

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

September 10, 2018

12:00 P.M.

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

County of Pittsylvania Members

**Robert W. Warren, Chairman
Ronald S. Searce
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 AUGUST 13, 2018 MEETING

5. NEW BUSINESS

- A. Consideration of Resolution No. 2018-09-10-5A, approving that certain Performance Agreement with Appalachian Power Company, a Virginia public service corporation ("APCo"), for the construction of a 138 kV electric power transmission line to service the Authority's Southern Virginia Mega Site at Berry Hill ("SVMS") project, located in Pittsylvania County, Virginia, at an estimated aggregate cost of \$1,655,000, for the permitting process, final line design and preliminary substation design, right of way and substation site acquisition, along with a 25% contingency budget; those costs are subject to refund by APCo, should the actual metered capacity usage in the SVMS reach at least 60% of certain usage threshold for three consecutive months - Corrie M. Teague-Bobe, Assistant Director, Danville Economic Development
- B. Financial Status Reports as of August 31, 2018 – Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia
- C. Consideration of Resolution No. 2018-09-10-5C, approving those certain plans and specifications for "Institute for Advanced Learning and Research Hawkins Expansion Danville Cyber Park", Project No. 50101432, dated July 20, 2018, submitted by Dewberry, for construction on certain real property in the Authority's Cyber Park project in Danville, Virginia, and commonly known as 228 Slayton Avenue, Danville, Virginia -- Kenneth C. Gillie Jr., Director of Community Development, City of Danville, and/or Bryce Johnson, Senior Planner, City of Danville *[No written resolution.]*

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

Danville-Pittsylvania Regional Industrial Facility Authority

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 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

- Michael C. Guanzon, Esq.: October RIFA meeting on Tuesday, October 9 due to Columbus Day holiday
- Matthew D. Rowe: Signage -- SVMS logo plan
- Others

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	09/10/2018
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, August 13, 2018 meeting.

ATTACHMENTS

Meeting Minutes – 08/13/18

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 13, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:21 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; Ronald S. Scearce and Alternate Elton W. Blackstock were absent.

City/County staff members attending were: Deputy City Manager Earl Reynolds, County Administrator David Smitherman, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Project Manager Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, City of Danville Director of Finance Michael Adkins, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorneys Michael Guanzon and Jennifer Burnett, Secretary to the Authority Susan DeMasi and Executive Secretary Amanda Allen. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis, Executive Director of IALR Marc Gignac, and Linda Green from SVRA.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE JULY 9, 2018 MEETING AND JULY 27, 2018 SPECIAL MEETING

Upon **Motion** by Mr. Shanks and **second** by Mr. Saunders, Minutes of the July 9, 2018 Meeting and July 27, 2018 Special Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. – CONSIDERATION OF RESOLUTION NO. 2018-08-13-5A APPROVING A LETTER AGREEMENT WITH THE INSTITUTE FOR ADVANCED LEARNING AND RESEARCH

Authority Attorney Michael Guanzon explained this item is to approve the Institute's request to build the Gene Haas Center expansion building, at its expense. Currently, that property is located in the same tax parcel as the SENTEC and the Charles Hawkins' Building. The Charles Hawkins' building is a gross lease, and the SENTEC building is under a ground lease. This letter agreement gives the Institute consent to build on the property that they are going to own as far as the structure is concerned; it will be a perpetual ground lease, at a nominal fee. They will be responsible for the construction of the replacement parking lot in that same area and the maintenance of that parking area. Separately, the SENTEC building lease will have to be amended to change the configuration; the way it is configured now, the Institute is unable to exercise their option to purchase because of the size of the demised area. The idea is to amend the SENTEC building lease to remove that area that is not usable for purposes of an option to purchase, to increase the balance of their demised area and then convert that to a perpetual lease; they would still continue to own the building itself.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-08-13-5A, approving a letter agreement with the Institute for Advanced Learning and Research ("IALR"), a political*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
August 13, 2018

subdivision of the Commonwealth of Virginia, setting forth the terms and conditions of the Authority's consent to IALR's construction, at IALR's expense, of the Gene Haas Expansion to the Charles Hawkins Building in the Authority's Cyber Park.

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

VOTE: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

5B. CONSIDERATION OF RESOLUTION NO. 2018-08-13-5B APPROVING A PROPOSAL FOR PROFESSIONAL SERVICES DATED JULY 27, 2018

Shawn Harden from Dewberry explained he and Mr. Bradner recently met with the Army Corp to discuss the pad expansion project. During that meeting, they looked at some aerial photos and the Corp had reason to believe that the wetlands in that area have changed to the better. They requested that Dewberry go, re-delineate and let them reconfirm it. Mr. Harden noted he would like to see if there is a change that would be in RIFA's best interest and if there is, they will delineate it, and if there is not, they will just charge for the one day site visit and keep it the way it is. Mr. Rowe questioned how that was being paid for and Mr. Harden explained it would be paid for under the current Lot 4 grant which has a remaining fund balance.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-08-13-5B, approving that certain Proposal for Professional Services dated July 27, 2018, to re-delineate and re-identify, upon the recommendation of the U.S. Army Corps of Engineers, previously identified wetlands in the Authority's Berry Hill Mega Park in connection with the Phase I Pad Expansion, for a lump sum of \$11,500.00, subject, however, to grant use approval from the Virginia Tobacco Regional Revitalization Commission.*

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

VOTE: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

5C. CONSIDERATION OF RESOLUTION 2018-08-13-5C APPROVING CHANGE ORDER 6 BY HAYMES BROTHERS

Mr. Harden explained at the request of Economic Development they were asked to solicit a price from Haymes Brothers to construct a gravel access road and gravel pad on the Phase I development area, to prepare for the upcoming site visits with site consultants. Mr. Harden noted he vetted the cost received from Haymes Brothers and found them to be acceptable. Mr. Harden noted he recommended that Change Order No. 6 in the amount of \$47,700 be executed for Haymes Brothers; this will also be paid for out of Lot 4 Grant Funds.

Mr. Saunders **moved** for adoption of *Resolution No. 2018-08-13-5C, approving Change Order 6 to the site development work by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2017-02-24-4A, including construction of a 12 foot wide x*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 13, 2018

1,700 foot stoned roadway and a 100 foot x 150 foot stoned pad, increasing the contract price by \$47,700.00.

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

VOTE: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

5D. CONSIDERATION OF RESOLUTION NO. 2018-08-13-5D, AUTHORIZING THE CONSTRUCTION OF A HELIPAD AT BERRY HILL

Brian Bradner from Dewberry noted there has been a need to determine a way to easily and safely land helicopters at the Mega Site. They looked at various solutions, evaluated a number of them and are recommending a portable product; it is called Supa Trac, and it would be 50' by 50' and easily assembled. It is laid out on geotextile fabric and is suitable for all forms of commercial aircraft. Mr. Harden noted when RIFA develops Phase I, it can be removed and placed in another part of the park if needed.

Mr. Saunders **moved** for adoption of *Resolution No. 2018-08-13-5D, authorizing the construction of a helipad upon the Authority's Berry Hill Mega Park project and the expenditure of up to \$10,000.00 for such purpose.*

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

VOTE: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

5E. CONSIDERATION OF RESOLUTION NO. 2018-08-13-5E REBRANDING BERRY HILL MEGA PARK

Director of Economic Development for Pittsylvania County Matt Rowe explained during the site selection process for the Toyota Mazda plant, staff learned a lot about Berry Hill, as far as naming and raised brand site. They were trying to find a way for site consultants, large companies and industries to better understand where the mega site was, the fact that it is a mega site and the acreage. Staff made the determination to start calling the site, the Southern Virginia Mega Site at Berry Hill, with the abbreviation of SVMS. Staff feels this is a wise move; they understand the historical, cultural and community significance of the site, and feel it is important to include the name "Berry Hill." Staff is requesting approval from the Board to go forward and formally call the site, the Southern Virginia Mega Site at Berry Hill. They know from meeting with site consultants that the rebranding is resonating very positively with them. That would lead to a discussion on coming up with a signage plan that staff could present to the Board at the next meeting. Mr. Rowe noted he has also asked Ms. Linda Green, the Executive Director of the Southern Virginia Regional Alliance to discuss certification.

Mr. Shanks questioned if the site consultants they have spoken with think it is an awkwardly long name and Mr. Rowe noted they did not. When they are dealing with site consultants, the name is the Southern Virginia Mega Site or SVMS; it is very common to other mega sites.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 13, 2018

Mr. Shanks **moved** for adoption of *Resolution No. 2018-08-13-5E, rebranding the Authority's Berry Hill Mega Park project as "Southern Virginia Mega Site at Berry Hill" and "SVMS" – [No written resolution.]*

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

VOTE: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

Ms. Green noted in conjunction with the name and rebranding, in order to market the site, larger sites across the nation are typically certified as a mega site by a third party evaluator. Mark Sweeney who was with McCallum and Sweeney, and had worked with the park in past years, has met with the group and the state. Southern Virginia Regional Alliance and the Institute for Economic Development office worked with the grant proposal to pay the cost on this. They would like to recommend that the Board move forward with the third party recommendation, with the SVRA paying the cost, because of its potential marketing for the area. Most of the major OEM and supplier parks have these certifications and it takes away the risk by the companies looking at them. It gives them a third party assessment that someone has looked at the site carefully and says yes, this is ready to move forward.

Mr. Shanks noted when RIFA first started this, that was the Board's initial goal, how did RIFA get off that track. Ms. Green noted she did ask staff and there was a mutual decision that it was not ready to get the full certification at the point they were working on it; they stopped, with the mutual agreement that it was important to do so, but the timing was not right as far as the amount of work that had gone on. They are convinced that now is the right time; it is a one year process, it is not a quick process, but it is one that all prospects would understand and appreciate even if it was underway when they visited. Mr. Shanks stated the company that provides the certification does this across the country and Ms. Green noted they did. McCallum Sweeney has ended their company, but Mark Sweeney will still work with the new company, Quest Site Solutions, who work with O'Neal Engineering with the largest percentage of successful certifications in the nation; they are out of Greenville.

Mr. Rowe noted at this point, they will proceed forward with the certification since the money is in place through SVRA.

5F. CONSIDERATION OF RESOLUTION NO. 2018-08-13-5F APPROVE AN EASEMENT FROM THE AUTHORITY TO THE CITY OF DANVILLE

City of Danville Assistant Director of Economic Development Corrie Teague-Bobe noted the City's Public Works Department is extending sanitary sewer across South Boston Road. Initially they were looking to extend it along the right of way in front of some housing, however, due to the existing utilities within that right of way, it was apparent it was not the safest way to install the sanitary sewer. They are requesting a ten foot wide easement, which is along Lot 6 in Cane Creek Centre, in order to provide the utilities to the residential and possible future tenants at Cane Creek.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-08-13-5F, approving the grant of an easement from the Authority to the City of Danville, Virginia, for a permanent 10-foot wide*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 13, 2018

sanitary sewer easement over certain land in the Authority's Cane Creek Centre project located in Danville, Virginia, commonly known as Tax PIN 77193, containing 6.78 acres, more or less, being part of Lot 6, fronting on South Boston Road and Cane Creek Parkway.

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

VOTE: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

5G. FINANCIAL STATUS REPORTS AS OF JULY 31, 2018

Authority Treasurer Michael Adkins gave the Financial Status report as of July 31, 2018. Mr. Adkins noted the \$7.3M in bonds for Cane Creek show one expenditure during July, \$2,328 to Biddle Street Industrial Associates for the appraisal of the equipment for Unison. Mr. Adkins noted there were extra sheets this month as they are finishing up FY18 and into FY19. FY18 General Expenditures show \$230 for meals and \$31 for Utilities. FY19 General Expenditures show one expenditure for \$2,000 paid to Brown Edwards, a progress billing on the current audit; that audit will be commencing through this month and into September. Funding for the Mega Park other than Bonds show no activity; Lot 4 Site Development did not have any expenditures for July and Lot 8 shows no activity. Water and Sewer at Berry Hill has two major funding sources, TCR Grant 2641 and TCR 3011; Grant 2641 is administered by Pittsylvania County and a lot of the costs are paid directly by them. They are getting the funding sources put together here for information purposes. Ms. Weaver has worked with Ms. Van Der Hyde in the County to go back and capture any previous expenditures related to that grant. Mr. Adkins reviewed those expenditures noting they expended \$20,685 to Dewberry for Amendment 17 work, \$352,288 to Haymes Brothers for Phase I Sanitary Sewer Work, \$21,300 to Norfolk Southern Railway for financing and occupancy fees, \$1,475 to Pittsylvania County Service Authority for a Feasibility Analysis, \$4,500 to the Treasurer of Virginia, DEQ, for permit fees, \$2,500 for AECOM for an application fee and \$296 for BH Media for Advertisement of bids.

FY18 Rent, Interest and Other Income shows RIFA received \$20,654 from the Institute related to the Hawkins' Building, \$1,800 from Capital Outdoor for a lease renewal and \$425 of interest income; Expenditures were \$20,654 paid to the Institute for the Maintenance of the Hawkins' Building. FY19 Rent, Interest and Other Income shows \$20,654 from the Institute for Rent on the Hawkins' Building; RIFA also received the incentive payments for Unison from various agencies, \$215,250 from the City, \$215,250 from Pittsylvania County and \$542,500 from the Danville Regional Foundation. The City and County were just the portions that were earned by Unison; the Regional Foundation sent RIFA the entire incentive grant for Unison. The only expenditure for the month was to Unison for their Incentive Grant of \$764,135.50.

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

VOTE: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 13, 2018

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 12:47 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 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. Shanks and carried by the following vote:

VOTE: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

D. On **Motion** by Mr. Saunders and **second** by Mr. Shanks and by unanimous vote at 1:50 p.m., the Authority returned to open meeting.

E. Mr. Saunders **moved** for 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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 13, 2018

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: 3-0
AYE: Warren, Saunders and Shanks (3)
NAY: None (0)

7. COMMUNICATIONS

Mr. Shanks thanked everyone involved in keeping this Board active with so many challenging and exciting projects.

Mr. Warren thanked Mr. Guanzon and Clement Wheatley, they do a great job and are always prepared. Mr. Warren thanked staff as well.

Meeting adjourned at 1:54 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5A
Meeting Date: 09/10/2018
Subject: Resolution 2018-09-10-5A Approving a Performance Agreement with Appalachian Power
From: Corrie Teague-Bobe
Assistant Director of Economic Development, City of Danville

SUMMARY

The Board will be asked to approve Resolution 2018-08-13-5A, approving a Performance Agreement with Appalachian Power to service the Authority's Southern Virginia Mega Site at Berry Hill

ATTACHMENTS

Resolution 2018-08-13-5A
Exhibit A

A RESOLUTION APPROVING THAT CERTAIN PERFORMANCE AGREEMENT WITH APPALACHIAN POWER COMPANY, A VIRGINIA PUBLIC SERVICE CORPORATION (“APCo”), FOR THE CONSTRUCTION OF A 138 KV ELECTRIC POWER TRANSMISSION LINE TO SERVICE THE AUTHORITY’S SOUTHERN VIRGINIA MEGA SITE AT BERRY HILL (“SVMS”) PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, AT AN ESTIMATED AGGREGATE COST OF \$1,655,000, FOR THE PERMITTING PROCESS, FINAL LINE DESIGN AND PRELIMINARY SUBSTATION DESIGN, RIGHT OF WAY AND SUBSTATION SITE ACQUISITION, ALONG WITH A 25% CONTINGENCY BUDGET; THOSE COSTS ARE SUBJECT TO REFUND BY APCo, SHOULD THE ACTUAL METERED CAPACITY USAGE IN THE SVMS REACH AT LEAST 60% OF CERTAIN USAGE THRESHOLD FOR THREE CONSECUTIVE MONTHS

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, in further development of its Southern Virginia Mega Site at Berry Hill (“**SVMS**”) project, located in Pittsylvania County, Virginia, the Authority adopted Resolutions 2017-10-10-5B and 2017-08-14-5C, for the relocation by Appalachian Power Company, a Virginia public service corporation (“**APCo**”), of the Ridgeway-Corning Glass 69KV transmission line from structure 478-122 to structure 478-142; and

WHEREAS, in connection with such relocation, the Authority has determined that it is necessary and proper to have constructed a 138 kV electric power transmission line to service SVMS; and APCo is willing to perform such project (the “**SVMS 138 kV Line Project**”) at an estimated aggregate cost of One Million Six Hundred Fifty Five Thousand and 00/100 Dollars (\$1,655,000.00), for the permitting process, final line design and preliminary substation design, right of way and substation site acquisition, and a twenty-five percent (25%) contingency budget, as more particularly described in a Performance Agreement shown on **Exhibit A**, attached hereto and incorporated herein by this reference (the “**APCo Performance Agreement**”); and

WHEREAS, under the APCo Performance Agreement, the costs paid by the Authority are subject to refund by APCo, should the actual metered capacity usage in the SVMS reach, within a certain ten (10) year period, at least sixty percent (60%) of certain usage threshold for three (3) consecutive months as more particularly described therein; and

WHEREAS, the fiscal agent of the Authority has determined that funding for the estimated costs of the SVMS 138 kV Line Project is within the Authority’s budget funding sheet labeled “**Mega Park – Funding Other than Bond Funds**”, the funding source of which is Virginia Tobacco Region Revitalization Commission Grant #2264; and

Resolution No. 2018-09-10-5A

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 execute and to enter into the APCo Performance Agreement in further development of SVMS.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority does hereby approve the APCo Performance Agreement, and hereby authorizes the Chairman or the Vice Chairman of the Authority, either of whom may act independently of the other, to execute and to deliver the APCo Performance Agreement and any such other documents in connection with the APCo Performance Agreement, along with such amendments, deletions or additions thereto, as may be approved by the Chairman or the Vice Chairman, so long as the aggregate cost of the SVMS 138 kV Line Project under the Performance Agreement does not exceed One Million Six Hundred Fifty Five Thousand and 00/100 Dollars (\$1,655,000.00), such execution by the Chairman or the Vice Chairman to conclusively establish his approval of the APCo Performance Agreement 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 the APCo Performance Agreement 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 the APCo Performance 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 September 10, 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 10th day of September 2018.

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

(SEAL)

Exhibit A
(The APCo Performance Agreement)

PERFORMANCE AGREEMENT

This PERFORMANCE AGREEMENT, dated this ___ day of September, 2018, between APPALACHIAN POWER COMPANY, a Virginia public service corporation (“APCo”) and DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, a Virginia political subdivision (the “RIFA”)

W I T N E S S E T H:

Background: Pittsylvania County, Virginia (the “County”), the City of Danville, Virginia (the “City”) (the County and the City together, the “Localities”) and the RIFA are developing a “megapark” industrial park known as “Southern Virginia Mega Site at Berry Hill” on approximately 3,700 acres of land owned by the RIFA located in southern Pittsylvania County along the North Carolina border (the “Project”). The Localities and the RIFA are seeking to attract large industrial facilities to the Project in order to increase employment and promote economic development within the Localities. As a requirement for attracting such facilities to the Project, the Localities and the RIFA have determined that electric power service at 138 kV must be available at the Project within 12 months after a company has entered into a commitment with the RIFA to construct and operate a large industrial facility at the Project (a “Commitment”). In order to provide 138 kV electric power service at the Project, construction of (i) a new double circuit 138 kV transmission line (the “Line”) from a tap point on APCo’s Axton-Danville No. 2 138 kV transmission line, to the Project will be required, and (ii) depending upon the particular needs of the company or companies entering into a Commitment, a new 138 kV substation at the Project (the “Substation”; the Substation together with the Line and all access roads and other facilities ancillary thereto, the “138 kV Facilities”) may be required. In order for APCo to be able to meet the foregoing 12 month schedule for availability of 138 kV electric power service at the Project, APCo will need to complete the following process before any Commitment occurs:

- i. Complete the engineering and environmental analysis necessary to identify the preferred and any acceptable alternative locations for the 138 kV Facilities and to prepare and file an application or applications with the appropriate governmental authorities for all permits, certificates and approvals required for construction of the 138 kV Facilities (each an “Approval” and collectively, the “Approvals”), provided that the Approvals shall not include building permits, site development plan approvals, earth disturbance permits and similar non-discretionary permits and approvals;
- ii. Obtain the Approvals;
- iii. Complete the detailed engineering line design, ground surveys, environmental surveys and analysis and discussions with landowners as necessary or desirable to identify the final locations for the 138 kV Facilities (all of the foregoing activities collectively referred to as “Final Line Design”);
- iv. Complete preliminary engineering design for the Substation (Preliminary Substation Design); and

v. Acquire all of the right-of-way easements and related real estate rights as necessary to construct and operate the Line (collectively, the "ROW") and acquire a site and related real estate rights necessary to construct and operate the Substation (collectively, the "Substation Site").

Attachment 1 contains a list of the various tasks that APCo intends to undertake in accordance with the process described above, provided that the list is intended to be illustrative and not exhaustive or exclusive, and APCo reserves the right to make additions to and deletions from the list as it may deem necessary or desirable.

In order for APCo to proceed to obtain the Approvals, complete Final Line Design and Preliminary Substation Design and acquire the ROW and the Substation Site before any Commitment has occurred, the RIFA intends to fund the costs incurred by APCo to complete these tasks. Accordingly, subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. Routing Analysis and Permitting Process.

(a) APCo currently estimates that the Cost (as defined below) of obtaining the Approvals, including (i) undertaking the engineering and environmental analysis necessary to prepare and file an application or applications with the appropriate permitting authority or authorities for the Approvals, and (ii) prosecuting such application or applications to a final decision (collectively, the "Permitting Process") is expected to be \$180,000 (the "Preliminary Permitting Estimate") and that the Permitting Process will take approximately 6 months to complete, provided that the parties acknowledge and agree that APCo cannot guarantee that the Permitting Process will be completed for such amount or within such time frame or that the Approvals can or will be obtained. For purposes of this Agreement, "Cost" as used in connection with a particular activity shall include all of APCo's out-of-pocket costs incurred in connection with such activity, including without limitation costs of using outside contractors and attorneys, together with a reasonable allocation of the cost of the time of employees of APCo and affiliated AEP companies and associated overhead incurred in connection with such activity, as determined by AEP in accordance with generally accepted utility accounting principles and reasonably agreed upon by RIFA. For purposes of completing any of the activities contemplated by this Agreement, the parties acknowledge and agree that APCo may use its own employees or independent contractors authorized by APCo, or any combination thereof, to complete such activities.

(b) The parties intend that the RIFA, using funds provided by the Localities and from other sources, shall provide APCo in advance with the funds to pay the Cost of conducting the Permitting Process, payable in one or more installments. Upon receipt by APCo from the RIFA of \$180,000 as a single installment (such installment together with any subsequent installment, the "Permitting Payments"), APCo will promptly begin and use commercially reasonable efforts to diligently prosecute the Permitting Process. If at any time during the Permitting Process APCo reasonably expects that all of the Permitting Payments received to date have been or soon will be

expended to pay the Cost of the Permitting Process, APCo shall promptly notify the RIFA in writing of the amount of an additional Permitting Payment estimated by APCo as being reasonably necessary to continue the Permitting Process during the next month. Neither the Localities nor the RIFA shall have any obligation to make any Permitting Payments to APCo, provided that APCo shall not be required to expend any of its own funds to pursue the Permitting Process and shall have no obligation to proceed with the Permitting Process if the aggregate unexpended amount of any Permitting Payments in its possession is insufficient to continue the Permitting Process.

(c) If at any time APCo concludes that the total Cost of the Permitting Process will exceed the Preliminary Permitting Estimate by more than 25%, it shall so notify the RIFA, and promptly thereafter, the parties shall engage in mutual good faith discussions to determine the amount and timing of any further Permitting Payments.

(d) Notwithstanding the foregoing, at any time the RIFA, by written notice delivered to APCo, may cease making Permitting Payments to APCo and may direct APCo to cease the Permitting Process. Upon receipt of such notice, APCo (i) shall promptly terminate its efforts to pursue the Permitting Process to the extent permissible under applicable statutes, ordinances, rules, regulations and orders governing the Permitting Process, and, (ii) within 90 days of such termination, shall return all unexpended Permitting Payments without interest to the RIFA (or, if the RIFA does not then exist, to the Localities in such amounts, as the Localities shall jointly direct or to such entity or entities as the Localities may jointly direct), except to the extent necessary to fulfill any binding obligation entered into prior to receipt of such notice.

(e) The estimates of the cost and time for the Permitting Process set forth in Section 1(a) above are based on APCo's intention to seek local approval for the 138 kV Facilities. However, APCo reserves the right, in its sole discretion, to pursue a certificate of public convenience and necessity for some or all of the 138 kV Facilities from the Virginia State Corporation Commission ("SCC") and, in such event, will (i) promptly notify the RIFA and provide the RIFA with an updated estimate of the cost and time for completion of the Approval Process, and (ii) work with the RIFA in the manner provided in Section 1(c) above) to determine the amount and timing of any further Permitting Payments. The date on which APCo receives the final Approval is hereinafter referred to as the "Final Approval Date."

(f) In the event that, after making commercially reasonable efforts to obtain the Approvals (which efforts shall not include engaging in any litigation or appeal in connection with the issuance or denial of any Approval) to authorize construction of the 138 kV Facilities, any of such Approvals are denied, withheld or unreasonably delayed, APCo shall have no further obligation under this Agreement to the RIFA whatsoever, and, without limiting the foregoing, shall have no obligation to refund to the Localities or the RIFA any part of the Permitting Payment that has been expended on the Permitting Process.

(g) APCo shall refund to the RIFA (or, if the RIFA does not then exist, to the Localities or to such other entity or entities in such amounts as the Localities may jointly direct) any unexpended Permitting Payments (without interest) within 90 days after all the costs and expenses of the Permitting Process have been paid.

2. Final Line Design and Preliminary Substation Design.

(a) Upon receipt of the Approvals, and expiration of any applicable period within which any appeal of the issuance of any of the Approvals may be filed without any such appeal being filed, APCo shall notify the RIFA that it is ready to begin Final Line Design and Preliminary Substation Design. APCo currently estimates that the Cost of completing Final Line Design and Preliminary Substation Design (which costs shall include without limitation, reasonable allocation of AEP employee time and associated overhead) is expected to be \$298,500 (the "Preliminary Design Estimate") and that the process of completing Final Line Design and Preliminary Substation Design is expected to take 3 months after the Approvals have been obtained, provided that the parties acknowledge and agree that APCo cannot guarantee that Final Line Design and Preliminary Substation Design will be completed for such amount or within such time.

(b) The parties intend that the RIFA, using funds provided by the Localities or from other sources, shall provide APCo in advance with the funds to pay the Cost of completing Final Line Design and Preliminary Substation Design, payable in installments. Upon receipt by APCo from the RIFA of 298,500 as a single installment (such installment together with any subsequent installment, the "Design Payments"), APCo shall diligently use commercially reasonable efforts to complete Final Line Design and Preliminary Substation Design. If at any time during the Final Line Design/Preliminary Substation Design process APCo reasonably expects that all of the Design Payments received to date have been or soon will be expended to pay the Cost of completing Final Line Design and Preliminary Substation Design, APCo shall promptly notify the RIFA in writing of the amount of an additional Design Payment estimated by APCo as being reasonably necessary to complete the Final Line Design and Preliminary Substation Design process. Neither the Localities nor the RIFA shall have any obligation to make any Design Payments to APCo, provided that APCo shall not be required to expend any of its own funds to complete Final Line Design and Preliminary Substation Design and shall have no obligation to proceed with Final Line Design and Preliminary Substation Design if the aggregate unexpended amount of any Design Payments in its possession is insufficient to continue the Final Line Design and Preliminary Substation Design process.

If at any time, APCo concludes that the total Cost of completing Final Line Design and Preliminary Substation Design will exceed the Preliminary Design Estimate by more than 25%, it shall so notify the RIFA, and promptly thereafter, the parties shall engage in mutual good faith discussions to determine the amount and timing of any further Design Payments.

3. ROW and Substation Site Acquisition.

(a) Upon successful completion of the Final Line Design and Preliminary Substation Design, APCo shall notify the RIFA that it is ready to begin acquiring the ROW. APCo currently estimates that the Cost of acquiring the ROW is expected to be \$845,500 (the "Preliminary ROW Estimate") and that the process of acquiring the ROW is expected to take 6 months after the Approvals have been obtained, provided that the parties acknowledge and agree that APCo cannot guarantee that acquisition of the ROW will be completed for such amount or within such time. In the event APCo determines that the Substation is necessary or desirable to provide electric service to a Customer or Customers, the parties intend that the Substation Site will be located in the Project, and will be conveyed in fee by the RIFA to APCo for nominal consideration promptly upon successful completion of the Final Line Design and Preliminary Substation Design and notification by APCo to the RIFA that APCo has determined that the Substation is necessary or desirable to provide electric service to a Customer or Customers located or to be located at the Project.

(b) The parties intend that the RIFA, using funds provided by the Localities or from other sources, shall provide APCo in advance with the funds to pay the Cost of acquiring the ROW, payable in installments. Upon receipt by APCo from the RIFA of \$200,000 as the first installment (such installment together with any subsequent installment, the "ROW Payments"), APCo shall diligently use commercially reasonable efforts to begin acquiring the ROW, using the ROW Payments to pay the purchase price of the ROW and any other Cost incurred by APCo in connection therewith. If at any time during the ROW acquisition process APCo reasonably expects that all of the ROW Payments received to date have been or soon will be expended to pay the Cost of acquiring ROW, APCo shall promptly notify the RIFA in writing of the amount of an additional ROW Payment estimated by APCo as being reasonably necessary to continue acquiring the ROW during the next 3 months. Neither the Localities nor the RIFA shall have any obligation to make any ROW Payments to APCo, provided that APCo shall not be required to expend any of its own funds to acquire the ROW and shall have no obligation to proceed with acquisition of the ROW if the aggregate unexpended amount of any ROW Payments in its possession is insufficient to continue acquiring the ROW. APCo shall not be required to acquire the ROW across any particular parcel of real estate in any particular order, and may acquire the ROW in whatever order it may determine in its sole discretion. Notwithstanding anything to the contrary herein, APCo shall have no obligation to exercise the power of eminent domain to acquire any ROW.

(c) If at any time, APCo concludes that the total Cost of acquiring the ROW will exceed the Preliminary ROW Estimate by more than 25%, it shall so notify the RIFA, and promptly thereafter, the parties shall engage in mutual good faith discussions to determine the amount and timing of any further ROW Payments.

(d) Notwithstanding the foregoing, the RIFA, by written notice delivered to APCo (a "Termination Notice"), may cease at any time making ROW

Payments to APCo and may direct APCo to cease acquiring the ROW. In the event that the RIFA communicates to APCo that it will not provide any further ROW Payments to APCo as contemplated by Section 3(b) when further funding is needed to complete acquisition of the ROW, APCo shall be deemed to have received a Termination Notice, effective as of the date of delivery of such communication from the RIFA. Upon receipt of a Termination Notice, APCo (i) shall promptly terminate its efforts to acquire the ROW except to the extent that APCo has entered into a binding obligation to acquire any portion of the ROW with any landowner, and, (ii) within 90 days, shall return all unexpended ROW Payments without interest to the RIFA, except to the extent necessary to fulfill any binding obligation to acquire any portion of the ROW entered into prior to receipt of such notice.

(e) Within 90 days after completion of acquisition of the entire ROW, APCo shall return all unexpended ROW Payments without interest to the RIFA (or, if the RIFA does not then exist, to the Localities or to such entity or entities in such amounts as the Localities may jointly direct).

(f) All ROW acquired by APCo pursuant to this Agreement shall become the sole unencumbered property of APCo, and the Localities and the RIFA shall have no rights in or claim to any of such ROW. APCo shall have the unrestricted right to use the ROW and the 138 kV Facilities for any legal purpose.

4. Construction of the 138 kV Facilities.

(a) Subject to subsection (c) below, Appalachian shall proceed to construct the 138 kV Facilities promptly upon the satisfaction of all of the following conditions precedent (collectively, the "Conditions"):

(i) APCo has obtained the Approvals, completed Final Line Design, and completed acquisition of the ROW in accordance with paragraphs 1, 2 and 3 hereof;

(ii) APCo has entered into one or more binding capacity contracts (each such contract, a "Capacity Contract") to serve one or more customers located at the Project (each a "Customer") providing for electrical service at 138 kV and aggregate contracted capacity at a level sufficient, after an appropriate ramp-up period, to provide annual base rate revenues that, together with any required contribution in aid of construction ("CIAC") from the Customer or Customers as may be stipulated by APCo in accordance with the then-effective terms and conditions of service and other provisions of the relevant tariff approved by the SCC and applicable to the service requested by such Customer or Customers (collectively, the "Tariff"), will compensate APCo fully for the cost of constructing the 138 kV Facilities, all subject to and in accordance with the Tariff; and

(iii) APCo has received payment in full of any CIAC required from such Customer or Customers.

(b) Once the Conditions have been satisfied, APCo shall use its commercially reasonable best efforts to complete construction of the 138 kV Facilities and have the 138 kV Facilities ready to be placed in service within 10 months thereafter, subject to completion by the Customer or Customers of all substation facilities, terminal equipment or other facilities or equipment as necessary to connect the 138 kV Facilities to the Project and the facility or facilities of such Customer or Customers at the Project. Notwithstanding the foregoing, the RIFA acknowledges and agrees that APCo cannot guarantee that the 138 kV Facilities will be placed in service by a particular date.

(c) Notwithstanding anything in this Agreement to the contrary, in the event APCo in its sole discretion shall determine that the Substation is not necessary or desirable to provide electric service to a Customer or Customers, APCo shall have no obligation hereunder to construct the Substation and in such event, upon request by the RIFA, APCo shall convey the Substation Site back to the RIFA for nominal consideration if title to such site shall previously have been conveyed to APCo by the RIFA pursuant to Section 3(a) hereof.

(d) APCo's calculation of any CIAC required under paragraph 4(a)(ii) above shall be final, absent manifest error.

5. Refund of Payments.

(a) Subject to the provisions of (b), (c) and (d) below, when the Customer's actual metered capacity usage (or if there is more than one Customer, the aggregate actual metered capacity usage of all of such Customers) reaches at least 60% of the contracted capacity under the Capacity Contract or Contracts for such Customer or Customers for at least 3 consecutive months (the "Usage Threshold"), APCo shall refund to the RIFA (or, if the RIFA does not then exist, to the Localities or to such entity or entities in such amounts as the Localities may jointly direct) the aggregate amount of the Permitting Payments, the Design Payments and the ROW Payments (collectively, the "Payments").

(b) In the event a refund is due to the RIFA (or, if the RIFA does not then exist, Localities or to such entity or entities in such amounts as the Localities may jointly direct) under (a) above, APCo shall pay such refund within 120 days after the Usage Threshold has been achieved.

(c) APCo shall not owe interest to any entity or person on any Payments refunded by APCo in accordance with this Agreement.

(d) Notwithstanding anything to the contrary herein, APCo shall have no obligation to refund the Payments pursuant to this Section 5 unless the following have both occurred: (i) the Conditions have been satisfied no later than the tenth anniversary of the Refund Period Start Date, as defined below, and (ii) the Usage Threshold has been achieved no later than the second anniversary of the date on which electric service is energized for the last Customer to enter into a Capacity Contract with APCo during the 10 Year Period, as defined below. The "Refund Period Start Date" is

the earlier to occur of (A) the Final Approval Date, if the RIFA does not provide APCo with the first ROW Payment as contemplated by Section 3(b) hereof within 60 days after the Final Approval Date, (B) the date on which a Termination Notice, if any, is received by APCo, or (C) the date on which acquisition of the ROW for the Line is complete and not subject to appeal. The "10 Year Period" is the 10 year period beginning on the Refund Period Start Date.

6. Force Majeure.

If any party is unable to perform its commitments under this Agreement by reason of force majeure, then that party shall not be deemed to be in default of its obligations under this Agreement, and any deadlines for the performance of its obligations and, if applicable, the deadlines for the performance of the other party's obligations shall be extended for a time equal to the time period of the force majeure event, plus ten days. The term a "force majeure" as used herein, shall include without limitation acts of God; hurricanes, floods, fire, tornadoes, earthquakes, storms; strikes or other industrial disturbances; acts of public enemies; orders of governmental authorities; insurrections; riots and epidemics. Without limiting the foregoing and notwithstanding anything in this Agreement to the contrary, all of APCo's obligations under this Agreement shall be subject in all respects to any existing or future orders, rules, regulations or directives of the SCC.

7. Notices.

All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by a nationally recognized overnight courier, addressed as follows (or any other address the party to be notified may have designated to the sender by like notice):

If to RIFA, to: Chairman
Danville-Pittsylvania Regional Industrial Facility Authority
427 Patton Street, Room 428
Danville, Virginia 24541

Attention: Matthew D. Rowe, Director of Economic Development,
Pittsylvania County, VA

Telly D. Tucker, Director of Economic Development, City of
Danville, VA

If to APCo, to: Appalachian Power Company
Attention: Brad N. Hall
Vice President
33 Bullitt Avenue
Roanoke, VA 24011

With a copy to: Craig R. Carlson, Esquire
Senior Counsel
AEP Legal Department
1 Riverside Plaza,
Columbus, OH 43215

Notice shall be deemed delivered upon the date of personal service, two days after deposit in the United States mail, or the day after delivery to a nationally recognized overnight courier.

8. Cooperation.

Each party agrees to cooperate with the other in a reasonable manner to carry out the intent and purpose of this Agreement.

9. Severability.

If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which will continue in full force and effect. The parties intend the remaining provisions of this Agreement be enforced to the fullest extent permitted by applicable law.

10. Authority to Sign.

The persons who have executed this Agreement on behalf of the parties represent and warrant they are duly authorized to execute this Agreement on behalf of their respective entity.

11. Counterpart Copies.

This Agreement may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

12. Successors.

The terms, conditions, provisions and undertakings of this Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

13. Applicable Law.

This Agreement shall be governed by and all disputes related hereto shall be determined in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the undersigned have executed this Performance Agreement as of the day and year first above written.

DANVILLE-PITTSYLVANIA REGIONAL
INDUSTRIAL FACILITY AUTHORITY

By: _____
Chairman

APPALACHIAN POWER COMPANY

By: _____
Its: _____

Phase 1: Routing Analysis and Permitting Process (4-6 months): \$180k

Siting/Outreach:

1. Develop an initial Project Study Area and gather readily available environmental, land use, and engineering data.
2. Complete a desktop review of Study Area constraints based on readily available data.
3. Hold a Siting Team kick-off meeting and field review with AEP representatives.
4. Develop preliminary routing concepts.
5. Initiate public outreach process and meet with key stakeholders.
6. Hold a public open house
7. Develop study segments for further analysis.
8. Modify, add, and/or eliminate study segments based on input from public open house to assemble alternative routes.
9. Create and analyze alternative routes.
10. Identify a Proposed Route and any optional segments.
11. Provide report on initial findings
12. Seek approval from local government or SCC.
13. Substation siting engineering.

Due Diligence Environmental Desktop Review:

1. Identify bat habitats
2. Identify streams and wetlands within corridor
3. Identify known cultural resources

Engineering/Project Management:

1. LiDAR survey of proposed corridor
2. Preliminary structure spotting
3. Preliminary line design

4. Research possible station sites
5. Identify access roads (Desktop)

Right-of-Way:

1. Title expenses
2. Parcel data

Phase 2: Final Line Design and Preliminary Substation Design (3 months): \$298,500

Due Diligence Environmental Review:

1. Bat surveys
2. Wetland delineation
3. Cultural surveys

Engineering/Project Management:

1. Detailed line design and preliminary substation design
2. Access road verification
3. Soil boring foundation design

Right-of-Way/Substation Site:

1. Easement and substation survey
2. Appraisal
3. AEP right-of-way labor expenses

Phase 3: Right-of-Way and Substation Site Acquisition (6 months): \$845,500

Right-of-Way:

1. Acquisition: **The cost of right-of-way acquisition above is an estimate based on an assumed line length and associated parcel count. The actual cost of right-of-way acquisition is subject to completion of Phase 1 and Phase 2.**

Environmental:

2. SWP3 permits

3. ACOE permits

Phase 4: Construction of the 138 kV Facilities (10 months): \$22 million

Line construction

Substation construction

NOTE: The foregoing is a list of the various tasks that APCo intends to undertake in accordance with the process of designing, permitting and construction of the 138 kV Facilities as described in the foregoing Agreement, provided that the list is intended to be illustrative and not exhaustive or exclusive, and APCo reserves the right to make additions to and deletions from the list as it may deem necessary or desirable.

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2018
- C. General Expenditures for FY2019
- D. Mega Park – Funding Other than Bond Funds
- E. Berry Hill Mega Park – Lot 4 Site Development
- F. Berry Hill Mega Park – Lot 8 Site Development
- G. Berry Hill Mega Park – Water & Sewer
- H. Rent, Interest, and Other Income Realized FY2018
- I. Rent, Interest, and Other Income Realized FY2019
- J. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	September 10, 2018
Subject:	Financial Status Reports – August 31, 2018
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

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

RECOMMENDATION

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

ATTACHMENTS

Financial Status Reports

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of August 31, 2018

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funds from bond issuance	\$7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost 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	30,636.62	41,244.38	
Land		-	2,792,945.57		-
Demolition services		71,261.62	71,261.62		-
Legal fees		-	133,967.88		-
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98		-
Other expenditures		-	345,194.30		-
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,413,487.33	\$ 41,244.38	\$ <u>123,850.41</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 August 31, 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>41,293.78</u>
Legal		110,000.00	116,445.90	-	(6,445.90)
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	2,836.27	-	1,163.73
Utilities		500.00	368.40	-	131.60
Insurance		3,000.00	2,194.00	-	806.00
Total		<u>\$ 207,180.29</u>	<u>\$ 170,081.08</u>	\$ -	<u>\$ 37,099.21</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

General Expenditures for Fiscal Year 2019

As of August 31, 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 FY2018					
Contingency					
Miscellaneous contingency items		\$ 20,275.00		\$ -	\$ 20,275.00
Berry Hill Wilmot Project (Lot 3B)					\$ -
Total Contingency Budget		<u>20,275.00</u>	-	-	<u>20,275.00</u>
Legal		100,000.00		-	100,000.00
Accounting		21,525.00	2,000.00	-	19,525.00
Annual Bank Fees		600.00		-	600.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	219.00	-	3,781.00
Utilities		500.00		-	500.00
Insurance		3,000.00		-	3,000.00
Total	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 2,219.00</u>	<u>\$ -</u>	<u><u>\$ 147,781.00</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority
Mega Park - Funding Other than Bond Funds
As of August 31, 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 August 31, 2018

Funding	Funding	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,688,062.81	1,460,062.81	228,000.00	
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	
Haymes Brothers, Inc. - Phase 1 Pad A Extension/Expansion		86,431.70	-	86,431.70	
Transfers to "General Expenditures Fiscal Year 2015" Contingency ³					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)	-	
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	(12,000.00)	-	
Total	\$ 7,900,356.15	\$ 6,097,370.21	\$ 5,777,938.51	\$ 319,431.70	<u>\$ 1,802,985.94</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 August 31, 2018

	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
<i>Funding</i>					
<i>TIC #3358 Site Improvements for Project Lignum</i>					
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				
<i>Expenditures</i>					
Dewberry Engineers Inc.		89,300.00	82,800.00	6,500.00	
<i>Total</i>	\$ 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 August 31, 2018

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
TIC #2641 Phase I Sanitary Sewer					
Tobacco Commission Grant 2641	\$ 4,908,240.00				
Local Match for Contractual Services	282,400.00				
Local Match for Property & Improvements	262,960.00				
TIC #3011 Water System Improvements Phase II					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Improvements	224,160.00				
Expenditures					
Dewberry Engineers Inc.		398,284.00	55,696.00	342,588.00	
Haymes Brothers, Inc. - Phase I Sanitary Sewer Project		4,856,169.75	352,287.56	4,503,882.19	
Norfolk Southern Railway Company		21,300.00	21,300.00	-	
Pittsylvania County Service Authority		1,475.00	1,475.00	-	
Treasurer of Virginia		4,500.00	4,500.00	-	
AECOM		5,000.00	5,000.00	-	
BH Media Group, Inc.		296.00	296.00	-	
Total	\$ 7,919,327.00	\$ 5,287,024.75	\$ 440,554.56	\$ 4,846,470.19	\$ <u>2,632,302.25</u>

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

<i>Source of Funds</i>	<u>Funding</u>			<u>Expenditures</u> FY2018	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> from FY2017	<u>Receipts</u> Current Month	<u>Receipts</u> FY2018		
<u>Carryforward</u>	\$ 630,797.74				
<u>Current Lessees</u>					
	<u>Park</u>				
Institute for Advanced Learning and Research (IALR) ¹	Cyberpark		\$ 253,071.94		
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		3,600.00		
<i>Total Rent</i>		\$ -	\$ 258,871.94		
<u>Interest Received</u> ²			\$ 6,034.29		
<u>Miscellaneous Income</u>			\$ 95,500.00		
<i>Expenditures</i>					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 253,071.94	
<i>Totals</i>	\$ 630,797.74	\$ -	\$ 360,406.23	\$ 253,071.94	\$ 738,132.03
				Restricted ¹	\$ 313,695.06
				Unrestricted	\$ 424,436.97

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
Rent, Interest, and Other Income Realized for Fiscal Year 2019
As of August 31, 2018

<i>Source of Funds</i>	<u>Funding</u>		<u>Expenditures</u> <u>FY2019</u>	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2018</u>	<u>Receipts</u> <u>Current</u> <u>Month</u>		
<u>Carryforward</u>	\$ 738,132.03			
<u>Current Lessees</u>				
Institute for Advanced Learning and Research (IALR) ¹		\$ 11,370.38	\$ 32,024.32	
<i>Park</i> Cyberpark				
<i>Total Rent</i>		\$ 11,370.38	\$ 32,024.32	
<u>Interest Received</u> ²		\$ 439.06	\$ 439.06	
<u>Miscellaneous Income</u>		\$ 973,000.00	\$ 973,000.00	
Expenditures				
Hawkins Research Bldg. Property Mgmt. Fee			\$ 20,653.94	
Disbursement to Unision Tube (Enhancement Grant and DRF Grant)			\$ 764,137.50	
Totals	<u>\$ 738,132.03</u>	<u>\$ 984,809.44</u>	<u>\$ 1,005,463.38</u>	<u>\$ 784,791.44</u>
			Restricted ¹	\$ 325,065.44
			Unrestricted	\$ 633,738.53

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}
August 31, 2018*

	Unaudited FY 2019
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,054,015
Cash - money market	795,746
Prepays	625
<i>Total current assets</i>	1,850,386
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	171,595
Restricted cash - debt service fund CCC bonds	460,317
Restricted cash - debt service fund Berry Hill bonds	36
Restricted cash - debt service reserve fund Berry Hill bonds	1,926,356
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>	58,466,509
Total assets	60,316,895
Liabilities	
<i>Current liabilities</i>	
Unearned income	210,337
Bonds payable - current portion	1,288,450
<i>Total current liabilities</i>	1,498,787
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	3,468,190
<i>Total noncurrent liabilities</i>	3,468,190
Total liabilities	4,966,977
Net Position	
Net investment in capital assets	51,323,160
Restricted - debt reserves	2,386,709
Unrestricted	1,640,049
Total net position	\$ 55,349,918

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 August 31, 2018 as of August 28, 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
August 31, 2018*

	Unaudited FY 2019
Operating revenues	
Rental income	52,678
Other Income	764,137
Total operating revenues	816,815
Operating expenses ⁴	
Mega Park expenses ³	33,775
Cane Creek Centre expenses ³	765,189
Cyber Park expenses ³	48,057
Professional fees	5,563
Other operating expenses	2,941
Total operating expenses	855,525
Operating income (loss)	(38,710)
Non-operating revenues (expenses)	
Interest income	3,148
Interest expense	(11,161)
Total non-operating expenses, net	(8,013)
Net income (loss) before capital contributions	(46,723)
Capital contributions	
Contribution - City of Danville	75,000
Contribution - Pittsylvania County	308,684
Total capital contributions	383,684
Change in net position	336,961
Net position at July 1, 2018	55,012,957
Net position at August 31, 2018	\$ 55,349,918

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
*August 31, 2018**

	Unaudited FY 2019
Operating activities	
Receipts from leases	\$ 52,678
Other receipts	973,000
Payments to suppliers for goods and services	(855,525)
Net cash used by operating activities	170,153
Capital and related financing activities	
Capital contributions	383,683
Interest paid on bonds	(11,160)
Net cash provided by capital and related financing activities	372,523
Investing activities	
Interest received	3,148
Net cash provided by investing activities	3,148
Net increase (decrease) in cash and cash equivalents	545,824
Cash and cash equivalents - beginning of year (including restricted cash)	3,862,241
Cash and cash equivalents - through August 31, 2018 (including restricted cash)	\$ 4,408,065
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (38,710)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Change in unearned income	208,863
Net cash used by operating activities	\$ 170,153

Components of cash and cash equivalents at August 31, 2018:

American National - Checking	\$ 1,054,015
American National - General money market	795,746
Wells Fargo - \$7.3M Bonds CCC Debt service fund	460,317
Wells Fargo - \$7.3M Bonds CCC Project fund	171,595
US Bank - \$11.25M Bonds Berry Hill Debt service fund	36
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	1,926,356
	\$ 4,408,065

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5C

Meeting Date: 09/10/2018

Subject: Resolution 2018-09-10-5C Approving Plans and Specifications for “Institute for Advance Learning and Research Hawkins Expansion Danville Cyber Park”.

From: Michael C. Guanzon, Esq.

SUMMARY

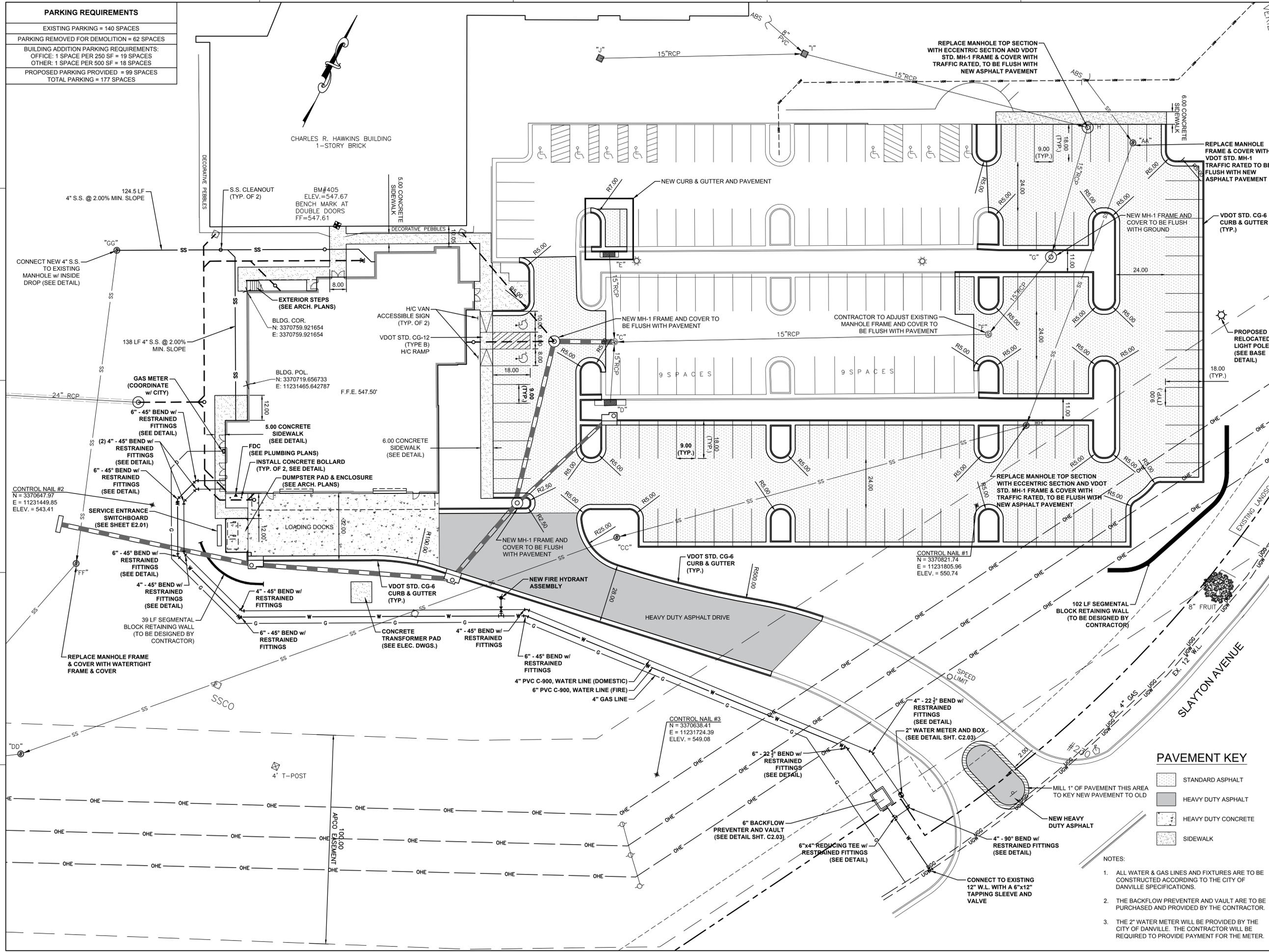
The Board will be asked to approve Resolution 2018-08-13-5C, approving plans and specifications for the Institute for Advanced Learning and Research Hawkins Expansion Danville Cyber Park.

ATTACHMENTS

Resolution 2018-08-13-5C

PARKING REQUIREMENTS	
EXISTING PARKING	= 140 SPACES
PARKING REMOVED FOR DEMOLITION	= 62 SPACES
BUILDING ADDITION PARKING REQUIREMENTS:	
OFFICE: 1 SPACE PER 250 SF	= 19 SPACES
OTHER: 1 SPACE PER 500 SF	= 18 SPACES
PROPOSED PARKING PROVIDED	= 99 SPACES
TOTAL PARKING	= 177 SPACES

CHARLES R. HAWKINS BUILDING
1-STORY BRICK



Dewberry
Dewberry Engineers Inc.
551 Piney Forest Road
Danville, VA 24540
434.797.4497 Phone
434.797.4341 Fax
www.dewberry.com

MASTER
ENGINEERS & DESIGNERS
Master Engineers & Designers
904 Lakeside Drive
Lynchburg, VA 24501
434.846.1350

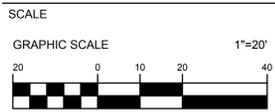
INSTITUTE FOR ADVANCED
LEARNING & RESEARCH

HAWKINS EXPANSION

228 Slayton Avenue
Danville Cyber Park
Danville, VA



KEY PLAN



No.	Description	Date

REVISIONS

DRAWN BY	
APPROVED BY	
CHECKED BY	
DATE	2018.07.20
TITLE	

SITE & UTILITY PLAN

PROJECT NO. 500101432

C1.02

SHEET NO.

PAVEMENT KEY

	STANDARD ASPHALT
	HEAVY DUTY ASPHALT
	HEAVY DUTY CONCRETE
	SIDEWALK

- NOTES:
- ALL WATER & GAS LINES AND FIXTURES ARE TO BE CONSTRUCTED ACCORDING TO THE CITY OF DANVILLE SPECIFICATIONS.
 - THE BACKFLOW PREVENTER AND VAULT ARE TO BE PURCHASED AND PROVIDED BY THE CONTRACTOR.
 - THE 2" WATER METER WILL BE PROVIDED BY THE CITY OF DANVILLE. THE CONTRACTOR WILL BE REQUIRED TO PROVIDE PAYMENT FOR THE METER.

5

4

3

2

1

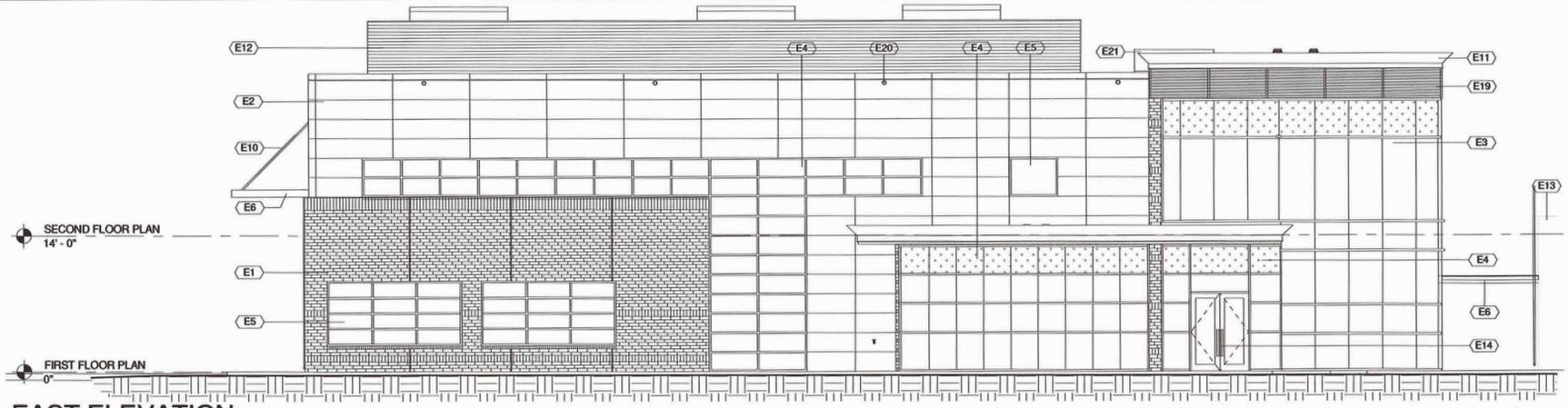
E

D

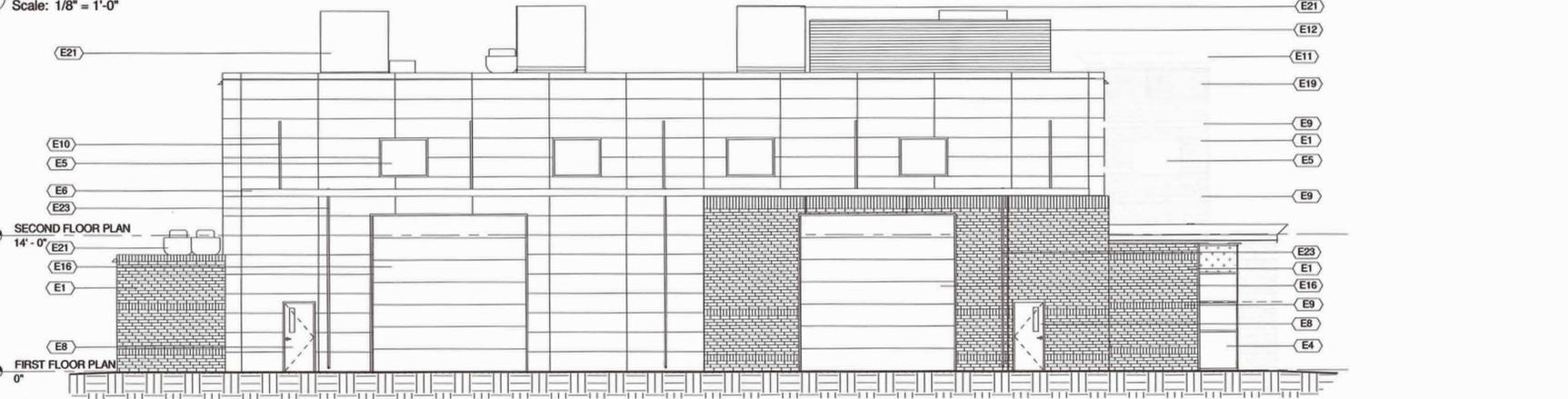
C

B

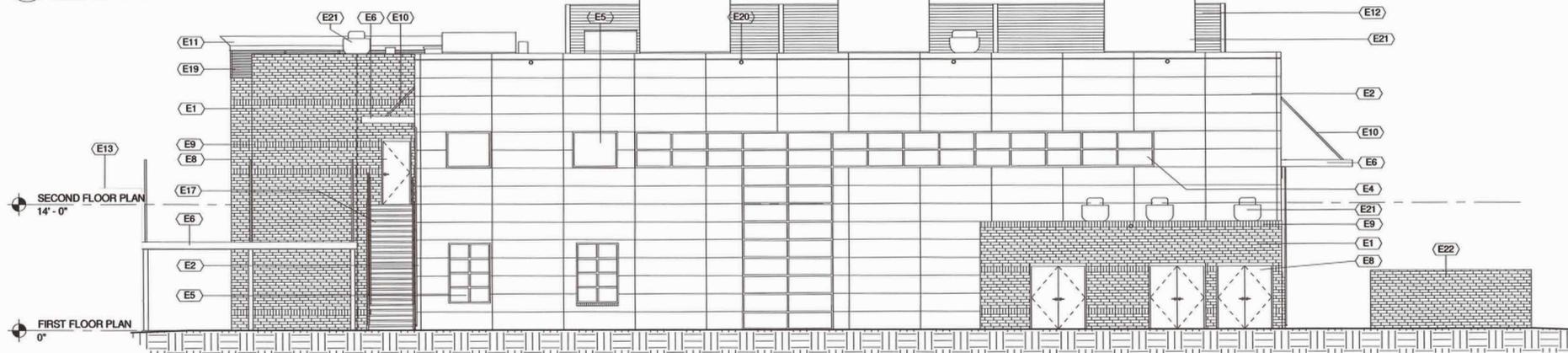
A



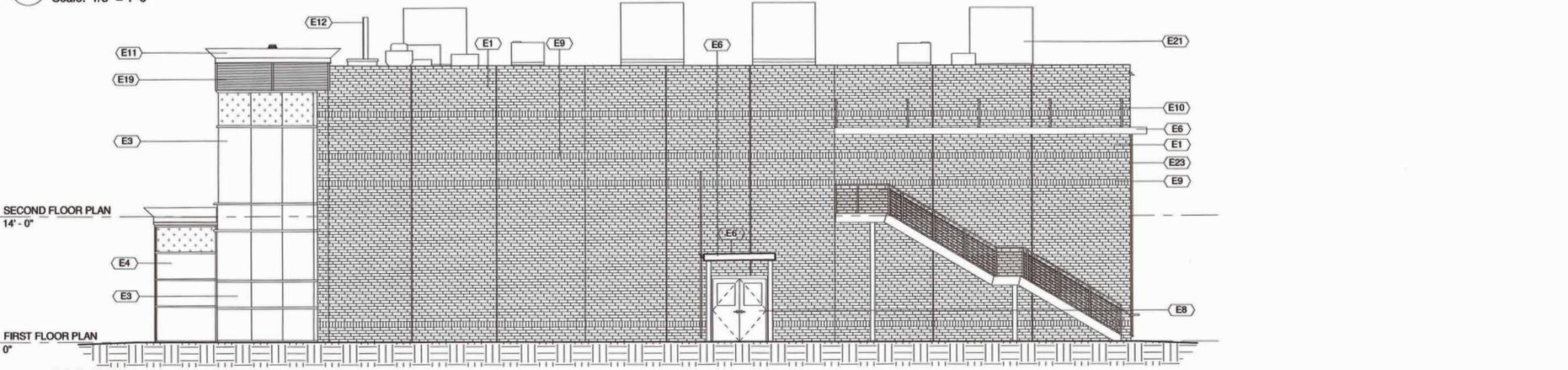
A EAST ELEVATION
Scale: 1/8" = 1'-0"



B SOUTH ELEVATION
Scale: 1/8" = 1'-0"



C WEST ELEVATION
Scale: 1/8" = 1'-0"



D NORTH ELEVATION
Scale: 1/8" = 1'-0"

ELEVATION KEYED NOTES	
NOTE	DESCRIPTION
E1	PRECAST PANEL WITH UTILITY BRICK PATTERN INLAY (COLOR 1)
E2	INSULATED METAL WALL PANELS
E3	ALUMINUM CURTAIN WALL
E4	ALUMINUM STOREFRONT
E5	ALUMINUM STOREFRONT WINDOW
E6	CANOPY
E8	HOLLOW METAL DOOR & FRAME
E9	ECONOMY BRICK SOLDIER COURSE PATTERN INLAY (COLOR 2)
E10	CANOPY SUPPORT
E11	METAL FASCIA
E12	EQUIPMENT ROOF SCREEN
E13	EXISTING BUILDING
E14	ALUMINUM DOOR
E16	COILING DOOR
E17	EXTERIOR STAIR & RAILING
E19	CORRUGATED METAL PANELS
E20	OVERFLOW SCUPPER
E21	MECHANICAL EQUIPMENT
E22	DUMPSTER SCREEN WALL
E23	DOWNSPOUT



Dewberry Engineers Inc.
551 Piney Forest Road
Danville, VA 24540
434.797.4497 Phone
434.797.4341 Fax
www.dewberry.com



Master Engineers & Designers
904 Lakeside Drive
Lynchburg, VA 24501
434.846.1350

INSTITUTE FOR ADVANCED
LEARNING & RESEARCH

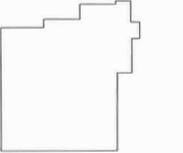
HAWKINS EXPANSION

228 Slayton Avenue
Danville Cyber Park
Danville, VA

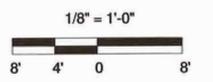
SEAL



KEY PLAN



SCALE



No.	Description	Date

REVISIONS

DRAWN BY	WL
APPROVED BY	LWH
CHECKED BY	LWH
DATE	2018.07.20

TITLE

EXTERIOR
ELEVATIONS

PROJECT NO. 50101432

A2.01

SHEET NO.

SECTION 099113 - EXTERIOR PAINTING

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and Division 01 Specification Sections, apply to this Section.

1.2 SUMMARY

- A. This Section includes surface preparation and the application of paint systems on the following exterior substrates:
 - 1. Steel.
 - 2. Galvanized metal.
- B. Related Sections include the following:
 - 1. Division 09 Section "Interior Painting" for surface preparation and the application of paint systems on interior substrates.

1.3 SUBMITTALS

- A. Product Data: For each type of product indicated.
- B. Samples for Initial Selection: For each type of topcoat product indicated.
- C. Product List: For each product indicated, include the following:
 - 1. Cross-reference to paint system and locations of application areas. Use same designations indicated on Drawings and in schedules.
 - 2. Printout of current "MPI Approved Products List" for each product category specified in Part 2, with the proposed product highlighted.

1.4 QUALITY ASSURANCE

- A. MPI Standards:
 - 1. Products: Complying with MPI standards indicated and listed in "MPI Approved Products List."
 - 2. Preparation and Workmanship: Comply with requirements in "MPI Architectural Painting Specification Manual" for products and paint systems indicated.

- B. Mockups: Apply benchmark samples of each paint system indicated and each color and finish selected to verify preliminary selections made under sample submittals and to demonstrate aesthetic effects and set quality standards for materials and execution.
 - 1. Architect will select one surface to represent surfaces and conditions for application of each paint system specified in Part 3.
 - 2. Final approval of color selections will be based on benchmark samples.
 - a. If preliminary color selections are not approved, apply additional benchmark samples of additional colors selected by Architect at no added cost to Owner.

1.5 DELIVERY, STORAGE, AND HANDLING

- A. Store materials not in use in tightly covered containers in well-ventilated areas with ambient temperatures continuously maintained at not less than 45 deg F.
 - 1. Maintain containers in clean condition, free of foreign materials and residue.
 - 2. Remove rags and waste from storage areas daily.

1.6 PROJECT CONDITIONS

- A. Apply paints only when temperature of surfaces to be painted and ambient air temperatures are between 50 and 95 deg F.
- B. Do not apply paints in snow, rain, fog, or mist; when relative humidity exceeds 85 percent; at temperatures less than 5 deg F above the dew point; or to damp or wet surfaces.

1.7 EXTRA MATERIALS

- A. Furnish extra materials described below that are from same production run (batch mix) as materials applied and that are packaged for storage and identified with labels describing contents.
 - 1. Quantity: Furnish an additional 5 percent, but not less than 1 gal. of each material and color applied.

PART 2 - PRODUCTS

2.1 MANUFACTURERS

- A. Manufacturers: Subject to compliance with requirements, provide products by one of the following:
 - 1. Benjamin Moore & Co.
 - 2. Duron, Inc.
 - 3. ICI Paints.
 - 4. Kelly-Moore Paints.

5. M.A.B. Paints.
6. PPG Architectural Finishes, Inc.
7. Sherwin-Williams Company (The).

2.2 PAINT, GENERAL

A. Material Compatibility:

1. Provide materials for use within each paint system that are compatible with one another and substrates indicated, under conditions of service and application as demonstrated by manufacturer, based on testing and field experience.
2. For each coat in a paint system, provide products recommended in writing by manufacturers of topcoat for use in paint system and on substrate indicated.

B. Colors: As selected by Architect from manufacturer's full range.

2.3 METAL PRIMERS

A. Primer, Alkyd, Anti-Corrosive for Metal: MPI #79.

B. Primer, Galvanized: As recommended in writing by topcoat manufacturer.

2.4 EXTERIOR ALKYD PAINTS

A. Alkyd, Exterior, Semi-Gloss (Gloss Level 5): MPI #94.

2.5 SOURCE QUALITY CONTROL

A. Testing of Paint Materials: Owner reserves the right to invoke the following procedure:

1. Owner will engage the services of a qualified testing agency to sample paint materials. Contractor will be notified in advance and may be present when samples are taken. If paint materials have already been delivered to Project site, samples may be taken at Project site. Samples will be identified, sealed, and certified by testing agency.
2. Testing agency will perform tests for compliance with product requirements.
3. Owner may direct Contractor to stop applying paints if test results show materials being used do not comply with product requirements. Contractor shall remove noncomplying paint materials from Project site, pay for testing, and repaint surfaces painted with rejected materials. Contractor will be required to remove rejected materials from previously painted surfaces if, on repainting with complying materials, the two paints are incompatible.

PART 3 - EXECUTION

3.1 EXAMINATION

- A. Examine substrates and conditions, with Applicator present, for compliance with requirements for maximum moisture content and other conditions affecting performance of work.
- B. Verify suitability of substrates, including surface conditions and compatibility with existing finishes and primers.
- C. Begin coating application only after unsatisfactory conditions have been corrected and surfaces are dry.
 - 1. Beginning coating application constitutes Contractor's acceptance of substrates and conditions.

3.2 PREPARATION

- A. Comply with manufacturer's written instructions and recommendations in "MPI Architectural Painting Specification Manual" applicable to substrates and paint systems indicated.
- B. Remove hardware items already in place that are not to be painted. If removal is impractical or impossible because of size or weight of item, provide surface-applied protection before surface preparation and painting.
 - 1. After completing painting operations, use workers skilled in the trades involved to reinstall items that were removed. Remove surface-applied protection if any.
 - 2. Do not paint over labels of independent testing agencies or equipment name, identification, performance rating, or nomenclature plates.
- C. Clean substrates of substances that could impair bond of paints, including dirt, oil, grease, and incompatible paints and encapsulants.
- D. Steel Substrates: Remove rust, loose mill scale, and shop primer if any. Clean using methods recommended in writing by paint manufacturer.
- E. Shop-Primed Steel Substrates: Clean field welds, bolted connections, and abraded areas of shop paint, and paint exposed areas with the same material as used for shop priming to comply with SSPC-PA 1 for touching up shop-primed surfaces.
- F. Galvanized-Metal Substrates: Remove grease and oil residue from galvanized sheet metal fabricated from coil stock by mechanical methods to produce clean, lightly etched surfaces that promote adhesion of subsequently applied paints.

3.3 APPLICATION

- A. Apply paints according to manufacturer's written instructions.
 - 1. Use applicators and techniques suited for paint and substrate indicated.

2. Paint surfaces behind movable items same as similar exposed surfaces. Before final installation, paint surfaces behind permanently fixed items with prime coat only.
- B. If undercoats or other conditions show through topcoat, apply additional coats until cured film has a uniform paint finish, color, and appearance.
 - C. Apply paints to produce surface films without cloudiness, spotting, holidays, laps, brush marks, roller tracking, runs, sags, ropiness, or other surface imperfections. Cut in sharp lines and color breaks.

3.4 FIELD QUALITY CONTROL

- A. Dry Film Thickness Testing: Owner may engage the services of a qualified testing and inspecting agency to inspect and test paint for dry film thickness.
 1. Contractor shall touch up and restore painted surfaces damaged by testing.
 2. If test results show that dry film thickness of applied paint does not comply with paint manufacturer's written recommendations, Contractor shall pay for testing and apply additional coats as needed to provide dry film thickness that complies with paint manufacturer's written recommendations.

3.5 CLEANING AND PROTECTION

- A. At end of each workday, remove rubbish, empty cans, rags, and other discarded materials from Project site.
- B. After completing paint application, clean spattered surfaces. Remove spattered paints by washing, scraping, or other methods. Do not scratch or damage adjacent finished surfaces.
- C. Protect work of other trades against damage from paint application. Correct damage to work of other trades by cleaning, repairing, replacing, and refinishing, as approved by Architect, and leave in an undamaged condition.
- D. At completion of construction activities of other trades, touch up and restore damaged or defaced painted surfaces.

3.6 EXTERIOR PAINTING SCHEDULE

- A. Steel Substrates:
 1. Alkyd System: MPI EXT 5.1 D
 - a. Prime Coat: Primer, alkyd, anticorrosive for metal, MPI #79.
 - b. Intermediate Coat: Exterior alkyd enamel matching topcoat.
 - c. Topcoat: Alkyd, exterior, semi-gloss (Gloss Level 5), MPI #94.

B. Galvanized-Metal Substrates:

1. Alkyd System: MPI EXT 5.3 G

- a. Prime Coat: Primer, galvanized metal, MPI # 26 or as recommended in writing by topcoat manufacturer for exterior use on galvanized-metal substrates with topcoat indicated.
- b. Intermediate Coat: Exterior alkyd enamel matching topcoat.
- c. Topcoat: Alkyd, exterior, semi-gloss (Gloss Level 5), MPI #94.

END OF SECTION 099113