

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

January 14, 2019

12:00 P.M.

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

County of Pittsylvania Members

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

City of Danville Members

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

Staff

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

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

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

4. APPROVAL OF MINUTES OF THE DECEMBER 14, 2018 MEETING

5. NEW BUSINESS

- A. Election and Reappointment of Officers for Calendar Year 2019 – Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority
 - 1. Election of Chairman from Danville City Member Locality (see Bylaws, Article VI, paragraph 1)
 - 2. Election of Vice Chairman from Pittsylvania County Member Locality (see bylaws, Article VI, paragraph 4)
 - 3. Reappointment of Secretary from the Authority's staff – Susan M. DeMasi, City Clerk, City of Danville
 - 4. Reappointment of Treasurer from the Authority's staff - Michael L. Adkins, Director of Finance, City of Danville
- B. Consideration of Resolution No. 2019-01-14-5B, approving that certain First Amendment to Local Performance Agreement with BGF Industries, Inc., a Delaware corporation, extending the deadline under Section 3(b) of the Local Performance Agreement to enter into a New Facility Ground Sublease with Samet Corporation, a North Carolina corporation, to April 1, 2019 – Matthew D. Rowe, Director of Economic Development, Pittsylvania County
- C. Financial Status Reports as of December 31, 2018 – Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia

6. CLOSED SESSION

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

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in

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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 Southern Virginia Mega Site at Berry Hill project, Cyber Park project and/or Cane Creek Centre 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

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	01/14/2019
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's review and approval are the Meeting Minutes from the Friday, December 14, 2018 Meeting

ATTACHMENTS

Meeting Minutes – 01/14/2018

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The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 8:15 a.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. Scarce and Alternate Elton W. Blackstock. *Chairman Warren entered the meeting at 8:40 a.m.*

City/County staff members attending were: City Manager Ken Larking, County Administrator David Smitherman, Deputy City Manager Earl Reynolds, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Project Manager Kelvin Perry, Consultant Linwood Wright, City of Danville Director of Finance Michael Adkins, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorneys Michael Guanzon and Jennifer Burnette, and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis, and Brown Edwards Accountant Chris Murray.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE NOVEMBER 13, 2018 MEETING

Upon **Motion** by Mr. Blackstock and **second** by Mr. Scarce, Minutes of the November 13, 2018 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. – CONSIDERATION OF RESOLUTION NO. 2018-12-14-5A APPROVING THE EXPANDED ROLE OF A. KENT SHELTON, P.E.

Mr. Guanzon noted staff recommends that Kent Shelton, who provides professional monitoring and limited inspection services for other projects at Berry Hill, have his role expanded for the Phase 1 Virginia Water Line Project. For the other parts of this project, RIFA had previously approved that the cost the City pays Mr. Shelton for his services as part of the City's contribution to the due to/from. According to Dewberry, there will be no overlap of services from what Dewberry does and what Mr. Shelton does. The estimated cost is \$29,640 at the same hourly rate of \$38.

Mr. Shanks **moved** for adoption of *Resolution 2018-12-14-5A, approving the expanded role of A. Kent Shelton, P.E., as set forth in Resolutions 2017-03-13-5C and 2017-11-15-5D, to serve as the project monitor and limited inspector for the Phase I Virginia Water Line Project at the Authority's Southern Virginia Mega Site at Berry Hill project (formerly known as the Berry Hill Mega Park project), at an estimated cost of \$29,640.00 (existing hourly rate of \$38 for an estimated 780 hours of work).*

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

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

5B. CONSIDERATION OF RESOLUTION NO. 2018-12-14-5B APPROVING A ONE-YEAR RENEWAL OF A LEASE WITH MOUNTAIN VIEW FARMS, L.C.

Ms. Burnette noted for the past few years, RIFA has had a lease with Mountain View Farms for planting and harvesting sod, soybeans and other crops, but not tobacco; it is up for renewal in January. The only change in this renewal is to make clear what the GPIN is, because of some changes with subdividing property there is a new GPIN. The lease would be for another year, with a rental fee of \$1,200 and a sixty day early termination right in the event that RIFA has a recruit. Mr. Guanzon explained that Southern Virginia Megasite is very large and there were issues at one point with trespassers; by having someone occupying the land, there is indirect surveillance.

Mr. Searce **moved** for adoption of *Resolution 2018-12-14-5B, approving a one-year renewal of the Lease with Mountain View Farms, L.C., a Virginia limited liability company, as tenant, for that certain real property (being a portion of current GPIN 1356-80-4414) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Southern Virginia Mega Site at Berry Hill project (formerly known as the Berry Hill Mega Park project), in Pittsylvania County, Virginia, for the purpose of planting and harvesting sod, soybeans, and/or other cover crops, but not tobacco, at a total rental fee of \$1,200; such renewal also includes a 60-day early termination right and right to show the property to business recruits of the Authority.*

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

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

5C. CONSIDERATION OF RESOLUTION 2018-12-14-5C APPROVING A REFERRAL AGREEMENT WITH ALLIANCE DATA CENTER ADVISORS, LLC

City of Danville Consultant Linwood Wright explained this was an agreement negotiated by Matt Rowe, Telly Tucker, Michael Guanzon and himself. In effect, RIFA will be entering into an agreement with Charles Henyon and his partner, who developed the DuPont Fabros Data Center Park in Ashburn, VA. RIFA is committing to pay Alliance Data Center Advisors based on projects that RIFA has the right to approve or reject, if their referral results in a developed project; otherwise RIFA owes Alliance nothing. Mr. Wright noted they sent the agreement to Mr. Henyon and he called back questioning what was a developable acre. Mr. Wright explained to him a developable acre is an acre that has a building or parking lot on it, or is useful. RIFA will not pay \$1,000 an acre for a referral if it dealt with wetlands, historic properties or property that cannot be developed. RIFA also requires them to bring the prospect to the site at their expense, and that will enable RIFA to vet the projects carefully before agreeing to anything. Mr. Saunders questioned Mr. Guanzon if they should institute a cap on developable acres and Mr. Guanzon noted they shouldn't. RIFA can always negotiate

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what happens because they have control; this is more of a finder's fee. RIFA can control it indirectly and it gives a lot more flexibility than with a standard real estate agent arrangement.

Mr. Vogler questioned was their purpose to find and recruit data centers or was it broader than that and Mr. Tucker noted it was broader. They have a reputation in northern Virginia for finding some of those larger data centers, but it would be any industrial prospect that RIFA thinks warrants going into Berry Hill. Mr. Vogler asked if was just for Berry Hill or all RIFA parks and Mr. Tucker stated all RIFA parks. Mr. Shanks questioned if the recruit closes on the real estate and doesn't build, RIFA would still owe that money and Mr. Guanzon stated yes. Mr. Tucker suggested they could ask the potential prospect, as a deposit, to pay an amount equal to what RIFA pays as the finder's fee to the consultant, until the project is completed; if they don't develop, they lose it and RIFA takes that to pay the consultant.

Mr. Blackstock questioned if the money the finder's fee would be paid out of exists or is that something the County and the City would have to put up additionally and Mr. Tucker explained it was something the County and the City would have to put up. Mr. Guanzon noted it would have to be built in because that finder's fee is only paid if RIFA has a signed contract with the recruit. Mr. Smitherman noted reading this, it does not read like it contemplates a closing. Mr. Guanzon explained it was a contract because some of RIFA's recruits don't buy the land, the City or County IDAs are the ones that hold the land, builds the property and does a lease of the property to the recruit, so there isn't a closing. Mr. Smitherman noted conceivably this could default, somebody could encumber RIFA's land, the consultant gets paid, nothing vertical ever happens and RIFA's end goal didn't come true. Mr. Guanzon stated that could happen, and is why he is saying it is good that RIFA has the ability to control their own level of risk at that time. RIFA can negotiate an amendment with respect to this particular deal.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-12-14-5C, approving that certain Referral Agreement with Alliance Data Center Advisors LLC, a Virginia limited liability company, for the introduction to the Authority of certain prospective purchasers or tenants to a capital lease, at a referral fee equal to \$1,000 per Developable Acre of Land that can be feasibly developed for industrial use and economic development, payable only after the occurrence of a Recruitment Closing with that purchasers or tenants.*

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

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

5D. CONSIDERATION OF RESOLUTION 2018-12-14-5D APPROVING A LOGO FOR SOUTHERN VIRGINIA MEGA SITE AT BERRY HILL

Mr. Tucker noted staff has been working with the client that was selected, based on the logo preference of the Board from the previous meeting; they have been working to align the colors of the logo with what was approved for the Danville Pittsylvania County logo. They have finalized the color selection, but it is still being worked on. Staff wanted to update the Board.

5E. CONSIDERATION OF RESOLUTION NO. 2018-12-14-5E APPROVING THE NAME CHANGE OF THE SOUTHERN VIRGINIA MEGA SITE AT BERRY HILL

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Mr. Tucker stated the Board had approved, previously, Southern Virginia Mega Site at Berry Hill, Mega Site being two words. In research, some people hyphenate it, some people do two words, some do one. Staff recommendation is to proceed with it as one word, Megasite; staff needed to come back to the Board to have a resolution to approve that. Mr. Shanks noted he was concerned after the last meeting with the way the logo would look using all four letters; this is a good way to get around that. Mr. Guanzon noted Ms. Burnette checked the trademark files to make sure there wasn't anything that would interfere with it and it looks fine.

Mr. Searce **moved** for adoption of *Resolution 2018-12-14-5E approving the name change of the Southern Virginia Mega Site at Berry Hill project to be known as "Southern Virginia Megasite at Berry Hill" or "SVM."*

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

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

5F. CONSIDERATION OF RESOLUTION NO. 2018-12-14-5F ACCEPTING THE \$1,843,540 BID FROM C.W. CAULEY & SON, INC., FOR THE PHASE 1 WATER PROJECT

Shawn Harden from Dewberry explained staff received bids for the Phase 1 Water Line to serve the Southern Virginia Mega Site; they received six bids with the low bid being C.W. Cauley & Sons at \$1,843,540.00. The Tobacco grant with local match is \$2.4M, so RIFA is well within their budget. RIFA received very competitive bids for this project, will have extra money for contingency and recommend awarding the contract to C.W. Cauley & Son.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-12-14-5F, accepting the \$1,843,540.00 bid submitted on or before November 27, 2018, from C.W. Cauley & Son, Inc., a Virginia corporation, as the lowest responsive and responsible bidder submitted for SOVA Mega Site at Berry Hill - Phase 1 Virginia Water project, as more particularly described in that certain Advertisement for Bids advertised on October 22, 2018, issued by the Authority, and being within available funds.*

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

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

Mr. Shanks stated he wanted to make sure the minutes were correct, did the Board agree on the Resolution listed in Item D, Item E or both. Mr. Guanzon noted just Item E.

5G. PRESENTATION OF AUDIT OF THE AUTHORITY'S FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2018

Mr. Chris Murray from Brown, Edwards gave the audit report, and explained there were three documents, the first was the Financial Report; they issued a clean, unmodified opinion this

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year. Mr. Murray reviewed the Statement of Net Position, noting there was a \$1.2M drop in receivables that was really just timing on reimbursements around the grading of Phase I at the Mega Park. To go along with that there was a drop down in Current Liabilities; Accounts Payable in Construction and Retainage Payable were up last year but that was related to the construction as well, those balances are down. Under Revenue and Expenses, everything was fairly flat and comparable to previous years and Tobacco Commission grants were relatively flat. The reimbursement of incentive grants dropped to zero, that was FY 2017 and completed the reimbursements from Elkay. The biggest change under Operating Expenses was the Cyber Park last year had the land donation for the Kyocera Agreement, which is similar this year. Going to the Letters, the first is the Required Communication; this is a required document they have to issue to let the Board know what the Auditor's responsibilities are, what are the Authority's responsibilities and lets the Board know they did not have any disagreements with management. It also lets the Board know if there were any adjustments with management to post during the audit. The final document is the Comments on Internal Controls, there were no new comments this year. The only comment they had was the segregation of duties which has been there every year; it is based on limited staffing and does not rise to the level of a Significant Deficiency or a Material Weakness. The rest of the document was information on standards; one standard to consider is GASB 89 that is coming up in 2021, but localities can early implement. It is related to interest costs on loans.

Mr. Shanks **moved** that the Authority accept the presentation of the Audit for the year ending June 30, 2018 by Brown, Edwards. The Motion was **seconded** by Mr. Searce.

Mr. Shanks thanked Mr. Adkins and Ms. Weaver for doing their usual great job and thanked Mr. Murray; Mr. Warren noted his agreement.

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

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

5H. FINANCIAL STATUS REPORTS AS OF NOVEMBER 30, 2018

Authority Treasurer Michael Adkins gave the Financial Status report as of November 30, 2018 beginning with the Cane Creek Bonds showing two expenditures in November. The first was \$2,242 paid to Dewberry for continued wetland monitoring, and \$2,402.00 paid to Clement Wheatley for legal fees for Cane Creek Centre. General Expenditures for FY 2019 show RIFA paid legal fees to Clement Wheatley of \$1,500 related to project VP and \$13,905 for General Legal Counsel, \$230 for meals and \$31 for utilities. Mr. Adkins noted there was an expenditure for the purchase of a scanner for Ms. Weaver; they have a back log of documents from the inception of RIFA, so they are trying to create an electronic file system of those documents. The Mega Site at Berry Hill showed no expenditures. Lot 4 Site Development has an expenditure of \$84,108 for Haymes Brothers which was part of the Phase 1 Pad Grading. Lot 8 Site Development shows no expenditures, Water and Sewer at Berry Hill shows \$7,810 expended to Dewberry for Amendment No. 22 and \$1,000 to Norfolk Southern related to a permit. Rent, Interest and Other Income shows interest earned of \$440, and a payment issued to the Institute for Hawkins' Building Maintenance of \$13,636 for October; the lease payment from the Institute and the payment to the Institute for the month of November

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occurred during the last couple days of November and did not get picked up for this report.

Mr. Saunders **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Searce.

Mr. Warren noted he was glad Mr. Adkins has purchased the scanner; he knows that City Council does their meetings on I Pads and the County is doing theirs on I Pads; why doesn't RIFA do their meetings on the I Pads so they don't have to have paper copies of the agendas. Mr. Shanks noted it is already there, but Mr. Warren stated staff still brings the hard copies and Mr. Saunders noted some people read it easier on the hard copy. Mr. Guanzon stated the Board is also required by the open meeting law to have copies available for the public.

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

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

6. CLOSED SESSION

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

At 8:56 a.m. Mr. Shanks **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

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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. Saunders and carried by the following vote:

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

D. On **Motion** by Mr. Shanks and **second** by Mr. Searce and by unanimous vote at 9:15 a.m., the Authority returned to open meeting.

E. Mr. Searce **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

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

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

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

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

7. COMMUNICATIONS

Mr. Shanks thanked staff for everything they have done and a Merry Christmas and Happy Holiday Season. Mr. Searce noted a Merry Christmas to everyone. Mr. Warren noted a Merry Christmas to everyone and thanked everyone for all the support this year chairing RIFA, he thought it was a really exciting year with some wonderful announcements, hopes RIFA can continue with that excitement and looks forward to seeing the Staunton River RIFA starting. Mr. Warren thanked the City for the relationship they have with them and the County, it is outstanding; people are amazed at their collaborative effort.

Mr. Guanzon noted the pre-RIFA meeting for staff is scheduled for Monday, does everyone want to continue on that date; if staff wants to move it, it shouldn't be extended past next week because of holidays and agenda deadlines. Staff agreed to keep it on Monday and email any agenda items to Kim Custer today.

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Mr. Tucker noted he and Mr. Rowe participated in a call with Liz Povar who was previously at VEDP, who now consults privately and provides a lot of support for Region 3 Go Virginia; she contacted Mr. Tucker in that role. At the State level, Go Virginia's focus has shifted, they are now starting to entertain site development requests which initially wasn't the direction Go Virginia wanted to go in. The question was posed, was there an opportunity for all the mega parks to do a joint application to Go Virginia to do something around marketing. They had discussion and some feedback; Go Virginia is not enthusiastic on spending their money on marketing but they have approved an application for the Maymack Site on 95 to do some actual site development and infrastructure work; there is now an application from Commonwealth Crossing to do some site development work. Mr. Tucker noted he wanted to ask the Board if they would give staff permission to work with Dewberry to see if there are some other site development projects at Berry Hill they might consider applying for. Mr. Tucker noted they submitted their initial support behind the community colleges and the higher education centers working together on a joint application for workforce development; they received one grant and are submitting another one. Any other grant staff submits would compete with that one; if the state board decides to support workforce development that would be great, but if they decide to support site development, that would be great too. Mr. Tucker stated he believes VEDP is trying to rebuild and rebrand Virginia. One of the things they identified as a deficit for Virginia is they don't have nearly as many sites characterized and as far developed along as some other states. There is a push at the state level to invest in sites, getting more of them shovel ready and more to Tier 4 and Tier 5 status. Mr. Tucker noted for Berry Hill, they still need to extend sewer and Mr. Harden explained the sewer force main still has a gap which would cost about \$1.2M, it is not a huge project, but it is a good project and a strong candidate. Mr. Tucker explained they will look at some projects they could submit and at the next meeting come back to the Board with a plan on what they want to apply for.

Meeting adjourned at 9:33 a.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	01/14/2019
Subject:	Election and Reappointment of Officers for 2019
From:	Michael C. Guanzon, Esq., Legal Counsel to the Authority

SUMMARY

1. Election of Chairman
2. Election of Vice Chairman
3. Reappointment of Secretary
4. Reappointment of Treasurer

ATTACHMENT

Resolution 2019-01-14-5A – Reappointment of Secretary and Treasurer

A RESOLUTION TO REAPPOINT THE SECRETARY AND TREASURER OF THE AUTHORITY.

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

WHEREAS, the Authority, pursuant to paragraph 5 of Article VI of the Amended and Restated Bylaws of the Authority (the “**Bylaws**”), is required to appoint a Secretary and Treasurer from the Authority’s staff, which may include staff provided by a Member Locality or other persons employed or contracted by the Authority;

WHEREAS, under paragraph 2 of Article VI of the Bylaws, the term of office of a Secretary and Treasurer shall be for the calendar year, and accordingly, the terms of Secretary Susan M. DeMasi and Treasurer Michael L. Adkins expired on December 31, 2018; and

WHEREAS, each of Susan M. DeMasi and Michael L. Adkins is eligible for reappointment under the paragraph 5 of Article VI of the Bylaws.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Board hereby reappoints the following persons to serve the Authority in the office designated below and to have such powers and duties as prescribed to that person by the Bylaws and pursuant to applicable law:

Secretary: **Susan M. DeMasi** (term of office expires on December 31, 2019 and shall continue until her successor is appointed or reappointed)

Treasurer: **Michael L. Adkins** (term of office expires on December 31, 2019 and shall continue until his successor is appointed or reappointed)

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

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

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on January 14, 2019, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 14th day of January 2019.

(SEAL)

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

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Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	01/14/2019
Subject:	Approving First Amendment to Local Performance Agreement with BGF Industries, Inc.
From:	Matthew D. Rowe, Director of Economic Development Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2019-01-14-5B, approving the First Amendment to the Local Performance Agreement with BGF Industries, Inc.

ATTACHMENT

Resolution 2019-01-14-5B
First Amendment

A RESOLUTION APPROVING THAT CERTAIN FIRST AMENDMENT TO LOCAL PERFORMANCE AGREEMENT WITH BGF INDUSTRIES, INC., A DELAWARE CORPORATION, EXTENDING THE DEADLINE UNDER SECTION 3(B) OF THE LOCAL PERFORMANCE AGREEMENT TO ENTER INTO A NEW FACILITY GROUND SUBLEASE WITH SAMET CORPORATION, A NORTH CAROLINA CORPORATION, TO APRIL 1, 2019

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

WHEREAS, the Authority, the City of Danville, Virginia (the “**City**”), and the County of Pittsylvania County, Virginia (the “**County**”), entered into that certain Local Performance Agreement dated October 16, 2018 (the “**LPA**”), with BGF Industries, Inc., a Delaware corporation (the “**Company**”); and

WHEREAS, Section 3(b) of the LPA, in part, provides:

b. New Facility Ground Sublease. Within ninety (90) days after the Company's execution of this Agreement [*i.e., January 14, 2019*], the Company shall execute a New Facility Ground Sublease between Samet [*Corporation, a North Carolina corporation*], as sublandlord, and the Company, as subtenant, for the Project Site...[.]

; and

WHEREAS, Samet Corporation and the Company have been negotiating such New Facility Ground Sublease (as defined in the LPA) and making plans for improvements to the Project Site (as defined in the LPA), and the Company has requested for an extension of the date for the Company to enter into such sublease; and

WHEREAS, the Authority’s support staff has recommended to the Authority approval of an extension to April 1, 2019, for the Company to enter into a New Facility Ground Sublease under Section 3(b) of the LPA, by the execution of that certain First Amendment to Local Performance Agreement, as set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**First Amendment**”); and

WHEREAS, the Authority’s Board of Directors (the “**Board**”) has determined that the requested extension and the First Amendment are reasonable, necessary and in the best interests of the Authority and the citizens of the City and the County, in support of the LPA.

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

Resolution No. 2019-01-14-5B

1. The Authority hereby grants to the Company an extension to April 1, 2019, for the Company to enter into a New Facility Ground Sublease with Samet Corporation, and the Authority hereby approves the form of the First Amendment as set forth in **Exhibit A** and as reviewed at this meeting.

2. The Authority hereby authorizes the Chairman and the Vice Chairman of the Authority, either of whom may act independently of the other, on behalf of the Authority to execute and to deliver, on behalf of the Authority, the First Amendment.

3. The Authority further authorizes those certain amendments, deletions or additions to the First Amendment as may be approved by the Chairman or the Vice Chairman, the execution of which by the Chairman (or Vice Chairman as the case may be) shall conclusively establish his approval of any amendments, deletions or additions thereto.

4. 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 First Amendment as may be executed and delivered by the Chairman (or Vice Chairman as the case may be), or as such staff, agents and representatives in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

5. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the First Amendment.

6. 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 regular meeting duly called and held on January 14, 2019, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority as of the 14th day of January 2019.

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

(SEAL)

Exhibit A
(Form of the First Amendment)

THIS FIRST AMENDMENT TO LOCAL PERFORMANCE AGREEMENT (this "Amendment"), made and entered into as of the 14th day of January 2019, by and among **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia; the **COUNTY OF PITTSYLVANIA, VIRGINIA**, a political subdivision of the Commonwealth of Virginia; the **CITY OF DANVILLE, VIRGINIA**, a Virginia municipal corporation; and **BGF INDUSTRIES, INC.**, a Delaware corporation (the "**Company**");

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Recitals and Definitions.** The parties recite that the parties entered into that certain Local Performance Agreement dated October 16, 2018 (the "LPA"); and that the parties wish to amend the LPA under the terms and conditions set forth below to update the equipment schedules. Unless otherwise provided in this Amendment, the terms used in this Amendment shall have the same meaning given to such term in the LPA.

2. **Section 3(b) – Extension of Deadline.** Section 3(b) of the LPA is hereby amended to extend the deadline for the Company to enter into a New Facility Ground Sublease with Samet, to April 1, 2019.

3. **Headings.** The descriptive headings in this Amendment are inserted for convenience only and do not constitute a part of this Amendment.

4. **Counterparts.** This Amendment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment.

5. **Effect on the LPA.** Except as amended in this Amendment, all other terms, provisions, and conditions of the LPA shall remain in full force and effect, and the parties ratify and confirm that the LPA, as amended by this Amendment, is and remains in full force and effect.

[SIGNATURES ARE ON THE FOLLOWING PAGES.]

WITNESS our signatures and seals to this **FIRST AMENDMENT TO LOCAL PERFORMANCE AGREEMENT** as of the date first above written:

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

By: _____
Printed name: _____
Chairman

(SEAL)

COUNTY OF PITTSYLVANIA, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By: _____
Robert W. Warren, Chairman
Board of Supervisors

(SEAL)

CITY OF DANVILLE, VIRGINIA, a Virginia municipal corporation

By: _____
Kenneth F. Larking
City Manager

(SEAL)

WITNESS our signature and seal to this **FIRST AMENDMENT TO LOCAL PERFORMANCE AGREEMENT** as of the date first above written:

BGF INDUSTRIES, INC., a Delaware corporation

By: _____

Printed Name: _____

Title: _____

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	January 14, 2019
Subject:	Financial Status Reports – December 31, 2018
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

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

RECOMMENDATION

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

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

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

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of December 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	33,779.12	38,101.88	
Land		-	2,792,945.57		-
Demolition services		71,261.62	71,261.62		-
Legal fees		-	138,586.73		-
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	\$ 7,421,248.68	\$ 38,101.88	\$ 119,231.56

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 2019

As of December 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	37,099.21				
Contingency					
Miscellaneous contingency items		\$ 53,022.94	\$ 4,001.61	\$ -	\$ 49,021.33
Southern Virginia Mega Site at Berry Hill helipad		\$ 4,351.27	4,351.27	-	-
Total Contingency Budget		<u>57,374.21</u>	<u>8,352.88</u>	<u>-</u>	<u>49,021.33</u>
Legal		100,000.00	106,062.77	-	(6,062.77)
Accounting		21,525.00	21,525.00	-	-
Annual Bank Fees		600.00		-	600.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	1,260.30	-	2,739.70
Utilities		500.00	153.50	-	346.50
Insurance		3,000.00		-	3,000.00
Total	<u>\$ 187,099.21</u>	<u>\$ 187,099.21</u>	<u>\$ 137,354.45</u>	<u>\$ -</u>	<u><u>\$ 49,744.76</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Mega Site at Berry Hill - Funding Other than Bond Funds
As of December 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				
TIC #2264 - Phase II Land and Engineering	1,659,500.00				
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	-	
Dewberry Engineers (related to #2264)		4,500.00	-	4,500.00	
Appalachian Power Company		1,655,000.00	180,000.00	1,475,000.00	
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	\$ 15,911,024.83	\$ 15,911,024.83	\$ 14,408,554.12	\$ 1,502,470.71	\$ -

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
Southern Virginia Mega Site at Berry Hill - Lot 4 Site Development
As of December 31, 2018

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,688,062.81	1,503,437.81	184,625.00	
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		4,250,475.11	4,243,151.21	7,323.90	
Haymes Brothers, Inc. - Phase 1 Pad A Extension/Expansion		-	-	-	
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	\$ 5,905,421.31	\$ 191,948.90	<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

Southern Virginia Mega Site at Berry Hill - Lot 8 Site Development

As of December 31, 2018

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

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Mega Site at Berry Hill - Water & Sewer

As of December 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	79,248.40	319,035.60	
Haymes Brothers, Inc. - Phase I Sanitary Sewer Project		4,856,169.75	352,287.56	4,503,882.19	
Norfolk Southern Railway Company		22,300.00	22,300.00	-	
Pittsylvania County Service Authority		1,475.00	1,475.00	-	
Treasurer of Virginia		5,200.00	5,200.00	-	
AECOM		5,000.00	5,000.00	-	
BH Media Group, Inc.		296.00	296.00	-	
Danville Register & Bee		600.00	600.00	-	
Total	\$ 7,919,327.00	\$ 5,289,324.75	\$ 466,406.96	\$ 4,822,917.79	\$ <u>2,630,002.25</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Rent, Interest, and Other Income Realized for Fiscal Year 2019
As of December 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		\$ 22,400.58	\$ 104,097.34	
<u>Park</u> Cyberpark				
<u>Total Rent</u>		\$ 22,400.58	\$ 104,097.34	
<u>Interest Received</u> ²		\$ 425.82	\$ 2,169.31	
<u>Miscellaneous Income</u>			\$ 973,000.00	
<u>Expenditures</u>				
Hawkins Research Bldg. Property Mgmt. Fee			\$ 81,696.76	
Disbursement to Unision Tube (Enhancement Grant and DRF Grant)			\$ 764,137.50	
<u>Totals</u>	\$ 738,132.03	\$ 22,826.40	\$ 1,079,266.65	\$ 845,834.26
			Restricted¹	\$ 336,095.64
			Unrestricted	\$ 635,468.78

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

² Please note that this is only interest received on RIFA's general money market account.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position ^{1, 2}
December 31, 2018*

	Unaudited FY 2019
Assets	
<u>Current assets</u>	
Cash - checking	\$ 632,640
Cash - money market	797,476
Accounts receivable	205,647
<i>Total current assets</i>	1,635,763
<u>Noncurrent assets</u>	
Restricted cash - project fund CCC bonds	163,833
Restricted cash - debt service fund CCC bonds	437,899
Restricted cash - debt service fund Berry Hill bonds	36
Restricted cash - debt service reserve fund Berry Hill bonds	1,008,799
Capital assets not being depreciated	24,781,371
Capital assets being depreciated, net	22,987,025
Construction in progress	9,827,751
<i>Total noncurrent assets</i>	59,206,714
Total assets	60,842,477
Liabilities	
<u>Current liabilities</u>	
Unearned income	208,863
Bonds payable - current portion	1,753,450
<i>Total current liabilities</i>	1,962,313
<u>Noncurrent liabilities</u>	
Bonds payable - less current portion	2,119,740
<i>Total noncurrent liabilities</i>	2,119,740
Total liabilities	4,082,053
Net Position	
Net investment in capital assets	53,886,790
Restricted - debt reserves	1,446,734
Unrestricted	1,426,900
Total net position	\$ 56,760,424

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.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
*December 31, 2018**

	Unaudited FY 2019
Operating revenues	
Rental income	107,372
Other Income	764,137
Total operating revenues	871,509
Operating expenses ⁴	
Mega Park expenses ³	308,781
Cane Creek Centre expenses ³	771,899
Cyber Park expenses ³	130,896
Professional fees	51,211
Other operating expenses	9,250
Total operating expenses	1,272,037
Operating income (loss)	(400,528)
Non-operating revenues (expenses)	
Interest income	14,203
Interest expense	(41,862)
Total non-operating expenses, net	(27,659)
Net income (loss) before capital contributions	(428,187)
Capital contributions	
Contribution - City of Danville	320,764
Contribution - Pittsylvania County	320,764
Total capital contributions	641,528
Change in net position	213,341
Net position at July 1, 2018	56,547,083
Net position at December 31, 2018	\$ 56,760,424

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.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
December 31, 2018*

	Unaudited FY 2019
Operating activities	
Receipts from leases	\$ 124,751
Other receipts	973,000
Payments to suppliers for goods and services	(1,380,993)
Net cash used by operating activities	(283,242)
Capital and related financing activities	
Capital contributions	407,843
Interest paid on bonds	(75,362)
Principal repayments on bonds	(885,000)
Net cash provided by capital and related financing activities	(552,519)
Investing activities	
Interest received	14,203
Net cash provided by investing activities	14,203
Net increase (decrease) in cash and cash equivalents	(821,558)
Cash and cash equivalents - beginning of year (including restricted cash)	3,862,241
Cash and cash equivalents - through December 31, 2018 (including restricted cash)	\$ 3,040,683
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (400,528)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	2,425
Change in other receivables	20,654
Change in accounts payable	(111,381)
Change in unearned income	205,588
Net cash used by operating activities	\$ (283,242)

Components of cash and cash equivalents at December 31, 2018:	
American National - Checking	\$ 632,640
American National - General money market	797,476
Wells Fargo - \$7.3M Bonds CCC Debt service fund	437,899
Wells Fargo - \$7.3M Bonds CCC Project fund	163,833
US Bank - \$11.25M Bonds Berry Hill Debt service fund	36
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	1,008,799
	\$ 3,040,683