

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

July 9, 2018

12:00 P.M.

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

County of Pittsylvania Members

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

City of Danville Members

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

Staff

**Ken Larking, City Manager, Danville
David M. Smitherman, Pittsylvania County Administrator
Clement Wheatley, Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer**

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

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

4. APPROVAL OF MINUTES OF THE JUNE 11, 2018 MEETING

5. NEW BUSINESS

- A. Consideration of Resolution No. 2018-07-09-5A, approving Change Order 5 to the site development work by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2017-02-24-4A, including additional erosion and sediment control devices, fertilizer, lime and bush hogging, increasing the contract price by \$38,731.70 - Shawn R. Harden, P.E., Project Manager, Dewberry Engineers, Inc.
- B. Financial Status Reports as of June 30, 2018 – Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia

6. CLOSED SESSION

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

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended (“Virginia Code”), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business’s interest in locating its facilities in one or more of the Authority’s projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;
- B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (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

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bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in one or more of the Authority's projects 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:	07/09/2018
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, June 11, 2018 meeting.

ATTACHMENTS

Meeting Minutes – 06/11/2018

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June 11, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 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 and Alternate J. Lee Vogler; Fred O. Shanks, III was absent. Pittsylvania County Members present were Chairman Robert W. Warren, Ronald S. Searce and Alternate Elton W. Blackstock.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Pittsylvania County Administrator David Smitherman, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Project Manager Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Ashley Wolfe, City of Danville 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 MAY 14, 2018 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Searce, Minutes of the May 14, 2018 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. – CONSIDERATION OF RESOLUTION NO. 2018-06-11-5A, APPROVING CHANGE ORDER 1 TO THE PHASE I SANITARY SEWER PROJECT IN THE AUTHORITY’S BERRY HILL INDUSTRIAL MEGA PARK

Shawn Harden from Dewberry explained this was for Change Order No.1 for the Sanitary Sewer Project; most of it is dealing with Stormwater management compliance. During the bidding, DEQ was still reviewing the plans, they added and deleted some items, so it was a change in their overall contract. The second item is the addition of the recirculation piping; RIFA removed that section of the force main so it is not physically attached. In order to test and operate the pumps, exercise the pumps periodically until there is enough flow to pump it to Eden and get it connected, that recirculation piping will allow RIFA to operate the pump station without having to get enough water to send all the way back to Eden. Mr. Harden noted this would come out of a contingency budget; before the Change Order, there was about \$304,500, this will bring that down to \$257,000.

Mr. Vogler **moved** for adoption of *Resolution No. 2018-06-11-5A, approving Change Order 1 to the Phase I Sanitary Sewer Project in the Authority’s Berry Hill Industrial Mega Park, located In Pittsylvania County, Virginia, to be performed by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2018-03-12-5A, increasing the contract price by \$46,755.00.*

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

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

5B. - CONSIDERATION OF RESOLUTION NO. 2018-06-11-5B, APPROVING THE FY2019 BUDGET

Senior Accountant Henrietta Weaver reviewed the proposed General Expenditure Budget for the upcoming fiscal year and explained the first three columns are the actual numbers as of the end of May; using those numbers and projections, the proposed funding and budget for the upcoming fiscal year are presented. Currently, it only accounts for the contributions from the City and the County of \$75,000 each; whatever is leftover from this fiscal year will be transferred over to be used for next year.

Mr. Saunders **moved** for adoption of *Resolution No. 2018-06-11-5B, approving the FY2019 Budget.*

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

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

5C. FINANCIAL STATUS REPORT AS OF MAY 31, 2018

Senior Accountant Henrietta Weaver gave the Financial Status report as of May 31, 2018 noting under the \$7.3M Bonds for Cane Creek Centre, RIFA spent \$1,430 to Dewberry for Wetlands Monitoring. Under General Expenditures, RIFA spent \$287 on meals and \$31 for Utilities. Mega Park Funding Other than Bonds had no activity for the month of May. Berry Hill Mega Park Lot 4 Site Development showed RIFA paid \$4,250 to Dewberry for Professional Services under Amendment 10. Berry Hill Mega Park Lot 8 Site Development showed no activity for the month of May. Ms. Weaver noted the Berry Hill Mega Park Water and Sewer sheet is for information purposes only, the County paid \$8,640 to Dewberry for the water line. Rent, Interest and Other Income shows payment to the Institute for Advanced Learning and Research for the Hawkins' Building property management in the amount of \$20,654 for the month of April.

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

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

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5D. CONSIDERATION OF RESOLUTION NO. 2018-06-11-5D, APPROVING THE HIRING OF BIDDLE STREET INDUSTRIAL ASSOCIATES, INC.,

City of Danville Director of Economic Development Telly Tucker noted as a part of the Performance Agreement with Unison Tube LLC., and as part of the continuing obligation to provide oversight of the Performance Agreement and monitoring, once Unison had all their stock equipment on the floor, it is RIFA's duty to have that appraised to make sure it meets the financial value they set forth in the agreement. This proposal is to cover the cost of a third party appraiser to give RIFA the value of the equipment. It covers two to three days of travel expenses and on site evaluation of the equipment. That report will be submitted back to the RIFA board; this is part of RIFA's ongoing obligation agreement with the Regional Foundation as it pertains to the incentive for Unison. Part of RIFA's requirement was they had to get this third party appraisal done before they release any funds, how the incentive dollars are covered by the value of the equipment they propose to have on-site. This falls within the staff authority of approval but staff wanted to make sure it was put on the agenda so the Board is aware that staff is monitoring the Company's progress per what was outlined in the Performance Agreement and Security Agreement. Mr. Guanzon noted the Resolution that the Board had already passed for this transaction does cover the amount but because staff had to go to Pennsylvania to find a qualified appraiser because of the specialized nature of this equipment, is the reason why staff brought this back to the Board.

Mr. Scarce **moved** for approval of *Resolution No. 2018-06-11-5D, approving the hiring of Biddle Street Industrial Associates, Inc., a Pennsylvania corporation, to appraise certain equipment at an estimated cost of \$3,700, as part of that certain Local Performance Agreement, approved by the Authority under Resolution No. 2017-09-07-4F.*

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

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

6. CLOSED SESSION

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

At 12:24 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 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

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

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

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

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

D. On **Motion** by Mr. Saunders and **second** by Mr. Searce and by unanimous vote at 12:45 p.m., the Authority returned to open meeting.

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

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

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

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

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

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

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7. COMMUNICATIONS

Mr. Warren noted his appreciation of the staff from the Southern Virginia Regional Alliance and VEDP for the recent meeting that SVRA put on at the Institute. It was very informative in relation to Berry Hill and he felt like he learned a lot. He asked staff if it was possible for the power point presentation to be sent to all the RIFA Board members. Mr. Saunders noted having a State director there meant a lot.

Mr. Warren noted the County is losing Ms. Wolfe, she is leaving to move to Arizona; the County will miss her greatly, she has done an outstanding job and is moving on to great things.

Enterprise Zone Boundary and Incentive Amendments

Ashley Wolfe, Project Manager, Pittsylvania County Economic Development gave a brief overview on Enterprise Zone Amendments noting their office has been working on boundary and incentive amendments to both of their Enterprise Zones; Zone 24 which is County only, and Zone 57 which is the joint zone between the City and the County. Ms. Wolfe noted they have some land that they felt likely to be developed but was not in an Enterprise Zone and also have some land that was in an Enterprise Zone taking up valuable acreage that they did not see being developed. Ms. Wolfe reviewed the zones (a copy of the handout *Pittsylvania County Proposed Enterprise Zone Amendment 2018 Application Map is attached to these minutes*) noting the green areas are the existing Enterprise Zones and red areas are the proposed additions.

The first area was the SVMP, a little bit of it is in, but most of it is not so staff will add that as Zone 24. In Gretna, the green area is existing and the blue areas are removals. The Techma Building is not in an Enterprise Zone, but the twenty-seven acres behind the building are, they are going to add the building in. They are going to remove a school and a library that is in an Enterprise Zone, that's not on land that will be developed. They are going to remove a little bit of the Gretna Industrial Park that is an area that has bad access and doesn't think that will be developed; those are in Zone 57 primarily. The Old Dominion Agricultural Complex is not in, but staff would like to put it in. The Chatham Industrial Park has some industry going in there and staff wants to have it in a zone. In Blairs, there is a bit of land in the middle of an interchange, two, ten acre parcels they are going to take out.

There are maximum acreages in the zones so any small piece that is not going to be developed they want to get it out so they can put it in a better spot. There is also some area in Zone 57 with some residential, not really developable properties, that will be taken out. They are not doing anything to Cane Creek, everything that is in Zone 57 will remain. In Berry Hill there are a couple of small pieces which will be removals, the parts of the lots on the other side of the railroad tracks totaling about 350 acres that can be taken out and used somewhere else. Staff is also going to do incentive amendments; Zone 57 has one set of incentives and Zone 24 has a different set of incentives. Their objective is to bring them to level so that they match, bringing Zone 24 incentives up to par.

Mr. Saunders questioned if there was a certain amount the State will give out per year to jurisdictions for Enterprise Zone designations and Ms. Wolfe noted there are two different programs in the Enterprise programs at the state level, there is a Job Creation Grant and a Real Property Investment Grant. The Job Creation Grant is based on the wage of the jobs;

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the state will give a certain dollar figure per job, that is over a five year period for eligible companies. The Real Property Investment Grant is based on a minimum investment and is also pro rated; sometimes the State is not able to give the full amount, they give as much as they can based on how many applications they receive each year.

Update on Enviva Development Holdings, LLC – Corrie M. Teague-Bobe, Assistant Director, Danville Economic Development noted staff has been notified by Enviva Development Holdings, LLC that they do intend to extend their review period for Lot 8 at Berry Hill. They will be processing the \$20,000 payment, with \$10,000 towards the Extension Fee and \$10,000 toward the deposit, this week.

Update on Connector Road Plans for Berry Hill Industrial Mega Park – Brian Bradner, P.E., Vice President, Dewberry Engineers Inc., noted staff has just about wrapped up a Transportation Plan update on the Connector Road, through the local MPO and North Piedmont Planning District. That update was focused on two things, one was looking at the Connector Road as the preferred alternative connecting with the existing interchange on the bypass. Secondly, the other role of the update was to update the cost, and then look at the phasing for what that project would look like in support of a VDOT Smart Scale application. They have finished the draft of that report, and recently had an informal meeting with what they believe to be the affected owners that they would need to obtain right of ways from. Mr. Bradner noted Mr. Sides, Mr. Harden and Rick Youngblood with VDOT were there. Their collective take away from that was that all that attended that meeting were very supportive of the project and in general very supportive of Berry Hill. There was a collective understanding of what it means to the County and for the region; they asked a lot of good questions and there was good feedback. Also, as part of that study, there will be an open community public meeting, to inform the public what the results of the study are and solicit feedback. That meeting has been scheduled for June 21st, at Brosville Elementary School, 5:00 p.m. to 7:00 p.m. As it relates to the Smart Scale application, the pre-application for that is being submitted through the MPO and the Planning District and the final application is due in about 30-40 days.

Meeting adjourned at 12:59 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5A

Meeting Date: 07/09/2018

Subject: Resolution 2018-07-09-5A Approving Change Order 5 for Haymes Brothers at Berry Hill

From: Shawn R. Harden, Dewberry

SUMMARY

The Board will be asked to approve Resolution 2018-07-09-5A , approving Change Order Number 5 from Haymes Brothers with respect to site development work at Berry Hill.

ATTACHMENTS

Resolution 2018-07-09-5A

Change Order Number 5

Resolution No. 2018-07-09-5A

A RESOLUTION APPROVING CHANGE ORDER 5 TO THE SITE DEVELOPMENT WORK BY HAYMES BROTHERS, INC., A VIRGINIA CORPORATION, ORIGINALLY APPROVED UNDER RESOLUTION NO. 2017-02-24-4A, INCLUDING ADDITIONAL EROSION AND SEDIMENT CONTROL DEVICES, FERTILIZER, LIME AND BUSH HOGGING, INCREASING THE CONTRACT PRICE BY \$38,731.70

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

WHEREAS, the Authority approved certain site development work (the “**Original Work**”) to the Authority’s Berry Hill Industrial Mega Park project (“**Berry Hill**”) located in Pittsylvania County, Virginia, under Resolution No. 2017-02-24-4A, by Haymes Brothers, Inc., a Virginia corporation (“**Haymes**”); and

WHEREAS, Haymes has submitted Change Order 5, recommended by the Authority’s engineers, which would include additional erosion and sediment control devices to better handle the large rain storms experienced in the spring, another round of fertilizer and lime, and bush hogging the graded pads in the fall, increasing the contract price by \$38,731.70 (the “**Change Order 5 Amount**”), as more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference (“**Change Order 5**”); and

WHEREAS, the Authority has determined that Change Order 5 is reasonable, necessary and proper for the further development of Berry Hill; and

WHEREAS, the fiscal agent of the Authority has determined that funding for the Change Order 5 Amount is within “Lot 4 Site Development”, a funding sheet under the budget previously approved by the Authority for this project for this purpose; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County, Virginia, and the City of Danville, Virginia, for the Authority to accept Change Order 5.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority does hereby approve the acceptance of Change Order 5, and hereby authorizes the Chairman or the Vice Chairman of the Authority, either of whom may act independently of the other, to execute and deliver Change Order 5 and any such other documents in connection with the acceptance of Change Order 5, with such amendments, deletions or additions thereto, so long as the price for Change Order 5 does not exceed five percent (5%) of the Change Order 5 Amount, as may be approved by the Chairman or the Vice Chairman, such execution by the Chairman or the Vice Chairman

Resolution No. 2018-07-09-5A

to conclusively establish his approval of Change Order 5 or such other related documents and 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 Change Order 5 or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to Change Order 5 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 July 9, 2018, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 9th day of July 2018.

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

(SEAL)

Resolution No. 2018-07-09-5A

Exhibit A
(Change Order 5)

Date of Issuance: _____ Effective Date: 2-12-18
 Owner: Danville Pittsylvania County Regional Industrial Facility Authority Owner's Contract No.: 50018376
 Contractor: Haymes Brothers, Inc. Contractor's Project No.: _____
 Engineer: Dewberry Engineer's Project No.: 50018376
 Project: Berry Hill Industrial Park Contract Name: Phase 1 Development

The Contract is modified as follows upon execution of this Change Order:

Description: Change order number 5 is to add additional Erosion and sediment control devices to better handle the large rain storms experienced this spring. In addition, it adds another round of fertilizer and lime to the contract and bush hogging the graded pads in the fall.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>3,776,063.00</u>	Original Contract Times: Substantial Completion: <u>330</u> Ready for Final Payment: <u>360</u> days or dates
Increase from previously approved Change Orders No. <u>1</u> to No. <u>4</u> : \$ <u>387,980.41</u>	[Increase] [Decrease] from previously approved Change Orders No. <u>0</u> to No. <u>0</u> : Substantial Completion: <u>0</u> Ready for Final Payment: <u>0</u> days
Contract Price prior to this Change Order: \$ <u>4,164,043.41</u>	Contract Times prior to this Change Order: Substantial Completion: <u>330</u> Ready for Final Payment: <u>360</u> days or dates
Increase of this Change Order: \$ <u>38,731.7</u>	[Increase] [Decrease] of this Change Order: Substantial Completion: <u>0</u> Ready for Final Payment: <u>0</u> days or dates
Contract Price incorporating this Change Order: \$ <u>4,202,775.11</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>330</u> Ready for Final Payment: <u>360</u> days or dates

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: <u>Sh. R. Zuhd</u>	By: _____	By: _____
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Title: <u>Senior Associate</u>	Title _____	Title _____
Date: <u>7/3/18</u>	Date _____	Date _____

Approved by Funding Agency (if applicable)

By: _____ Date: _____
 Title: _____

Add Class II Rip Rap – This spring, extremely heavy rains washed the pond 5 ditch down the slope. The ditch was sized to handle the 25 year storm well within the acceptable velocities. The storms experienced were well over the 25 year storm. To avoid this ditch from washing again, class II riprap will be added. 135.12 tons of Rip rap will be added at \$35.00 per ton. Total cost \$4,729.20

Additional Erosion Protection I Ponds – The heavy spring rains eroded some slopes in the ponds. To fortify the slopes to better protect from the heavy spring rains, the slopes will be seeded and matted and additional silt fence added to slow the velocity coming out of the pond wetlands. Total Cost \$9232.50

Add One Additional Round of lime and fertilizer to Pads – \$92 per ton per acre applied at 1 ton per acre for 170 acres. Total Cost \$15,640.

Add One Round of Bush Hogging - \$50 per Acre for 170 Acres. Total Cost \$8,500.00

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Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	July 9, 2018
Subject:	Financial Status Reports – June 30, 2018
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

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

RECOMMENDATION

Staff recommends approving the financial status reports as of June 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 June 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	30,141.62	41,739.38	
Land		-	2,792,945.57	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	133,410.88	-	
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	\$ 7,410,107.75	\$ 41,739.38	<u>\$ 126,734.99</u>

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 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		\$ 68,080.29	\$ 19,472.51	\$ -	\$ 48,607.78
Berry Hill Wilmot Project (Lot 3B)			7,314.00		\$ (7,314.00)
Total Contingency Budget		<u>68,080.29</u>	<u>26,786.51</u>	<u>-</u>	<u>41,293.78</u>
Legal		110,000.00	101,498.90	-	8,501.10
Accounting		20,900.00	20,900.00	-	-
Annual Bank Fees		600.00	550.00	-	50.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	2,606.32	-	1,393.68
Utilities		500.00	337.70	-	162.30
Insurance		3,000.00	2,194.00	-	806.00
Total		<u>\$ 207,180.29</u>	<u>\$ 207,180.29</u>	<u>\$ 154,873.43</u>	<u>\$ -</u>
					<u><u>\$ 52,306.86</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 June 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 June 30, 2018

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
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	1,442,062.81	234,500.00	
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	\$ 5,759,938.51	\$ 239,500.00	\$ 1,900,917.64

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 June 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 June 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	35,011.20	363,272.80	
Haymes Brothers, Inc. - Phase I Sanitary Sewer Project		4,955,169.75		4,955,169.75	
Total	\$ 7,919,327.00	\$ 5,353,453.75	\$ 35,011.20	\$ 5,318,442.55	\$ <u>2,565,873.25</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Rent, Interest, and Other Income Realized for Fiscal Year 2018
As of June 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>					
	<u>Park</u>				
Institute for Advanced Learning and Research (IALR) ¹	Cyberpark	\$ 20,653.94	\$ 232,418.00		
Mountain View Farms of Virginia, L.C.	Berry Hill		1,200.00		
Osborne Company of North Carolina, Inc.	Berry Hill		1,000.00		
Capital Outdoor, Inc.	Cane Creek		1,800.00		
<i>Total Rent</i>		\$ 20,653.94	\$ 236,418.00		
<u>Interest Received</u> ²		\$ 438.57	\$ 5,609.63		
<u>Miscellaneous Income</u>		\$ 10,000.00	\$ 95,500.00		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 232,418.00	
Totals		<u>\$ 630,797.74</u>	<u>\$ 31,092.51</u>	<u>\$ 337,527.63</u>	<u>\$ 735,907.37</u>
				Restricted ¹	\$ 313,695.06
				Unrestricted	\$ 422,212.31

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}
June 30, 2018*

	Unaudited FY 2018
Assets	
<i>Current assets</i>	
Cash - checking	\$ 728,550
Cash - money market	794,882
Prepays	2,425
<i>Total current assets</i>	1,525,857
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	174,974
Restricted cash - debt service fund CCC bonds	4,356
Restricted cash - debt service fund Berry Hill bonds	36
Restricted cash - debt service reserve fund Berry Hill bonds	1,921,013
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>	58,008,584
Total assets	59,534,441
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	51,326,539
Restricted - debt reserves	1,925,405
Unrestricted	1,524,382
Total net position	\$ 54,776,326

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 June 26, 2018 as of June 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
June 30, 2018*

	Unaudited FY 2018
Operating revenues	
Virginia Tobacco Commission Grants	1,707,955
Rental income	236,418
Other Income	95,500
Total operating revenues	2,039,873
Operating expenses ⁴	
Mega Park expenses ³	1,911,583
Cane Creek Centre expenses ³	38,007
Cyber Park expenses ³	245,267
Professional fees	86,154
Insurance	2,199
Other operating expenses	5,699
Total operating expenses	2,288,909
Operating income (loss)	(249,036)
Non-operating revenues (expenses)	
Interest income	24,602
Interest expense	(127,819)
Total non-operating expenses, net	(103,217)
Net income (loss) before capital contributions	(352,253)
Capital contributions	
Contribution - City of Danville	724,694
Contribution - Pittsylvania County	724,694
Total capital contributions	1,449,388
Change in net position	1,097,135
Net position at July 1, 2017	53,679,191
Net position at June 30, 2018	\$ 54,776,326

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
June 30, 2018*

	Unaudited FY 2018
Operating activities	
Receipts from grant reimbursement requests	\$ 3,084,574
Receipts from leases	236,416
Other receipts	95,500
Payments to suppliers for goods and services	(3,292,607)
Net cash used by operating activities	123,883
Capital and related financing activities	
Capital contributions	1,146,222
Interest paid on bonds	(174,371)
Principal repayments on bonds	(1,230,000)
Net cash provided by capital and related financing activities	(258,149)
Investing activities	
Interest received	24,602
Net cash provided by investing activities	24,602
Net increase (decrease) in cash and cash equivalents	(109,664)
Cash and cash equivalents - beginning of year (including restricted cash)	3,733,475
Cash and cash equivalents - through June 30, 2018 (including restricted cash)	\$ 3,623,811
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (249,036)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	(2,195)
Change in other receivables	1,376,619
Change in accounts payable	(1,001,505)
Net cash used by operating activities	\$ 123,883

Components of cash and cash equivalents at June 30, 2018:	
American National - Checking	\$ 728,550
American National - General money market	794,882
Wells Fargo - \$7.3M Bonds CCC Debt service fund	4,356
Wells Fargo - \$7.3M Bonds CCC Project fund	174,974
US Bank - \$11.25M Bonds Berry Hill Debt service fund	36
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	1,921,013
	\$ 3,623,811