undertaking at the time. Mr. Saunders noted the Corp of Engineers was a very serious issue at one point; they talked to several representatives, finally got some help, and things started getting a little better. It was a long, long fight. With the recent attention RIFA has been getting, he thinks more people are looking at RIFA, he believes the state is also supporting them and things are better compared to where they were three to five years ago. Mr. Bradner noted the Corp has acknowledged it is a different market today and they would take that into consideration.

Mr. Shanks **moved** for adoption 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.*

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

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

5D. FINANCIAL STATUS REPORT AS OF MARCH 31, 2018

Authority Treasurer Michael Adkins gave the Financial Status report as of March 31, 2018 beginning with the \$7.3M Bonds for Cane Creek which showed no activity for the month of March. General Expenditures show \$8,175 paid to EPR for the grant application services, \$261 for meals and \$61 for monthly utilities. Mega Park Funding Other than Bond Funds show no activity for the month of March. Berry Hill Lot 4 Site Development shows RIFA expended \$205,047 to Haymes Brothers; all that is left on that contract is \$5,000 of retainage. Mr. Adkins reviewed a new funding sheet that represents Tobacco Grant #3358 which is Project Lignum, there was some prior activity but expenditures to date are to Dewberry for \$82,800. The next new funding page represents Tobacco Grants #2641 and #3011, for the Sanitary Sewer and Water System Improvements for Berry Hill; to date, the expenditures there are \$26,371.20. Rent, Interest and Other Income shows RIFA received \$20,654 from the Institute for Advanced Learning and Research, \$365 in interest, and paid \$20,654 to the Institute for the Hawkins' Building maintenance.

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

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

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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 12:38 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. Blackstock.

Mr. Warren noted they would like to invite all the RIFA Board Members, Clement Wheatley attorneys, Ken Larking, David Smitherman, Telly Tucker, Matt Rowe, Greg Sides, Ashley Wolfe, Earl Reynolds, Corrie Bobe, Dewberry Engineers and any present City Council or Board Members.

The **Motion** 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. Blackstock and **second** by Mr. Shanks and by unanimous vote at 2:21 p.m., the Authority returned to open meeting.

E. Mr. Blackstock **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, Searce, Saunders and Shanks (4)
NAY: None (0)

7. COMMUNICATIONS

Mr. Guanzon, in response to Mr. Warren, noted the Institute lease needs to be reviewed and Staff will look into it.

Mr. Warren thanked Dewberry for the presentation.

Meeting adjourned at 2:25 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	05/14/2018
Subject:	Resolution 2018-05-14-5A
From:	Gregory L. Sides, Assistant County Administrator for Planning and Development, Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2018-05-14-5A, approving Grant Agreement #3358 Berry Hill Industrial Park – Site Improvements for Project Lignum, in the amount of \$2,624,800.

ATTACHMENTS

Resolution 2018-05-14-5A
Exhibit A – Letter of Agreement – Tobacco Commission

Resolution No. 2018-05-14-5A

A RESOLUTION APPROVING THAT CERTAIN GRANT AGREEMENT DATED JANUARY 9, 2018, WITH THE TOBACCO REGION REVITALIZATION COMMISSION, A BODY CORPORATE AND POLITICAL SUBDIVISION OF THE COMMONWEALTH OF VIRGINIA, FOR GRANT #3358, BERRY HILL INDUSTRIAL PARK - SITE IMPROVEMENTS FOR PROJECT LIGNUM, IN THE AMOUNT OF \$2,624,800.00 FOR SITE IMPROVEMENTS TO CREATE A BUILDABLE CONSTRUCTION PAD FOR A RAIL SPUR IN THE AUTHORITY'S BERRY HILL INDUSTRIAL PARK LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, WITH A 36-MONTH EXPIRATION PERIOD FOR UNDISBURSED FUNDS; HOWEVER, FUNDS FOR SUCH PROJECTS SHALL NOT BE EXPENDED BY THE AUTHORITY UNTIL AND UNLESS CLOSING OCCURS UNDER THAT CERTAIN PURCHASE AND SALE AGREEMENT DATED JUNE 12, 2017, WITH THE AUTHORITY AND ENVIVA DEVELOPMENT HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY

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 County of Pittsylvania, Virginia (the "**County**"), and the City of Danville, Virginia (the "**City**"), have been impacted by the decline of the tobacco industry causing a negative impact on economic development and growth throughout the region; and

WHEREAS, the Tobacco Indemnification and Community Revitalization Commission, a body corporate and political subdivision of the Commonwealth of Virginia (the "**Commission**"), has developed an economic development program to help tobacco-reliant localities to change and revitalize their economy, which includes grants to assist the County and the City in transforming their economies to replace the decline in the tobacco agro-business community; and

WHEREAS, the Commission has awarded to the Authority Grant #3358, Berry Hill Industrial Park - Site Improvements for Project Lignum, in the amount of Two Million Six Hundred Twenty Four Thousand Eight Hundred and 00/100 Dollars (\$2,624,800.00) (the "**Grant**") for site improvements to create a buildable construction pad for a rail spur (the "**Project**") in the Authority's Berry Hill Industrial Park located in Pittsylvania County, Virginia ("**Berry Hill**"), and the Grant has a 36-month expiration period for undisbursed funds;

WHEREAS, the terms of the Grant and a more particular description of the Project are set forth in that certain Grant Agreement dated January 9, 2018, between the Authority and the Commission, in the form attached hereto and incorporated herein as **Exhibit A** (the "**Grant Agreement**");

Resolution No. 2018-05-14-5A

WHEREAS, the Authority has determined that it is in the best interests of the Authority and of the citizens of the County and the City for the Authority to accept the Grant from the Commission, and execute and deliver the Grant Agreement; and

WHEREAS, the Authority has entered into that certain Purchase and Sale Agreement dated June 12, 2017 (the “**Purchase and Sale Agreement**”), with Enviva Development Holdings, LLC, a Delaware limited liability company, as purchaser of certain real property of the Authority in Berry Hill that would be directly and substantially benefitted by the Project; and

WHEREAS, the Authority, notwithstanding the award of the Grant, has further determined that it is in the best interests of the Authority not to proceed with the Project or to expend funds of the Grant, which would require the Authority’s contribution of matching funds, unless and until the closing under the Purchase and Sale Agreement occurs (the “**PSA Closing**”).

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority does hereby accept the Grant and approve the Grant Agreement, together with such amendments, deletions or additions thereto, consistent with this Resolution, as may be approved by the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, and hereby authorizes the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, to execute and deliver, on behalf of the Authority, the Grant Agreement, including all necessary documents pertaining thereto, such execution of the Grant Agreement, and any necessary documents pertaining thereto, by the Chairman or Vice Chairman of the Authority, either of whom may act, to conclusively establish approval of any amendments, deletions or additions thereto. However, the Authority shall not proceed with the Project and shall not expend funds of the Grant unless and until the PSA Closing occurs.

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

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority and its agents and representatives, in respect of the Grant, the Grant Agreement and the matters contemplated therein.

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 May 14, 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 14th day of May 2018.

(SEAL)

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

EXHIBIT A
[Grant Agreement attached]

LETTER OF AGREEMENT - GRANT FUNDS – RESTRICTED FUNDS - UNRELATED

This Grant Agreement (this “Agreement”) made and entered the **9th day of January, 2018** (the “Award Date”), by and between the **Tobacco Region Revitalization Commission**, a body corporate and political subdivision of the Commonwealth of Virginia (the “Commission”), and **Danville-Pittsylvania Regional Industrial Facility Authority**. (the “Grantee”).

WITNESSETH:

WHEREAS, the Virginia General Assembly created the Commission to, among other things, stimulate the economic growth and development of tobacco-dependent communities in the Southside and Southwest regions (the “Region”) of the Commonwealth of Virginia (the “Commonwealth”), and

WHEREAS, the Grantee has submitted an application, which by this reference is incorporated herein and made a part of this Agreement (the “Application”), to the Commission for funding to acquire, construct, improve, equip, furnish and/or otherwise undertake the project entitled **Berry Hill Industrial Park - Site Improvements for Project Lignum** described on **Exhibit A** attached hereto (the “Project”), and

WHEREAS, the Commission, in reliance upon the information set forth in the Application, has determined that the Project benefits the Region and is consistent with and in furtherance of the Commission’s public purposes and approved a grant to the Grantee in the amount of **\$2,624,800.00** (the “Grant”) to fund the Project, the approval and funding of such Grant the Commission has determined constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the Grant, and

WHEREAS, the Commission and the Grantee desire to set forth their understanding and agreement as to the use of the Grant and the obligations of the Grantee regarding the use of the Grant,

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby represent, warrant, covenant and agree as follows:

1. Definitions. The following capitalized terms used in this Agreement have the meanings set forth below:

“**Authorized Expenditures**” means the expenditures to be paid by or on behalf of, or reimbursed to, the Grantee in connection with the Grant as set forth in the Project Budget.

“Capital Expenditure” means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treas. Regs. §1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

“Commission-Related Party” means a Person that is a Related Party to the Commission, the Issuer or the Commonwealth.

“Controlled Group” means a group of entities controlled directly or indirectly by the same entity or group of entities within the meaning of this definition.

(i) The determination of direct control is made on the basis of all the relevant facts and circumstances. One entity or group of entities (the controlling entity) generally controls another entity or group of entities (the controlled entity) for purposes of this definition if the controlling entity possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial—

(A) The right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or

(B) The right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

(ii) If a controlling entity controls a controlled entity under the test set forth in paragraph (i) of this definition, then the controlling entity also controls all entities controlled, directly or indirectly, by the controlled entity or entities.

(iii) An entity is not a controlled entity under paragraph (i) of this definition if the entity possesses substantial taxing, eminent domain, and police powers. For example, a city possessing substantial amounts of each of these sovereign powers is not a controlled entity of the state (Commonwealth).

“501(c)(3) Organization” means any Person described in Section 501(c)(3) of the Tax Code and exempt from tax under Section 501(a) of the Tax Code.

“Governmental Person” means a state or local governmental unit as defined in Treas. Regs. § 1.103-1 or any instrumentality thereof. The federal government and its agencies and instrumentalities are not Governmental Persons.

“Issuer” means the Tobacco Settlement Financing Corporation, a public body corporate and an independent instrumentality of the Commonwealth.

“Loan” means any transaction that is generally characterized as a loan for federal income tax purposes. A Loan may arise from the direct lending of money or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed within the meaning of Treas. Regs. § 1.141-5. Certain leases, management contracts and other contractual arrangements and certain prepayments for property or services may constitute Loans under Treas. Regs. § 1.141-5.

“**Person**” means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership, or any other entity (including a governmental entity).

“**Related Person**” shall have the meaning set forth in Section 144(a)(3) of the Tax Code. For purposes of Section 144(a)(3) of the Tax Code, a Person is a Related Person to another Person if—

(A) the relationship between such Persons would result in a disallowance of losses under Section 267 or 707(b) of the Tax Code, or

(B) such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Tax Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein).

“**Tax Code**” means the Internal Revenue Code of 1986, as amended, and the applicable provisions of the regulations of the U.S. Department of Treasury promulgated thereunder.

“**Tobacco Bonds**” means the Tobacco Settlement Asset-Backed Bonds, Series 2005, which were issued by the Issuer on May 16, 2005, and have a stated final maturity date of June 1, 2037, and the Tobacco Settlement Asset-Backed Bonds, Series 2007 B, C, and D which were issued by the Issuer on May 3, 2007, and have a stated final maturity date of June 1, 2047.

“**Working Capital Expenditure**” means any cost that is not a Capital Expenditure. Generally, current operating expenses are Working Capital Expenditures.

2. Source of Grant Funds; Reliance. The Grantee represents that it understands that the Grant funds are derived from the proceeds of the Tobacco Bonds, the interest on which must remain excludible from gross income for federal income tax purposes (that is, “tax-exempt”) pursuant to both (i) Virginia law and (ii) contractual covenants made by the Commission, the Issuer and the Commonwealth for the benefit of the owners of the Tobacco Bonds. The Grantee further represents that (a) the undersigned authorized representative of the Grantee has been informed of the purpose and scope of Sections 103 and 141-150 of the Tax Code as they relate to the Tobacco Bonds and the Grant, and (b) the representations and warranties contained in this Section and throughout this Agreement can be relied on by the Commission, the Issuer and bond counsel for the Commission and Issuer in executing certain documents and rendering certain opinions in connection with the Tobacco Bonds.

3. Nature of Grantee. The Grantee represents that it is neither a Commission-Related Party nor an agent of the Issuer, the Commission or the Commonwealth. A true, correct and complete copy of the Grantee’s charter, articles of incorporation or similar governing instrument is attached hereto as **Exhibit D** and is in full force and effect on the date hereof. If the Grantee is a 501(c)(3) Organization, a copy of its IRS determination letter shall also be attached as part of **Exhibit D** hereto. The Grantee will not make any changes to its governing documents or structure, funding or operations during the term of the Tobacco Bonds that would or may cause the Grantee to become a Commission-Related Party or an agent of the Issuer, the Commission or the Commonwealth.

4. Project and Budget; Nature of Authorized Expenditures. The Grantee agrees to use the Grant for that portion of the Project not being paid from other sources as set forth in the budget for the Project attached hereto as **Exhibit B** (the “Project Budget”). No portion of the Grant shall be used by the Grantee for any purpose whatsoever other than to pay or to reimburse Authorized Expenditures with respect to the Project without the prior written approval of the Executive Director of the Commission (the “Executive Director”). No material changes shall be made in the scope of the Project or to the Project Budget without the prior written approval of the Executive Director. Any document signed by the Executive Director accepting a change in the scope of the Project or to the Project Budget shall set forth with specificity the accepted change. If the maximum authorized amount of the Grant exceeds the amount necessary to complete the Project, the excess shall not be disbursed to the Grantee but shall remain with the Commission or, if previously disbursed, be returned to the Commission within thirty (30) days of the earlier of the completion of the Project or the expiration of this Agreement.

The Grantee represents, warrants and covenants as follows:

(a) All Authorized Expenditures will be Capital Expenditures. No Authorized Expenditure will be a Working Capital Expenditure.

(b) Other than as described in Sections 12 and 13 below, the Grant does not impose on the Grantee any obligation or condition to directly or indirectly repay any amount (in cash, property or services or otherwise) to the Commission, the Issuer, the Commonwealth or any Commission-Related Party.

(c) No Authorized Expenditure will represent, nor will the Grant involve, the use by the Grantee of any portion of the Grant funds, directly or indirectly, (i) to make or finance a grant or a Loan to a Commission-Related Party or (ii) to refund, redeem or pay debt service on the debt obligations (including without limitation any tax-exempt bonds) of the Grantee or any other Person.

(d) No part of the assets to be financed by the Grant will be used by the Commission, the Issuer, the Commonwealth or other Commission-Related Party pursuant to a lease, a management or service contract, output contract, or pursuant to any other arrangement conveying special legal entitlements for the use of such assets that is comparable to a lease, a management or service contract or an output contract, such as an arrangement conveying priority rights to the use or capacity of a Grant-financed asset.

The average reasonably expected economic life of the assets to be financed by the Grant is set forth in **Exhibit D** attached hereto.

The Grantee agrees to cause the Project to be acquired, constructed, improved, equipped, furnished and/or otherwise undertaken as described in **Exhibit A** and will cause the Project to be completed on or before the expiration of this Agreement. The Grantee represents and warrants that Grant funds and funds available from the other sources specified in the Project Budget will be sufficient to cause the Project to be completed.

The Grantee agrees to comply with any applicable governmental requirements pertaining to the Project and the use and application of Grant funds provided hereunder, including but not limited to, applicable requirements of the Virginia Public Procurement Act (Virginia Code Section 2.2-4300 *et seq.*, as amended) but only as and to the extent required by any such governmental requirements, and the Commission shall not in any way be responsible for determining the extent, to which any such governmental requirements apply to this Grantee.

5. Payment of Grant Funds. Subject to the terms of this Agreement, including but not limited to, satisfaction by the Grantee, in the sole discretion of the Commission, of the conditions set forth on **Exhibit C** attached hereto, the Grant shall be disbursed to the Grantee on a reimbursement basis upon submission of a signed payment request on the Commission's then current form ("Payment Request Form") with adequate supporting documentation. The Grantee agrees to comply with the Commission's General Funding Policies, Grant Disbursement Guidelines and Guidelines for Advance of Funds as adopted by the Commission as in effect from time to time and applied in the sole discretion of the Commission. Expenses incurred prior to the Award Date are not eligible for reimbursement. Prior to any disbursement, the Commission shall have on record documentation from the Grantee designating the officers, employees or agents authorized to make a reimbursement request (such documentation may be in the form of a resolution or minutes of the Grantee appointing such designee). Reimbursement requests shall be submitted not more frequently than quarterly, unless the Commission otherwise agrees. Appropriate supporting documentation shall be attached to all Payment Request Forms and may include, but is not limited to, invoices from goods purchased and services performed, receipts, vouchers, reporting forms or other evidence of the actual payment of costs related to the Project and consistent with the Project Budget. The Grantee shall also provide appropriate supporting documentation of the expenditure and application of any required matching funds for the Project as set forth on **Exhibit C** attached hereto. The Commission may in its sole discretion refuse to make a disbursement if the documentation is not adequate or if such disbursement does not appear to be within the Project Budget or otherwise contrary to or in violation of the provisions hereof. The Commission in its sole discretion may refuse to disburse any funds to the Grantee if the Grantee has previously received a grant award and a final grant report for the previous grant award has not been received by the Commission.

The Grantee may request in writing an advance of up to twenty-five percent (25%) of the Grant if the Grantee lacks sufficient funds to commence the Project. Approval of such request shall be in the sole discretion of the Commission and shall be available no earlier than ninety days (90) prior to the start of the Project. If an advance is disbursed, the Grantee may request additional disbursements only upon submission of signed Payment Request Forms with adequate documentation demonstrating the use of the advance in accordance with the provisions of this Agreement.

6. Quality of Work. The Commission, and its members, employees and agents, shall have the right to inspect the Project at reasonable times from time to time. Upon a determination that the quality of work done or the progress toward completion of the Project is unsatisfactory, the Commission may take whatever action is necessary to preserve the integrity of the Grant and its original intended purpose, including but not limited to, the actions set forth in Section 12 of this

Agreement. The Project may be monitored through on-site visits by representatives of the Commission or in any other manner deemed appropriate by the Executive Director.

7. Parties' Relationship. In connection with the award or the administration of the Grant, the Commission does not and shall not assume any liability for any financial or other obligations of the Grantee made to third parties, whether or not related to the Project. The Grantee shall provide written notice to all vendors, contractors and any other party retained to work on the Project that neither the Commission nor the Commonwealth shall be liable for the Project or any payment failure or other obligation related thereto. Such written notice shall provide that by accepting work on the Project, all such vendors, contractors and other parties release and relinquish the Commission and the Commonwealth from any claim which might otherwise be asserted, and that each party accepting such work thereby indemnifies and holds the Commission, and its members, employees and agents, harmless against any and all such obligations; and further, that if any action is brought against the Commission, or its members, employees or agents, the party accepting such work shall be liable for all legal expenses and other costs related to such action. The Grantee is and will be acting as an independent contractor in the performance of the Project, and agrees to be responsible, where found liable and to the extent not covered by insurance or specified by statute, for the payment of any claim for loss, personal injury, death, property damage, or otherwise arising out of any act or omission of its members, employees or agents in connection with the performance of the Project. Nothing contained herein shall be deemed an express or implied waiver of the sovereign immunity of the Commission or the Commonwealth.

The Grantee shall at all times protect, indemnify and hold the Commission, the Issuer, the Commonwealth and the owners of the Tobacco Bonds, and their respective members, directors, officers, employees, attorneys and agents (the "Indemnitees"), harmless against any and all liability, losses, damages, costs, expenses, penalties, taxes, causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any misrepresentation, breach of warranty, noncompliance or default by or on behalf of the Grantee under this Agreement, including, without limitation, all claims or liability (including all claims of and liability to the Internal Revenue Service) resulting from, arising out of or in connection with the loss of the excludability from gross income of the interest on all or any portion of the Tobacco Bonds that may be occasioned by any cause whatsoever pertaining to such misrepresentation, breach, noncompliance or default, such indemnification to include the reasonable costs and expenses of defending any Indemnatee or investigating any claim of liability and other reasonable expenses and attorneys' fees incurred by any Indemnatee in connection therewith.

8. Recordkeeping. The Grantee shall maintain proper books of record and account with respect to the Grant and the Project in which accurate and timely entries shall be made in accordance with generally accepted accounting principles, consistently applied, during the term of this Agreement. Grant funds shall be held in a separate and segregated account (the "Fund") and the Fund shall reflect all activity of the Grant funds received for the Project, itemized by category of expenses in the same manner as in the Project Budget. The Grantee shall retain all invoices from goods purchased and services performed, receipts, vouchers, reporting forms or other evidence of the actual payment of costs related to the Project. All books of record and account and all records of receipts and expenditures with respect to the Grant and the Project and copies of Payment Request Forms with supporting documentation and annual and final reports submitted to the Commission shall be retained for at least three (3) years after the later of the completion of the

Project or the expiration of this Agreement. The Commission, and its members, employees and agents, shall have the right at reasonable times from time to time to inspect and make copies of the books and records of the Grantee and the Fund.

9. Annual Reports. The Grantee shall submit to the Commission annual financial and narrative reports reflecting activity in the Fund and progress made toward completion of the Project. Annual financial reports shall be presented on the Commission's grant reporting form then in effect (the "Grant Reporting Form"). Annual narrative reports shall indicate the progress made toward achieving the goals of the Grant and shall be submitted with the Grant Reporting Form. Annual reports shall be due one year from the Award Date and annually thereafter until the Project is complete. The Commission reserves the right to request additional information to supplement the information provided in the Grant Reporting Form or the annual narrative reports, including but not limited to, the Grantee's audited financial statements.

10. Final Report. The Grantee shall provide a final financial and narrative report to the Commission upon submission of the final payment request. The final report shall contain the type of information contained in the annual reports, including a narrative as to the success of the Project and a description of the long-term achievements and expectations for the Project. The Commission may withhold disbursement of the final payment until receipt of a final report that is in all respects satisfactory to the Commission. After the completion of the Project and expiration of this Agreement, the Commission may in its sole discretion require additional reporting on the long-term achievements and expectations of the Project.

11. Interim Reports. In addition to the annual reports and final report required by Sections 9 and 10 of this Agreement, the Commission may reasonably request that the Grantee submit additional or interim information from time to time to ensure that the provisions of this Agreement are properly carried out, administered and enforced.

12. Misuse of Award; Rights of Commission. If the Commission determines that any part of the Grant has been used for a purpose other than to pay or reimburse Authorized Expenditures with respect to the Project or that the Grantee has failed to comply with any material term or condition or obligation of the Grantee in this Agreement, including but not limited to, the Grantee making in any material respect a false or misleading statement or other written or oral representation, warranty or statement furnished or made to the Commission in this Agreement, the Application or otherwise, the Commission in its sole discretion may withhold any further disbursements to the Grantee and, in addition:

- (a) rescind the Grant by written notice to the Grantee, in which event the Grantee shall be obligated to return to the Commission, within five (5) days following receipt of such notice, an amount, from legally available funds, equal to all Grant payments received pursuant to this Agreement, plus interest from the date of receipt of such notice at the prime rate set forth in the Wall Street Journal on the date of such notice;

(b) require the Grantee to take whatever action at law or in equity the Commission may direct in order to recover any Grant funds not used for the actual payment of costs related to the Project and consistent with the Project Budget, and comply with any procedures that the Commission may direct in order to prevent further improper use of the Grant;

(c) take any other action as necessary to preserve the integrity of the Grant and to preserve Grant funds for appropriate uses;

(d) determine that the Grantee is ineligible to receive future grant funding through the Commission;

(e) withhold any and all disbursements requested by the Grantee from the Commission under any other grant previously approved by the Commission; and/or

(f) take such judicial action as is necessary to collect any amounts owed, including legal action for breach of this Agreement, pursuant to this Section or as otherwise provided in this Agreement.

The Commission reserves the right to modify or withhold any disbursement of Grant funds if the Commission in its sole discretion determines that it is necessary in order to protect the purposes and objectives of the Commission and the Grant or to comply with any law or regulation applicable to the Commission, the Grant and/or the Grantee.

13. Sale or Encumbrance; Security Interest. Until the Commission has determined that the public purposes of the Grant have been satisfied, none of the assets or property acquired, constructed, improved, equipped, and/or furnished as part of the Project shall be leased, sold, exchanged, disposed of, hypothecated, mortgaged or encumbered without the prior written approval of the Executive Director. In the event that such asset or property is leased, sold, exchanged, disposed of, hypothecated, mortgaged or encumbered without the prior written approval of the Executive Director, the Commission may assert its interest in the asset or property to recover the Commission's share of the value of such asset or property and/or recover from the Grantee, unless otherwise prohibited by law.

The Grantee hereby pledges, delivers and assigns to the Commission and, as its interests may be, to the Grantee, a security interest in, to and on all property purchased with the Grant, which security interest shall be held by the Commission and, as applicable, the Grantee to secure the Grantee's full performance under this Agreement. Upon the request of the Commission and, as applicable, the Grantee, the Grantee will execute, provide and sign all documents necessary to establish and/or perfect Commission's and, as applicable, the Grantee's security interest in such property, including deeds of trust, supplemental deeds of trust, amendments or modifications hereto, financing statements, continuation statements or other instruments and documents which may be reasonably required from time to time. The Commission will release its security interest upon the Grantee's full performance under this Agreement, including, without limitation, the Grantee's full compliance with all reporting requirements required herein, and once the Commission has determined that the public purposes of the Grant have been satisfied.

14. Press Releases. The Grantee agrees that it shall not issue any press releases or other public statements regarding the Grant without the prior written consent of the Commission.

15. Future Funding. The Grant provided pursuant to this Agreement shall not be deemed to be an actual or implied promise of the Commission to fund the Project except as provided for herein. No representation by the Commission, or its members, employees or agents, shall be binding unless set forth in writing and signed by the Executive Director. In addition to the other remedies provided by law or in this Agreement, if the Grantee fails to comply with the terms of this Agreement, the Project shall not be entitled to additional funding by the Commission.

16. Entire Agreement. To the extent there are inconsistencies between this Agreement and its supporting documents, including the Application and the exhibits attached hereto, this Agreement shall control. This Agreement expresses the entire understanding and all agreements between the Commission and the Grantee and may not be modified except in a writing signed by the Commission and the Grantee.

17. Governing Law; Jurisdiction; Venue. This Agreement shall be governed by the applicable laws of the Commonwealth. The venue of any judicial action shall be in the Circuit Court of the City of Richmond, Virginia, and such litigation shall only be brought in such court.

18. Limitation of Commission's Liability. Nothing herein shall be deemed to be a covenant, agreement or obligation of a present or future member of the Commission or of an employee or agent of the Commission. No member, employee or agent of the Commission shall incur any personal liability with respect to any action taken by him or her pursuant to this Agreement.

19. Severability. If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

20. Public Documents. Unless specifically exempted pursuant to the Virginia Freedom of Information Act (Virginia Code Section 2.2-3700 *et seq.*, as amended), all reports, documents, financial data and other information provided to the Commission shall be public records.

21. Notices. Unless otherwise provided for herein, all notices, approvals, consents, correspondence and other communications pursuant to this Agreement shall be in writing and shall be deemed received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee) to (a) the Commission at 701 East Franklin Street, Suite 501, Richmond, Virginia 23219, Attention: Executive Director, or (b) the Grantee at the address set forth below.

22. Conditional Funding. In the event that disbursement of Grant funds is contingent upon the happening of an event or events described in **Exhibit C** attached hereto that have not yet occurred as of the Award Date, the Commission may withdraw the Grant if such event or events have not been substantiated with appropriate documentation satisfactory to the Commission within

twelve (12) months of the Award Date. This Agreement is subject to the availability of Commission funds. If such funds become unavailable and the Commission is unable to obtain sufficient funds, this Agreement shall be amended or terminated, as appropriate.

23. Expiration. Thirty-six (36) months after the date on which the Grant is approved, the Grant shall be automatically rescinded with respect to all funds not yet disbursed by the Commission, unless an extension is granted in writing by the Commission.

24. Assignment. Neither this Agreement nor any rights under this Agreement may be assigned, by operation of law or otherwise, by the Grantee without the prior written consent of the other parties hereto. The provisions of this Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns.

25. Survival. The rights and remedies available to the Commission shall survive any expiration or termination of this Agreement, including but not limited to, Sections 7, 10, 12, 13 and 25.

26. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, and all of which together shall constitute but one and the same instrument.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

TOBACCO REGION REVITALIZATION COMMISSION, a body corporate and political subdivision of the Commonwealth of Virginia

Signature of Executive Director: _____

Printed Name of Executive Director: Evan Feinman

Date: _____

Danville-Pittsylvania Regional Industrial Facility Authority

Signature of Grantee's Chief Executive: _____

Printed Name of Grantee's Chief Executive: _____

Date: _____

Grantee Information:

Address _____

Phone # _____ **e-mail** _____ **Federal ID #** _____

Description of Project

The Danville-Pittsylvania Regional Industrial Facility Authority has requested this grant for site improvements to create a buildable construction pad to accommodate a project in Berry Hill Industrial Park. This funding will go directly towards grading and prepping the site for a rail spur.

Project Budget

Grant Conditions

1. No less than 50% of the total Project Budget shall be funded by non-commission sources and satisfactory evidence thereof submitted to the Commission prior to disbursement of any Commission money. Un-approved applications to other funding sources are not satisfactory evidence.

Governing Documents of Grantee

Attach charter, articles of incorporation or similar governing instruments, also attach IRS determination letter if a 501(c)(3) Organization

DETERMINATION OF AVERAGE REASONABLY EXPECTED
ECONOMIC LIVES OF PROJECT ASSETS

The Tax Code limits the length of average maturity for certain tax-exempt bonds, such as the Tobacco Bonds, to no more than 120% of the average reasonably expected economic life of the assets being financed with the proceeds of such bonds. In this Exhibit, the Grantee will determine the average reasonably expected economic life of the assets being financed by the Grant.

There are two safe harbors in determining "economic life": the ADR midpoint life under IRS Revenue Procedures 83-85 and 87-56 and the guideline life under IRS Revenue Procedure (in the case of structures). For the purposes hereof, the reasonably expected economic life of an asset is to be determined as of the date the asset is expected to be placed in service. You may wish to consult your accountant in completing this Exhibit. Commission staff can provide copies of the above-referenced Revenue Procedures.

Please complete the attached Schedule as follows:

Step 1. Please list each of the assets comprising the Project to be financed or refinanced by the Grant funds by describing them in Column I. At the minimum, the assets should be broken down as "Land," "Land Improvements," "Building," and "Equipment." In Column II, indicate whether each asset will be acquired, constructed, installed, renovated, etc.

Step 2. In Column III, set forth the corresponding total cost of each asset to be paid with Grant funds. Any amounts shown on the Project Budget as "Contingency" should be assigned to the shortest-lived asset.

Step 3. In Column IV, set forth the date each asset is expected to be placed in service. An asset is first placed in service when it is first placed in a condition or state of readiness and availability for a specifically assigned function.

Step 4. In Column V, set forth in years the ADR midpoint life or the guideline life of each asset listed in Column I, in accordance with the following:

Land. If any portion of the Grant funds will be used to finance land, Commission staff should be consulted to determine the economic life to be assigned. In most cases, Commission staff will direct you to assign the land an economic life of 0 and to exclude the land from the economic life calculation.

If land improved with one or more existing buildings will be acquired, please allocate the purchase price between the land and buildings and furnish the Commission with a copy of a recent appraisal of the relative value of the land and buildings to support your allocation.

Buildings. A guideline life must be determined under Revenue Procedure 62-21 for any building to be financed with the Grant. Forty years is the guideline life for most buildings. Based on the nature of the particular building, your accountant or Commission staff will assist you in determining whether another guideline life is more appropriate. Each building includes the structural shell of the building and all integral parts thereof, equipment which services normal

heating, plumbing, air conditioning, fire prevention and power requirements, and equipment such as elevators and escalators.

Equipment. Please select a ADR midpoint life for each item of equipment to be financed. The tables of asset guideline classes, asset guideline periods and asset depreciation ranges included in Revenue Procedures 83-35 and 87-56 is used for reference.

To use the table, you should first determine the asset guideline class in which each item of equipment falls. General business assets fall into classes 00.11 through 00.4 to the extent that a separate class is provided for them. Other assets, to the extent that a separate class is provided, fit into one or more of classes 01.1 through 80.0. Subsidiary assets (jigs, dies, molds, patterns, etc.) are in the same class as are the other major assets in an industry activity unless the subsidiary assets are classified separately for that industry. Each item of equipment should be classified according to the activity in which it is primarily used. If the equipment is not described in any asset guideline class, its estimated economic life must be determined on a case by case basis.

Working Capital. Working Capital Expenditures are ineligible for Grant funding.

Step 5. In Column VI, adjust the ADR midpoint or guideline life for each asset by adding the amount of time (in years) between May 16, 2005 (the closing date of the Tobacco Bonds) and the in-service date specified in Column IV. For example, if a building with a guideline life of 40 years will be placed in service one year and six months after May 16, 2005, the adjusted economic life for such building in Column VI should be 41.5

Step 6. In Column VII, show with respect to each asset the product of the respective entry in Column III multiplied by the respective entry in Column VI.

Step 7. Total all of entries in Column III and Column VII.

Step 8. Divide the Column VII Total by the Column III Total. The quotient is the average reasonably expected economic life of the assets to be financed with Grant funds as part of the Project.

INFORMATION SCHEDULE
 REASONABLY EXPECTED ECONOMIC LIVES
OF PROJECT FACILITIES

	COLUMN I	COLUMN II	COLUMN III	COLUMN IV	COLUMN V	COLUMN VI	COLUMN VII
	DESCRIPTION OF ASSETS INCLUDED IN THE PROJECT	ACQUISITION, CONSTRUCTION, INSTALLATION, RENOVATION, ETC.	TOTAL COST TO BE FINANCED BY GRANT	IN SERVICE DATE	GUIDELINE OR ADR MIDPOINT LIFE	ADJUSTED ECONOMIC LIFE	COLUMN III X COLUMN VI
1	Land Improvements	Construction	\$2,624,800	1/24/18	20	32.5	\$85,306,000
2							
3							
4							
5							
6							
			Total: \$2,624,800				Total: \$85,306,000

AVERAGE REASONABLY EXPECTED ECONOMIC LIFE:

COLUMN VII TOTAL \$85,306,000 ÷ COLUMN III TOTAL: \$2,624,800 = 32.5 YEARS

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	05/14/2018
Subject:	Resolution 2018-05-14-5B
From:	Brian K. Bradner, Dewberry Engineers and Michael C. Guanzon, Esq., Clement Wheatley

SUMMARY

The Board will be asked to approve Resolution 2018-05-14-5B, authorizing Mountain Valley Pipeline to conduct surveys at Berry Hill Industrial Park.

ATTACHMENTS

Resolution 2018-05-14-5B
Exhibit A – Survey Authorization

A RESOLUTION AUTHORIZING MOUNTAIN VALLEY PIPELINE, LLC AND ITS AFFILIATES, AGENTS, EMPLOYEES AND CONTRACTORS TO ENTER UPON THE AUTHORITY'S BERRY HILL INDUSTRIAL PARK LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, FOR THE LIMITED PURPOSE OF CONDUCTING CIVIL, ENVIRONMENTAL AND CULTURAL RESOURCE SURVEYS AS PART OF ITS INTERSTATE MOUNTAIN VALLEY PIPELINE (MVP) PROJECT FOR NATURAL GAS DELIVERY

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, Mountain Valley Pipeline, LLC, a Delaware limited liability company ("**MVP**"), intends to develop a 303-mile pipeline to take natural gas from New York to markets in the Mid- and South Atlantic regions of the United States; and

WHEREAS, MVP intends to receive gas from the end of the Mountain Valley Pipeline mainline in Pittsylvania County, Virginia, and extend approximately 70 miles south to new delivery points in Rockingham County and Alamance County, North Carolina; and

WHEREAS, MVP is requesting survey permission from property owners for several routing options within a "**study corridor**" in order to identify the best possible route for the proposed pipeline, which study corridor includes a portion of land located in the Authority's Berry Hill Mega Park in Pittsylvania County, Virginia; and

WHEREAS, the Authority's engineers, Dewberry Engineers, Inc., has evaluated MVP's request and recommends approval; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County and Danville, Virginia, and in further development of the Authority's Berry Hill Mega Park for the Authority to execute and deliver that certain MVP Southgate Survey Authorization as shown on **Exhibit A**, attached hereto and incorporated herein by this reference (the "**Survey Authorization**").

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority does hereby approve the Survey Authorization, together with such amendments, deletions or additions thereto, consistent with this Resolution, as may be approved by the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, and hereby authorizes the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, to execute and deliver, on behalf of the Authority, the Survey Authorization, including all necessary documents pertaining thereto, such execution of the Survey Authorization, and any necessary documents pertaining thereto, by the Chairman or Vice Chairman of the

Resolution No. 2018-05-14-5B

Authority, either of whom may act, to conclusively establish approval of any amendments, deletions or additions thereto.

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

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority and its agents and representatives, in respect of the Survey Authorization and the matters contemplated therein.

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 May 14, 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 14th day of May 2018.

(SEAL)

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

EXHIBIT A
[Survey Authorization attached]

MVP Southgate - SURVEY AUTHORIZATION

We, the Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia (“RIFA”), hereby provide to MVP Southgate and its affiliates, agents, employees and contractors (individually or collectively, “MVP Southgate Parties”), the limited permission to enter upon our property only for the purposes of conducting civil, environmental and cultural resource surveys, *expressly subject to the conditions that we are paid for any and all damages to property or crops that may be directly caused by such activities and that MVP Southgate agree to the other conditions set forth below.* Your answers to the following questions will be most helpful in accurately completing our survey activities.

Is there a water well located on this property? Yes No

Is there a septic system located on this property? Yes No

Comments: _____

OTHER CONDITIONS: By entering upon our property, MVP Southgate agrees to the following:

- 1) MVP Southgate shall indemnify and hold harmless RIFA, its members, directors, contractors and agents from and against all claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation reasonable attorneys’ fees and costs) which arise out of, relate to or result from the activities of MVP Southgate Parties upon our property. MVP Southgate, at its sole cost and expense, shall promptly restore our property to the condition that existed prior to such activities of MVP Southgate Parties.
- 2) MVP Southgate shall promptly furnish to RIFA, at no expense to RIFA, copies of all surveys or site plans of our property that result from the activities of MVP Southgate Parties upon our property.
- 3) On or before the 15th day of each month, MVP Southgate shall submit to RIFA a log of the dates, times and the names of MVP Southgate Parties who entered and exited our property at any time during the immediately previous month. If no MVP Southgate Parties entered our property in a particular month, no log need to be submitted to RIFA for that month.
- 4) In its sole and absolute discretion, RIFA, acting through its engineers, Dewberry Engineers, Inc., or such other person designated by RIFA from time to time in writing, shall have the right to suspend,

temporarily or permanently, its authorization by giving notice in writing, orally or by electronic mail (trina.sobotka@gmail.com) to Trina Sobotka, Senior Right-of-Way Agent, Doyle Land Services, Inc., or such other agent as MVP Southgate may designate from time to time in writing.

- 5) MVP Southgate shall promptly notify RIFA when the activities of MVP Southgate Parties have been completed. Unless earlier suspended by RIFA, the authorization to MVP Southgate Parties shall automatically terminate upon the date of such notice from MVP Southgate.
- 6) No waiver of any condition by RIFA shall be deemed a continuing or further waiver of the same or condition or a waiver of any other condition of this instrument.

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

By: _____
Robert W. Warren, Chairman

Re: Assessor Parcel #: 1367-41-6185, 1367-41-6185

MVP SG Tract #(s): VA-PI-172.000, VA-PI-178.000 & VA-PI-178.100.AR

Dated: _____

Telephone: _____ (home)

_____ (work)

_____ (cell)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	May 14, 2018
Subject:	FY2018 General Expenditures Budget
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

At June 30, 2018, the *General Expenditures for Fiscal Year 2018* budget sheet is over budget for the “Legal” and “Accounting” line items. Staff is requesting an increase to the “Legal” and “Accounting” budget to cover expenses for the remainder of the fiscal year. Staff proposes transferring \$30,000.00 from the “Contingency” budget to the “Legal” budget and transferring \$600.00 from the “Contingency” budget to the “Accounting” budget.

RECOMMENDATION

Staff recommends the Board approve transferring \$30,000.00 from the “Contingency” budget to the “Legal” budget and transferring \$600.00 from the “Contingency” budget to the “Accounting” budget.

ATTACHMENTS

General Expenditures for Fiscal Year 2018 budget sheet as of June 30, 2018.

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2018

As of June 30, 2018

	<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	\$ 19,472.51	\$ -	\$ 79,207.78
Berry Hill Wilmot Project (Lot 3B)			7,314.00	-	(7,314.00)
Total Contingency Budget		98,680.29	26,786.51	-	71,893.78
Legal		80,000.00	85,885.40	-	(5,885.40)
Accounting		20,300.00	20,900.00	-	(600.00)
Annual Bank Fees		600.00	550.00	-	50.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	2,089.52	-	1,910.48
Utilities		500.00	245.60	-	254.40
Insurance		3,000.00		-	3,000.00
Total	\$ 207,180.29	\$ 207,180.29	\$ 136,457.03	\$ -	<u><u>\$ 70,723.26</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5D
Meeting Date:	May 14, 2018
Subject:	Financial Status Reports – April 30, 2018
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through April 30, 2018 will be provided at the meeting. The financial status reports as of April 30, 2018 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of April 30, 2018 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. 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 ⁷

As of April 30, 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 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		-	129,145.08	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	342,866.72	-	
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,404,411.95	\$ 43,169.38	\$ 131,000.79

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 April 30, 2018

	<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	\$ 19,472.51	\$ -	\$ 79,207.78
Berry Hill Wilmot Project (Lot 3B)			7,314.00		\$ (7,314.00)
Total Contingency Budget		<u>98,680.29</u>	<u>26,786.51</u>	<u>-</u>	<u>71,893.78</u>
Legal		80,000.00	85,885.40	-	(5,885.40)
Accounting		20,300.00	20,900.00	-	(600.00)
Annual Bank Fees		600.00	550.00	-	50.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	2,089.52	-	1,910.48
Utilities		500.00	245.60	-	254.40
Insurance		3,000.00		-	3,000.00
Total		<u>\$ 207,180.29</u>	<u>\$ 207,180.29</u>	<u>\$ 136,457.03</u>	<u>\$ -</u>
					<u><u>\$ 70,723.26</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 April 30, 2018

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 April 30, 2018

Funding	Funding	<u>Budget / Contract</u> Amount	<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.		1,676,562.81	1,437,812.81	238,750.00	
Jones Lang LaSalle		95,000.00	95,000.00	-	
Jones Lang LaSalle - Economic Analysis		12,000.00	12,000.00	-	
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Wetlands Studies and Solutions, Inc.		77,027.64	77,027.64	-	
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	
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	\$ 5,999,438.51	\$ 5,755,688.51	\$ 243,750.00	<u>\$ 1,900,917.64</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

Berry Hill Mega Park - Lot 8 Site Development

As of April 30, 2018

	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funding					
TIC #3358 Site Improvements for Project Lignum					
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				
Expenditures					
Dewberry Engineers Inc.		89,300.00	82,800.00	6,500.00	
Total	\$ 5,249,600.00	\$ 89,300.00	\$ 82,800.00	\$ 6,500.00	<u><u>\$ 5,160,300.00</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Water & Sewer

As of April 30, 2018

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
<i>TIC #2641 Phase I Sanitary Sewer</i>					
Tobacco Commission Grant 2641	\$ 4,908,240.00				
Local Match for Contractual Services	282,400.00				
Local Match for Property & Improvements	262,960.00				
<i>TIC #3011 Water System Improvements Phase II</i>					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Improvements	224,160.00				
<i>Expenditures</i>					
Dewberry Engineers Inc.		398,284.00	26,371.20	371,912.80	
Haymes Brothers, Inc. - Phase I Sanitary Sewer Project		4,908,414.75		4,908,414.75	
<i>Total</i>	\$ 7,919,327.00	\$ 5,306,698.75	\$ 26,371.20	\$ 5,280,327.55	\$ <u>2,612,628.25</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Rent, Interest, and Other Income Realized for Fiscal Year 2018
As of April 30, 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) ¹		\$ 20,653.94	\$ 211,764.06		
Mountain View Farms of Virginia, L.C.			1,200.00		
Osborne Company of North Carolina, Inc.		1,000.00	1,000.00		
Capital Outdoor, Inc.		-	1,800.00		
<i>Total Rent</i>		\$ 21,653.94	\$ 215,764.06		
<u>Interest Received</u> ²		\$ 424.21	\$ 5,171.06		
<u>Miscellaneous Income</u>		\$ -	\$ 85,500.00		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 191,110.12	
Totals	<u>\$ 630,797.74</u>	<u>\$ 22,078.15</u>	<u>\$ 306,435.12</u>	<u>\$ 191,110.12</u>	<u>\$ 746,122.74</u>
				Restricted ¹	\$ 334,349.00
				Unrestricted	\$ 411,773.74

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}
April 30, 2018*

	Unaudited FY 2018
Assets	
<i>Current assets</i>	
Cash - checking	\$ 761,871
Cash - money market	794,444
Prepays	231
<i>Total current assets</i>	1,556,546
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	180,670
Restricted cash - debt service fund CCC bonds	15,742
Restricted cash - debt service fund Berry Hill bonds	35
Restricted cash - debt service reserve fund Berry Hill bonds	1,916,331
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>	58,020,983
Total assets	59,577,529
Liabilities	
<i>Current liabilities</i>	
Unearned income	1,475
Bonds payable - current portion	1,288,450
<i>Total current liabilities</i>	1,289,925
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	3,468,190
<i>Total noncurrent liabilities</i>	3,468,190
Total liabilities	4,758,115
Net Position	
Net investment in capital assets	51,332,235
Restricted - debt reserves	1,932,108
Unrestricted	1,555,071
Total net position	\$ 54,819,414

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 April 30, 2018 as of April 30, 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
April 30, 2018*

	Unaudited FY 2018
Operating revenues	
Virginia Tobacco Commission Grants	1,707,955
Rental income	215,764
Other Income	85,500
Total operating revenues	2,009,219
Operating expenses ⁴	
Mega Park expenses ³	1,904,902
Cane Creek Centre expenses ³	32,311
Cyber Park expenses ³	199,060
Professional fees	77,870
Insurance	2,199
Other operating expenses	4,865
Total operating expenses	2,221,207
Operating income (loss)	(211,988)
Non-operating revenues (expenses)	
Interest income	19,482
Interest expense	(116,659)
Total non-operating expenses, net	(97,177)
Net income (loss) before capital contributions	(309,165)
Capital contributions	
Contribution - City of Danville	724,694
Contribution - Pittsylvania County	724,694
Total capital contributions	1,449,388
Change in net position	1,140,223
Net position at July 1, 2017	53,679,191
Net position at April 30, 2018	\$ 54,819,414

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
April 30, 2018*

	Unaudited FY 2018
Operating activities	
Receipts from grant reimbursement requests	\$ 3,084,574
Receipts from leases	215,762
Other receipts	85,500
Payments to suppliers for goods and services	(3,222,711)
Net cash used by operating activities	163,125
Capital and related financing activities	
Capital contributions	1,146,222
Interest paid on bonds	(163,211)
Principal repayments on bonds	(1,230,000)
Net cash provided by capital and related financing activities	(246,989)
Investing activities	
Interest received	19,482
Net cash provided by investing activities	19,482
Net increase (decrease) in cash and cash equivalents	(64,382)
Cash and cash equivalents - beginning of year (including restricted cash)	3,733,475
Cash and cash equivalents - through April 30, 2018 (including restricted cash)	\$ 3,669,093
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (211,988)
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)
Net cash used by operating activities	\$ 163,125

Components of cash and cash equivalents at April 30, 2018:	
American National - Checking	\$ 761,871
American National - General money market	794,444
Wells Fargo - \$7.3M Bonds CCC Debt service fund	15,742
Wells Fargo - \$7.3M Bonds CCC Project fund	180,670
US Bank - \$11.25M Bonds Berry Hill Debt service fund	35
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	1,916,331
	\$ 3,669,093