

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

December 9, 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, Vice Chairman
Ronald S. Scarce
Elton W. Blackstock, Alternate**

City of Danville Members

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

Staff

**Ken Larking, City Manager, Danville
David M. Smitherman, Pittsylvania County Administrator
Christian & Barton, LLP, 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 NOVEMBER 8, 2019 SPECIAL MEETING AND THE NOVEMBER 12, 2019 REGULAR MEETING

5. NEW BUSINESS

- A. Consideration of Resolution No. 2019-12-09-5A, requiring only one authorized signer for the signing of a check, draft, note, bond, bill of exchange, orders or other negotiable instrument drawn against an account of the Authority for an amount of \$300.00 or less – Michael L. Adkins, CPA, Treasurer of the Authority, and Susan DeMasi, Secretary of the Authority.
- B. Consideration of Resolution No. 2019-12-09-5B, ratifying that certain Contract of Sale dated November 21, 2019, between the Authority and RealtyLink Investments, LLC, a South Carolina limited liability company, pursuant to Resolution Nos. 2019-09-09-5E and 2019-11-12-5A, for Lots 3A and 3B in the Authority's Cane Creek Centre project, located in Pittsylvania County, Virginia - Michael C. Guanzon, Esq., Legal Counsel to the Authority, Christian & Barton, LLP; and Matthew D. Rowe, Director of Economic Development, Pittsylvania County.
- C. Consideration of Resolution No. 2019-12-09-5C, approving the expanded role of A. Kent Shelton, P.E., as set forth in Resolutions 2017-03-13-5C, 2017-11-15-5D and 2018-12-10-5A, to serve as the project monitor and limited inspector for the changes to the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project to serve Lot 7 at the Authority's Southern Virginia Mega Site at Berry Hill project, at an estimated additional cost of \$27,560.00 (existing hourly rate of \$38) -- Richard M. Drazenovich, P.E., Director of Public Works, City of Danville.
- D. Discussion of Route 311 and Route 58 intersection improvements – Ronald S. Scarce, Authority Board member, Pittsylvania County.
- E. Presentation of Audit of the Authority's financial statements for year ending June 30, 2019 – Chris Murray, CPA, Senior Manager, Brown Edwards & Company, L.L.P.
- F. Financial Status Reports as of November 30, 2019 – Mr. Adkins and Henrietta Weaver, CPA, City of Danville, Virginia.

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6. CLOSED SESSION

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

- 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; and
- 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 Megasite 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. OPEN SESSION – NEW BUSINESS CONTINUED

- A. Consideration of Resolution No. 2019-12-09-7A, authorizing the negotiation, execution and delivery of a local performance agreement for whom an announcement will be made by the Governor’s Office of the Commonwealth of Virginia on or about December 11, 2019, under which the Authority would provide at a minimum an industrial enhancement grant in the form of annual tax rebates

Danville-Pittsylvania Regional Industrial Facility Authority

on real estate and tangible personal property for the establishment of a manufacturing facility at one of its projects located in Pittsylvania County, Virginia, in exchange for certain minimum performance parameters as those required by the Governor's office and/or the Tobacco Region Revitalization Commission – Mr. Rowe and Mr. Guanzon

8. COMMUNICATIONS FROM:

- Authority Board Members
- Staff
 - Update on Project Lignum – Corrie T. Bobe, Assistant Director of Economic Development, City of Danville, and Mr. Guanzon

9. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	12/09/2019
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Secretary to the Authority

SUMMARY

Attached for the Board's review and approval are the Meeting Minutes from the Friday, November 8, 2019 Special Meeting and the Monday, November 12, 2019 Regular Meeting.

ATTACHMENTS

Meeting Minutes – 11/08/2019 and 11/12/2019

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

November 8, 2019

Special Called Meeting

A Special Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 8:00 a.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 205, Danville, Virginia. Present were City of Danville Members Chairman Fred O. Shanks, III, Sherman M. Saunders and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Robert W. Warren and Ronald S. Scearce; Alternate Elton Blackstock was absent. *Mr. Vogler entered the meeting at 8:03 a.m.*

City/County staff members attending were: City of Danville Director of Economic Development Telly Tucker, County Administrator David Smitherman, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Susan McCullough, City of Danville Director of Finance Michael Adkins, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry.

PUBLIC COMMENT PERIOD

No one desired to be heard.

NEW BUSINESS

4A. CONSIDERATION OF RESOLUTION NO. 2019-11-08-4A RATIFYING A LOCAL PERFORMANCE AGREEMENT WITH MORGAN OLSEN

Mr. Guanzon explained last month the Board passed Resolution 2019-10-24-6A with Morgan Olsen for a Local Performance Agreement; the name had not been disclosed at that time. Under the terms of that Resolution, the requirement was the Board would meet to ratify what was signed. Mr. Rowe stated RIFA has signed, so the individual localities need to sign and approve it as well; Mr. Guanzon noted they did. The parties to that local performance agreement were RIFA, the City and the County; Morgan Olsen has already signed the document. RIFA will be leasing land under a ground lease for a period of fifteen years at one dollar per year. If they have done what they are supposed to do under the performance metrics, they have the opportunity to buy the ground underneath at the end of that period.

Mr. Saunders **moved** for adoption of *Resolution 2019-11-08-4A, ratifying that certain local performance agreement, pursuant to Resolution No. 2019-10-24-6A, with Morgan Olson, LLC, a previously undisclosed industry recruit, for the establishment and operation of an original equipment manufacturing facility in the Authority's Cane Creek Centre Industrial Park, located in Pittsylvania County, Virginia.*

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

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

5. 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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

November 8, 2019

Special Called Meeting

attorney-client privileged.]

At 8:02 a.m. Mr. Warren **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 or industry’s interest in locating its facilities in one or more of the Authority’s projects located in Pittsylvania County, Virginia; and

B. As permitted by Virginia Code §2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code §2.2-3705.6(3) (including without limitation 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

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 located in Pittsylvania County, 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, Shanks, Saunders (4)
NAY: None (0)

D. On **Motion** by Mr. Warren and **second** by Mr. Saunders and by unanimous vote at 8:48 a.m., the Authority returned to open meeting.

E. Mr. Warren **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.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

November 8, 2019

Special Called Meeting

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

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

6. OPEN SESSION – NEW BUSINESS

6A. CONSIDERATION OF RESOLUTION 2019-11-08-6A AUTHORIZING THE ASSIGNMENT OF AN OPTION CONTRACT WITH INDEVPROP LLC.

Mr. Guanzon explained in September of last year, RIFA agreed to enter into an option contract with the Indevprop LLC for certain property in the Southern Virginia Megasite. This Resolution does two things: one, to approve the assignment of the option contract to the ultimate user of the property and two, to authorize the Chairman to enter into a local performance agreement with them. Upon the Chairman entering into such an agreement, it will come back for ratification. The issue would be to sell the property identified in the option contract and provide a land grant for that amount.

Mr. Scearce **moved** for adoption of *Resolution No. 2019-11-08-6A*, authorizing the assignment of that certain option contract dated September 14, 2018, with Indevprop, LLC, a Virginia limited liability company, entered pursuant to Resolution No. 2018-09-14-4A, to assignee; and authorizing the negotiation, execution and delivery of an economic development agreement with the assignee, where the Authority would provide a land cost grant equal to the gross purchase price under the option contract to the assignee, and will provide water and sewer extensions to Lot 7 and cutting and grubbing services for Lot 7.

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

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

Meeting adjourned at 8:52 a.m.

APPROVED:

Chairman

Secretary to the Authority

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

November 12, 2019

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 206, Danville, Virginia. Present were City of Danville Members Chairman Fred O. Shanks, III, Sherman M. Saunders and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Robert W. Warren and Ronald S. Scearce; Alternate Elton Blackstock was absent.

City/County staff members attending were: City of Danville Director of Economic Development Telly Tucker, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Susan McCullough, City of Danville Director of Finance Michael Adkins, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE OCTOBER 15, 2019 MEETING AND THE OCTOBER 24, 2019 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Scearce, Minutes of the October 15, 2019 Meeting and October 24, 2019 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. 2019-11-12-5A AMENDING RESOLUTION 2019-09-09-5E FOR REALTYLINK

Mr. Guanzon noted in September RIFA passed a Resolution to sell Lots 3A and 3B in Cane Creek to RealtyLink. Since that time, RealtyLink has done their due diligence and based on their development plan, asked Dewberry to look at what they needed. They would like to purchase less property, the price would remain the same, which would mean RIFA would have more inventory. This will be Lot 3B and a portion of 3A, and instead of RealtyLink Tennessee LLC, they will use their South Carolina affiliate as the purchaser. RealtyLink, has requested a revised Resolution from the Board specifying these items.

Mr. Warren **moved** for adoption of *Resolution No. 2019-11-12-5A, amending Resolution No. 2019-09-09-5E, by authorizing (i) the substitution of RealtyLink Investments, LLC, a South Carolina limited liability company, for RealtyLink – Tennessee, LLC, a Tennessee limited company, as purchaser and (ii) the exclusion of most of Lot 3A in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, from the real property to be sold under a Contract of Sale as otherwise provided in such Resolution.*

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

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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

November 12, 2019

5B. FINANCIAL STATUS REPORTS AS OF OCTOBER 31, 2019

Authority Treasurer Michael Adkins gave the Financial Status report as of October 31, 2019 beginning with the \$7.3M Cane Creek Bonds, noting RIFA expended \$6,375 to Dewberry for Lot 6 surveying, and \$3,972 to Christian and Barton for legal fees. General Expenditures show RIFA paid \$21,301 to Christian and Barton for legal counsel, \$264 for meals and \$31 for monthly utilities. Under Berry Hill Funding Other than Bonds, RIFA purchased the Mills property which was \$181,890, and paid Dewberry for Amendment #24 in the amount of \$156,000. Lot 4 had an expenditure to Dewberry for Amendments #19 and #23, for \$30,675. Lot 8 Site Development had no expenditures for October. For Water and Sewer, RIFA received \$100,000 from the City, their local share of TICR Grant #3011, RIFA expended \$155,634 to CW Cauley and Son for continued work on Phase I of the water construction, and \$3,155 for Dewberry for Amendment #20. Rent, Interest and Other Income shows RIFA received \$25,412 from the Institute for the Hawkins' Building and \$428 in interest income. RIFA finished paying off the Berry Hill Bonds and there were interest earnings on the escrow account in the amount of \$58,674; that was drawn down into the regular checking account. RIFA received \$17,500 from the City, their portion of the Harlow housing incentive, the County's portion was received last month. RIFA also received \$14.00 from Clement Wheatley as reimbursement for a wire fee, and paid \$25,412 to the Institute for the Hawkins Building and paid the Harlow residential housing incentive of \$35,000, half from the City and half from the County.

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

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

6. CLOSED SESSION

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

At 12:22 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 or industry's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia; and

B. As permitted by Virginia Code §2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code §2.2-3705.6(3) (including without limitation 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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

November 12, 2019

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 located in Pittsylvania County, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

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

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

D. On **Motion** by Mr. Warren and **second** by Mr. Saunders and by unanimous vote at 12:53 p.m., the Authority returned to open meeting.

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

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

7. COMMUNICATIONS

Director of Economic Development Telly Tucker noted City Council approved the Enterprise Zone Amendment application for Enterprise Zone 57 which adds the acreage at the front of Cane Creek and also in area off of Kentuck Road. This information was shared with Susan McCullough and the Pittsylvania County Board of Supervisors plans to pass a resolution as well. All that will be sent to the HCD by December 1st, which will be approved retroactively back to January 1 of this year. Once that happens, any projects that were added in the Enterprise Zone will be eligible for both State and Local Enterprise Zone incentives.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

November 12, 2019

Meeting adjourned at 12:57 p.m.

APPROVED:

Chairman

Secretary to the Authority

DRAFT

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	12/09/2019
Subject:	Resolution 2019-12-09-5A
From:	Michael L. Adkins, CPA, Authority Treasurer Susan M. DeMasi, Secretary to the Authority

SUMMARY

The RIFA Board will be asked to approve Resolution 2019-12-09-5A, requiring only one authorized signer for checks, drafts, notes, bonds, bill of exchange or other negotiable instrument, in the amount of \$300.00 or less.

ATTACHMENTS

Resolution 2019-12-09-5A

A RESOLUTION REQUIRING ONLY ONE AUTHORIZED SIGNER FOR THE SIGNING OF A CHECK, DRAFT, NOTE, BOND, BILL OF EXCHANGE, ORDERS OR OTHER NEGOTIABLE INSTRUMENT DRAWN AGAINST AN ACCOUNT OF THE AUTHORITY FOR AN AMOUNT OF \$300.00 OR LESS

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 has determined that it is reasonable and necessary to require only one authorized signer for the signing of a check, draft, note, bond, bill of exchange, orders or other negotiable instrument drawn against an account of the Authority for an amount of Three Hundred and 00/100 Dollars (\$300.00) or less.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and approves the requirement of only one authorized signer for the signing of a check, draft, note, bond, bill of exchange, orders or other negotiable instrument drawn against an account of the Authority for an amount of Three Hundred and 00/100 Dollars (\$300.00) or less, including without limitation, a corporate resolution from the Authority’s lending institution for the authorized signatories consistent with this Resolution, as described in this Resolution.

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 this Resolution, 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 this Resolution and the matters contemplated therein or related thereto on or before the date of this Resolution is adopted.

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

- # -

Resolution No. 2019-12-09-5A

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on December 9, 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 9th day of December 2019.

(SEAL)

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

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	12/09/2019
Subject:	Resolution 2019-12-09-5B
From:	Michael C. Guanzon, Esq., Legal Counsel to the Authority, and Matthew D. Rowe, Director of Economic Development, Pittsylvania County

SUMMARY

The RIFA Board will be asked to approve Resolution 2019-12-09-5B, ratifying a Contract of Sale between the Authority and RealtyLink.

ATTACHMENTS

Resolution 2019-12-09-5B

Resolution No. 2019-12-09-5B

A RESOLUTION RATIFYING THAT CERTAIN CONTRACT OF SALE DATED NOVEMBER 21, 2019, BETWEEN THE AUTHORITY AND REALTYLINK INVESTMENTS, LLC, A SOUTH CAROLINA LIMITED LIABILITY COMPANY, PURSUANT TO RESOLUTION NOS. 2019-09-09-5E AND 2019-11-12-5A, FOR LOTS 3A AND 3B IN THE AUTHORITY’S CANE CREEK CENTRE PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA

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**”), in order to stimulate economic growth and development of the community by creating jobs and infrastructure have agreed to provide incentives to new and expanding businesses which conduct industrial activity; and

WHEREAS, pursuant to Resolution Nos. 2019-09-09-5E and 2019-11-12-5A, the Authority authorized the negotiation, execution and delivery of a contract of sale with RealtyLink Investments, LLC, a South Carolina limited liability company (“**RealtyLink**”) for Lots 3A and 3B in the Authority’s Cane Creek Centre project (“**Cane Creek**”), located in the County; and

WHEREAS, the Authority determined that the terms of the contract of sale with RealtyLink are reasonable, as more particularly set forth in that certain Contract of Sale, dated November 21, 2019, attached hereto as **Exhibit A**, incorporated herein by this reference (the “**Contract of Sale**”); and

WHEREAS, the Authority’s Board of Directors has determined that it is in the best interests of the Authority and the citizens of the City and the County for the Authority to ratify the Contract of Sale.

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

1. The Authority hereby finds that the Contract of Sale with RealtyLink is reasonable, appropriate and within the authority of Resolution Nos. 2019-09-09-5E and 2019-11-12-5A.
2. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the approval of the Contract of Sale and the matters contemplated in this Resolution.
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 regular meeting duly called and held on December 9, 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 9th day of December 2019.

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

(SEAL)

Exhibit A
(Contract of Sale)

THIS CONTRACT OF SALE (this "**Contract**") is made as of 21st day of November 2019 (the "**Effective Date**"), by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("**Seller**"), and **REALTYLINK INVESTMENTS, LLC**, a South Carolina limited liability company, or its permitted assignee ("**Purchaser**").

AGREEMENT

In consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I **The Property**

Section 1.1. **Agreement to Sell and Purchase the Property.** Subject to the terms and conditions of this Contract, Seller agrees to sell, assign and transfer, or cause to be sold, assigned and transferred, to Purchaser and Purchaser agrees to purchase, acquire, and accept from Seller, a portion of those certain lots, pieces or parcels of land, together with all rights easements and appurtenances pertaining thereto, situate in Pittsylvania County, Virginia, more commonly known as **Lot 3A** and **Lot 3B** (County of Pittsylvania, Virginia GPINs 2347-46-9915 and GPIN 2347-35-9589) in Seller's Cane Creek Centre Industrial Park, to contain approximately 13.29 acres and 30.38 acres for a total of 43.67 +/- acres (collectively, the "**Property**") as described on Exhibit A attached hereto. The sale of the Property shall include the sale of any tangible personal property of Seller located on the Property, which shall be conveyed at Closing (as hereafter defined), "**AS IS**", "**WHERE IS**", and "**WITH ALL FAULTS**".

ARTICLE II **Purchase Price**

Section 2.1. **Payment of Purchase Price.** The purchase price of the Property is **THIRTY THOUSAND and 00/100 DOLLARS** (\$30,000.00) per acre (the "**Purchase Price**"), subject to prorations and adjustments as set forth herein, payable by Purchaser to Seller at the closing of the transactions contemplated hereunder (the "**Closing**"). The Purchase Price shall be payable by immediately available funds at Closing. The acreage shall be determined by the tax records or if Purchaser obtains a survey to be recorded at Closing, such survey.

Section 2.2. **Purchase Price Adjustment.** If Seller enters into a local performance agreement ("**LPA**") with the Ultimate Operator (as defined herein) of the Property, the Purchase Price shall automatically adjust upon execution of the LPA to an amount equal to **ONE HUNDRED TWENTY-FIVE THOUSAND and 00/100 DOLLARS** (\$125,000.00). For the purposes of this Agreement, the term "**Ultimate Operator**" shall mean a party to a LPA, who is required to make certain capital investments and/or new job creation to or for the development of

the Property.

ARTICLE III **Inspection Period**

Section 3.1. Access to Property. Beginning on the date of this Contract, and ending on a date that is one hundred twenty (120) days after the Effective Date, at 11:59 P.M. (the "**Inspection Period**"), unless this Contract is terminated prior to the end of the Inspection Period, Purchaser, its agents, employees, representatives and contractors, at Purchaser's sole cost and expense, shall have the right, after the execution of this Contract, to enter upon the Property to perform such tests, inspections and examinations of the Property as Purchaser deems advisable (collectively, the "**Investigations**"), including all matters of survey, flood plain of the Property, the availability of utilities, zoning and building code and other applicable governmental regulation compliance in connection with the Property and the use thereof. Without limiting the foregoing, Purchaser shall have the right to conduct any environmental testing and inspection of the Property that Purchaser deems advisable during the Inspection Period, including without limitation any testing or examination for the presence in, on, or under the Property of any Hazardous Materials (as hereafter defined), which tests and inspections shall be included within the definition of "**Investigations**". For such purposes, Purchaser, its agents, employees, representatives and contractors, may enter upon the Property and do all things necessary in connection therewith, provided they do not materially damage the Property and provided the Property is promptly restored to the condition that existed prior to such Investigations. Purchaser shall indemnify, defend, and hold harmless Seller, its directors, employees and agents from and against all cost, loss, damage and expense, including without limitation reasonable attorneys' fees and claims and/or damages arising out of Purchaser's, its agents', employees', representatives', or contractors' activities upon the Property pursuant to this paragraph. In the event this Contract is terminated, the Purchaser shall promptly furnish to Seller, at no expense to Seller, and without warranty as to their contents or the completeness of the disclosure, copies of any and all third party inspection reports received by Purchaser that are not proprietary information related to any Investigations performed on the Property. For the purposes hereof, the physical condition of the Property, or the title to the Property shall not be deemed proprietary to Purchaser.

"**Hazardous Materials**" shall mean and include, but shall not be limited to, any oil, petroleum product and any hazardous or toxic wastes or substances, any substances which because of their quantitative concentration, chemical, radioactive, flammable, explosive, infectious or other characteristics, constitute or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or to the environment, including without limitation, asbestos (whether or not friable) and any asbestos containing materials, lead paint, waste oils, solvents and chlorinated oils, polychlorinated biphenals (PCB's), toxic metals, pickling and plating wastes, explosives, reactive metals and compounds, pesticides, herbicides, radon gas, urea formaldehyde foam insulation, and chemical, biological and radioactive wastes, or any other similar materials which are included under or regulated by any applicable federal, state, or local law, rule or regulation (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) pertaining to environmental regulations or laws.

In consideration of the grant of the Inspection Period, Purchaser shall pay to Stewart Title Guaranty Company, as Escrow Agent, a Deposit in the sum of **FIVE HUNDRED and 00/100 DOLLARS (\$500.00)** (the "**Deposit**") upon the execution of this Contract, to be held and disbursed by Escrow Agent as hereafter provided.

Section 3.2. Right to Terminate During Inspection Period. If Purchaser is not satisfied in its sole discretion with the condition of the Property, Purchaser shall have the right, upon Seller's receipt of written notice from Purchaser prior to the end of the Inspection Period, **TIME BEING OF THE ESSENCE**, to terminate this Contract, in which event both Seller and Purchaser shall thereafter be relieved from any and all liability under this Contract except as otherwise provided in this Contract; provided, however, that Seller shall retain the Deposit unless the termination by Purchaser (i) is a Noncompliance Termination (as hereafter defined) or (ii) occurred prior to the expiration of the Inspection Period. In case of either event (i) or (ii) in the preceding sentence, the Deposit shall be refunded to Purchaser. Notwithstanding the above, in the event Seller has not entered into a LPA with the Ultimate Operator, this Contract shall automatically terminate at the end of the Inspection Period without any requirement of written notice from Purchaser to Seller and shall be included in (ii) above for the refund of the Deposit to Purchaser.

Section 3.3. Application of the Deposit. The Deposit shall be applied to the Purchase Price at the Closing. Except for a termination by Purchaser prior to the expiration of the Inspection Period or a Noncompliance Termination (as hereafter defined), the parties agree that the Deposit shall be nonrefundable as consideration for the grant to Purchaser of the Inspection Period. If a termination by Purchaser prior to the expiration of the Inspection Period or a Noncompliance Termination occurs, Seller shall cause Escrow Agent to promptly return the Deposit to Purchaser upon such termination. "**Noncompliance Termination**" shall mean any termination by Purchaser which results from (a) any material breach of this Contract by Seller and all applicable cure periods have expired; (b) Seller's inability to convey to Purchaser good, insurable and marketable title to the Property, subject only to the Permitted Exceptions (as hereafter defined); (c) Purchaser's inability to obtain an owner's title insurance policy at standard rates, subject to the Permitted Exceptions (as hereafter defined), after good faith efforts to obtain such a policy; or (d) the presence of any Hazardous Materials on or in the Property in violation of any applicable federal, state, or local laws or regulations, which violation(s) is not cured by Seller, at Seller's option, within ninety (90) days after receipt by Seller of written notice from Purchaser of the nature and location of such Hazardous Materials on or in the Property.

ARTICLE IV

Conditions to the Parties' Obligations

Section 4.1. In General. If any one or more of the conditions to a party's obligations listed in this Article are not satisfied within the period of time specified, such party may (i) waive the condition and proceed to the Closing, subject to any other conditions which may be required to be satisfied thereafter, (ii) terminate this Contract by written notice to the other party, or (iii) if the condition relates to the failure of the other party to perform its obligations hereunder, pursue its

legal rights and remedies available on account of such nonperformance. If a party terminates this Contract, neither party thereafter shall have any further liability hereunder except as otherwise provided in this Contract. Unless the parties otherwise agree in writing, the satisfaction or waiver of a condition to a party's obligations shall not affect the liability of the other party with respect to any of its representations or warranties relating to the same subject matter.

Section 4.2. Conditions to Purchaser's Obligations. Purchaser's obligation to proceed to Closing under this Contract is subject to the satisfaction of the following conditions on or before the Closing:

(a) Seller's Representations and Warranties. Except as otherwise stated in the representations and warranties, all of the representations and warranties of Seller set forth in this Contract shall be true and correct in all material respects as of the Closing.

(b) Closing Documents. All of the documents required under this Contract to be executed and/or delivered by Seller on or before Closing shall have been so executed and delivered.

(c) Performance by Seller. Seller shall have performed in all material respects all of its other obligations required to have been performed hereunder on or before the Closing.

(d) Title. Purchaser at its expense shall be able to obtain, from a title insurance company doing business in the Commonwealth of Virginia, a commitment for an owner's policy of title insurance for the property (the "**Title Commitment**"). The Title Commitment shall contain, as exceptions to title, only those exceptions (a) any utility easements located on the Property which do not materially adversely affect the use of the Property for Purchaser's Use, (b) listed on **Schedule 4.2(d)**, attached to this Contract and incorporated herein by this reference, (c) any other exceptions that do not materially affect the use of, or marketability of title to, the Property as reasonably determined by Purchaser, and (d) any other exceptions agreed by the parties (collectively, the "**Permitted Exceptions**"). If Purchaser fails to object to any exception to title (other than the Permitted Exceptions) before the end of the Inspection Period, all exceptions shall be deemed to be satisfied. If Purchaser objects to any exception (other than the Permitted Exceptions), Seller shall be under no obligation to cause such exception to be removed. If, in such case, Seller is unable or unwilling to cause such exception to be removed, Purchaser may either terminate this Contract prior to the end of the Inspection Period, or accept the exception and proceed to Closing.

(e) Survey. Purchaser, at Purchaser's expense, may have the Property surveyed by a Virginia registered land surveyor, to provide a survey within the Inspection Period. If the survey shows an encroachments on the land herein described, or that there are any easements or roadways on the land, other than public utility easements acceptable to Purchaser, or referred to in this Contract, written notice to that effect shall be given to Seller and such situation shall be treated in the same manner as title defects as set forth in Section 4.2(d) above. Said survey shall include all topographical and utility data, improvements and the adjacent driveways.

(f) Purchaser. At Purchaser's expense, may have the Property subdivided or replatted prior to closing date hereunder. Seller agrees to cooperate with Purchaser on any required application and submittals.

(e) Monetary Liens. Seller shall pay or otherwise discharge as a monetary lien against the Property all mortgages, deeds of trust and other consensual monetary liens against the Property, which can be satisfied by payment of a fixed amount prior to or at the Closing. In the event of such a payment at Closing, payment may be evidenced by a payment from the sale proceeds shown on the settlement statement signed by the parties on or before Closing.

Section 4.3. Conditions to Seller's Obligations. Seller's obligation to proceed to Closing under this Contract is subject to the satisfaction of the following conditions on or before the Closing:

(a) Purchaser's Representations and Warranties. All of the representations and warranties of Purchaser hereunder shall be true and correct in all material respects as of the Closing.

(b) Closing Obligation. Purchaser shall have delivered the Purchase Price at Closing in accordance with this Contract.

(c) Performance by Purchaser. Purchaser shall have performed in all material respects all of its obligations required to have been performed hereunder on or before the Closing.

(d) Execution of Local Performance Agreement. Seller shall have entered into a LPA with an Ultimate Operator of the Property, on such terms and conditions as Seller, in its sole discretion, then determines. If no such LPA is executed prior to the expiration of the Inspection Period, then this Contract shall automatically terminate, in which event both Seller and Purchaser shall thereafter be relieved from any and all liability under this Contract except as otherwise provided in this Contract, and the Deposit shall be refunded to Purchaser.

ARTICLE V

Representations and Warranties

Section 5.1. Representations and Warranties of Seller. Seller represents and warrants to Purchaser as follows:

(a) Seller is the sole owner of the Property and is a political subdivision of the Commonwealth of Virginia, and has the power and authority to execute and deliver this Contract and to consummate the transactions contemplated hereunder.

(b) There are no parties, other than Seller, in possession of any portion of the Property as lessees, and there are no leases applicable to or affecting the Property.

(c) There are no options or other contracts granted or entered into which are still outstanding which give any other party a right to purchase any interest in the Property.

(d) To Seller's knowledge, there are no condemnation or eminent domain proceedings pending or contemplated against the Property.

Section 5.2. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as follows:

(a) Purchaser has the power and authority to execute and deliver this Contract and to consummate the transactions contemplated hereunder.

(b) Purchaser shall be as of Closing in good standing in its state of domicile and be authorized to transact business in Virginia.

(c) The execution and performance of this Contract by Purchaser shall not violate any agreement Purchaser has with any third parties.

(d) Purchaser is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and Purchaser is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

ARTICLE VI Special Provisions

Section 6.1. Assignment of Contract.

(a) By Seller. Without the prior written consent of Purchaser, Seller may assign all or any portion of this Contract. Seller shall provide notice to Purchaser as soon as possible but no less than ten (10) days prior to Closing.

(b) By Purchaser. Purchaser may not assign this Contract or any part thereof without the prior written consent of Seller; however, Purchaser may assign all, but not less than all, of this Contract to an Affiliate (as hereafter defined); provided, in such event, that Purchaser and such entity, jointly and severally, shall be liable for the obligations of Purchaser under this Contract. For the purposes herein, an "Affiliate" shall mean any firm or entity which is owned by Purchaser or owned or controlled by any entity which owns or controls Purchaser. For the purposes herein, an entity shall be deemed to own or control another entity if it owns more than

fifty percent (50%) of the beneficial interest therein, or can direct one or more actions by the entity or is required to consent to one or more actions by such entity.

Section 6.2. Real Estate Commissions. Seller shall be solely responsible for any fees, commissions, or other compensation, which may be due and payable to Marcus & Millichap, Inc. Except as provided in the preceding sentence and except for any fees payable by Seller, if any, no commissions are due and owing any real estate broker or salesperson in connection with this transaction. Purchaser shall hereby indemnify, save and hold harmless Seller from and against any claim for any other real estate or sales commission or similar fee, which claim results from an allegation that Purchaser employed any broker or agent or agreed to compensate such broker or agent in connection with this transaction.

Section 6.3. Condition of Property, etc. Except as expressly set forth in this Contract, Seller has not made any representations or warranties as to the condition of the Property, the current or anticipated income or expenses of the Property, the status of title to the Property, the compliance of the Property with applicable building codes or applicable zoning, environmental or other laws, ordinances or regulations, or any other matter whatsoever. Purchaser acknowledges that it must make its own determination as to such matters and as to the suitability of the Property generally. Accordingly, subject only to its right of termination during the Inspection Period and the conditions to Purchaser's obligations set forth in Article IV, Purchaser shall purchase the Property "AS IS", "WHERE IS", and "WITH ALL FAULTS".

Section 6.4. Due Diligence Deliveries. Within ten (10) business days after the Effective Date, Seller will use its reasonable efforts to provide Purchaser with copies of all existing documents including but not limited to environmental studies, surveys, site studies, civil engineering plans, soil compaction and geotechnical reports, wetland determination, tax records, appraisals, title policies and any other documents which relate to the Property (collectively, the "Property Information Documents"), if such documents are in Seller's actual possession. After the ten- (10) day period has lapsed provided for under this Section 6.4, Purchaser may request, in writing, additional Property Information Documents and Seller shall use its reasonable efforts to promptly deliver such additional Property Information Documents. However, if Seller is not able to reasonably locate such additional Property Information Documents requested by Purchaser, Seller shall notify Purchaser in writing. In no event shall such request for additional Property Information Documents extend the Inspection Period. Any and all Property Information Documents provided to Purchaser shall be without warranty as to their contents or the completeness of the disclosure.

In the event this Contract is terminated for whatever reason, Purchaser shall promptly return to Seller all such documents and written materials provided by Seller. This provision shall specifically and without limitation survive the termination of this Contract. Notwithstanding the obligation of Seller under this Section 6.4 to provide the Property Information Documents, Purchaser acknowledges its independent obligation to conduct its due diligence review of the Property as Purchaser alone deems necessary. Accordingly, should Purchaser determine that the Property Information Documents provided above are incomplete or insufficient to conduct its due

diligence review to its satisfaction, Purchaser shall exercise its right to terminate this Contract as set forth in Article III above, on or before the end of the Inspection Period. Until the Closing occurs, Purchaser shall keep the Property Information Documents confidential and subject to Section 8.8 below, shall limit the use of those documents for the sole purpose of its due diligence review of the Property and for no other purpose. Notwithstanding the above, Seller acknowledges that the Property Information Documents will be shared with the Ultimate Operator who shall also have the privilege of reviewing any Property Information Documents provided by the Seller. The provisions of the preceding sentence shall, specifically and without limitation, survive the termination of this Contract for whatever reason.

ARTICLE VII Closing

Section 7.1. Date and Place of Closing. The Closing shall take place within thirty (30) days after the expiration of the Inspection Period, **TIME BEING OF THE ESSENCE** unless waived by Seller. Closing and delivery of all documents shall take place at the office of the Escrow Agent, and shall be handled by mail. Settlement (disbursement of funds) shall be handled by Stewart Title Guaranty Company Washington D.C. Office which is a licensed agent of the Commonwealth of Virginia complying with all rules and regulations related to property being handled in Virginia.

Section 7.2. (a) Deliveries by Seller. Seller shall execute as appropriate and deliver to Purchaser the following documents:

(i) A general warranty deed (the "**Deed**") conveying title to the Property to Purchaser subject only to encumbrances permitted by this Contract;

(ii) Seller shall deliver proper authority documentation authorizing this Contract and the transaction contemplated hereby.

(ii) Seller's affidavit or lien waiver for the purpose of removing any mechanics' lien exception from any title insurance policy to be issued in connection with the purchase, Seller shall provide Seller's form of affidavit or lien waiver for approval by title company; and

(iii) Any other certificate, document, or statement as may be reasonably necessary in order to consummate the transactions contemplated.

(b) Deliveries by Purchaser. At the Closing, Purchaser shall deliver the following:

(i) The Purchase Price in immediately available funds;

(ii) Purchaser shall deliver proper authority documentation authorizing this Contract and the transaction contemplated hereby.

(iii) Any other certificate, document, or statement as may be reasonably necessary in order to consummate the transactions contemplated.

(iv) An executed option to purchase in favor of Seller, form of option to be mutually agreed upon by Seller and Purchaser, triggered in the event that the construction of a shell building suitable for light industrial use on the Property has not been substantially completed within twelve (12) months after Closing. The substantially completed shell building shall include the construction of a "dry-in" building only, and not intended to require the completion of the building with a certificate of occupancy or any paving on the site. The term "dry-in" shall mean that the building's interior is protected from all types of weather and all openings are closed with permanent construction or substantial temporary closures, and such construction shall be in a good workmanlike manner. However, Purchaser shall comply with all necessary permits from governing agencies to obtain approval of the construction of the shell building, at a minimum. The purchase price under such option shall be equal to the Purchase Price plus any out-of-pocket construction costs incurred by the Purchaser. The purchase price under such option shall not include soft-costs (architecture fees, engineering fees, financing fees and legal fees) or a project management/development fee paid to an affiliate of Purchaser. Such option shall be subordinate to any construction financing obtained by Purchaser, but Purchaser agrees that Purchaser shall cause the release of any lien related to such construction financing in connection with any repurchase by Seller of the Property as provided herein.

Section 7.3. Prorations. Rents, real estate taxes including any rollback taxes and assessments, and such other matters as are customarily apportioned in transactions similar to the transaction contemplated by this Contract shall be prorated between Seller and Purchaser on a per diem basis as of the Closing. Seller shall be responsible for all periods prior to Closing, whether due in the calendar year of Closing or due in subsequent years.

Section 7.4. Closing Costs.

(a) **Generally.** Purchaser shall pay all costs incurred in consummating the transactions contemplated hereunder, including without limitation, the cost of Purchaser's title insurance policy, the cost of the Investigations, the cost of any surveys and all recording taxes and fees for the Deed and all other recorded documents, other than any grantor's tax on recordation of the Deed which shall be paid by Seller and payment pursuant to Section 4.2(c). Each party shall pay its respective attorneys' fees. Seller shall be responsible for the cost of preparation of the Deed.

ARTICLE VIII
Miscellaneous

Section 8.1. Survival. The provisions of this Contract shall survive the Closing or earlier termination of this Contract.

Section 8.2. Successors and Assigns. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 8.3. Notices. Except as otherwise provided and/or required for a termination notice under Section 3.2 above, any notice required or contemplated to be given to a party by the other party shall be in writing and shall be given by hand delivery or a private courier service (e.g., Federal Express, UPS, DHL Express, etc.) which provides evidence of receipt as part of its service, as follows:

To Seller:

Danville-Pittsylvania Regional Industrial
Facility Authority
Attn: Susan M. DeMasi, Authority, Secretary
427 Patton Street
Danville, VA 24541

(For informational purposes only)
Telephone: (434) 797-8928
Email: demassm@danvilleva.gov

With a courtesy copy to:
Christian & Barton, LLP
Attn: Michael C. Guanzon
909 East Main Street
Suite 1200
Richmond, VA 23219

(For informational purposes only)
Telephone: (804) 697-4133
Email: mguanzon@cblaw.com

To Purchaser:

RealtyLink Investments,, LLC
Attn: Maude Davis
201 Riverplace, Suite 400
Greenville, SC 29601

(For informational purposes only)
Telephone: (864) 263-5410
Email: mdavis@realtlinkdev.com; and
cc to: operddomo@realtlinkdev.com

With a courtesy copy to:
Wesley Graybill, Esq.
Graybill, Lunsche & Vinzani, LLC
2721 Devine Street
Columbia, SC 29205

(For informational purposes only)
Telephone: (803) 404-5703
Email: wgraybill@glvlawfirm.com

To Escrow Agent:

Stewart Title Guaranty Company
5935 Carnegie Blvd, Suite 301
Charlotte, NC 28209
Attn: Danielle Howell

(For informational purposes only)
Telephone: (704) 401-2026
Email: dhowell@stewart.com; and
cc to: monique.saxbury@stewart.com

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given under this Contract shall be deemed given on the date of hand delivery or delivery to a courier service properly addressed with all charges prepaid, as appropriate. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not invalidate the effectiveness of any notice, demand, request, or other communication. Copies hereunder are provided as a matter of courtesy and shall not constitute notice themselves.

Section 8.4. Consents and Approvals. All consents and approvals required or permitted by this Contract shall be in writing, shall be signed by the party from whom the consent or approval is sought and, unless otherwise provided herein, may be withheld by such party in its sole discretion.

Section 8.5. Amendments. This Contract may only be amended, supplemented or terminated in writing, signed by the parties hereto.

Section 8.6. Counterparts. This Contract may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument. A facsimile or scanned copy (*.pdf) signature to this Contract shall have the same effect as an original for all purposes.

Section 8.7. Governing Law. This Contract shall be governed by the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Contract, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Contract shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of

authorship of any of the provisions of this Contract.

Section 8.8. Confidentiality. The parties hereto shall keep confidential all information and terms related to this transaction. However, information with respect to this transaction may be disclosed to the Ultimate Operator (as defined in this Contract), attorneys, accountants, brokers, appraisers and financial advisors engaged in connection with this transaction and members, partners, officers and employees of Purchaser and Seller as necessary to approve and consummate this transaction.

Section 8.9 Incentive from Pittsylvania County. Purchaser and Seller acknowledge that Pittsylvania County has applied for a state grant to provide an incentive up to \$700,000.00 for earthwork and water/drainage design for the Property. If the state grant is approved and Pittsylvania County contributes such funds to Seller, Seller would reimburse Purchaser up to \$700,000.00, to the extent Pittsylvania County contributes those funds to Seller, for Purchaser's earthwork and drainage construction costs on the Property in accordance with the executed Memorandum of Understanding between Pittsylvania County, Virginia and the Purchaser for a certain Collaborative Economic Development Performance Grant, said incentive outlined in this Section, attached hereto and incorporated herein by reference in Exhibit B.

Section 8.10. Further Assurances. After the Closing, each party to this Contract shall, upon the request of the other party, execute and deliver such other documents and take such further action as may be reasonably necessary or proper to carry out the purposes of this Contract.

Section 8.11. Interpretation. For purposes of construing this Contract, unless the context otherwise indicates, words in the singular number shall include words in the plural number, and vice versa, and words in one gender shall be deemed to include words in the other genders. The titles to articles and headings for sections and paragraphs in this Contract are for convenience only and neither limit nor amplify the provisions of this Contract.

[SIGNATURES ARE ON FOLLOWING PAGES.]

WITNESS the following signatures and seals to this **CONTRACT OF SALE**:

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

(Seal)

By: *Fred O. Shanks, III*
Fred O. Shanks, III
Chairman

COMMONWEALTH OF VIRGINIA AT LARGE
PITTSYLVANIA COUNTY/CITY OF DANVILLE, to-wit:

The foregoing instrument was acknowledged before me in my jurisdiction aforesaid on this 21st day of November, 2019, by FRED O. SHANKS, III, in his capacity as Chairman of **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia.

My commission expires 12/31/2022

Susan M. DeK...
Notary Public
Registration No. 357183

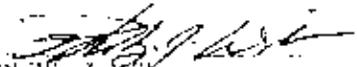


WITNESS the following signatures and seals to this **CONTRACT OF SALE**:

PURCHASER: **REALTYLINK INVESTMENTS, LLC**, a South Carolina limited liability company

(Seal)

By:

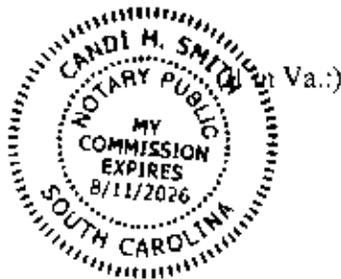

Phillip J. Wilson

Member

STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLE, to wit:

The foregoing instrument was acknowledged before me in my jurisdiction aforesaid on this 19th day of November, 2019, by **PHILLIP J. WILSON**, in his capacity as Member of **REALTYLINK INVESTMENTS, LLC**, a South Carolina limited liability company.

My commission expires 8/11/2026




Notary Public

Registration No. N/A

EXHIBIT "A"

Lot 3A and 3B as shown on that certain Subdivision Plat Showing: Cane Creek Centre for: Danville-Pittsylvania Regional Industrial Facility Authority dated November 25, 2010, made by Dewberry & Davis, Inc., File V3103B, and recorded in the Clerk's Office of the Circuit Court of Danville, Virginia, in Map Sheet 44, Slide 143 A.

SCHEDULE 4.2(d)
(Other Permitted Exceptions)

1. Those certain protective covenants as described on that certain Declaration of Protective Covenants, dated July 12, 2000 (the "Original Declaration"), and recorded in the Clerk's Office of the Circuit Court of the County of Pittsylvania, Virginia, as Instrument No. 05-06158, in Deed Book 1505, at page 237, and recorded in the Clerk's Office of the Circuit Court of the City of Danville, Virginia, as Instrument No. 05-4233, at page 189, including without limitation, any amendments and supplements to the Original Declaration duly recorded.

2. Option to purchase in favor of Seller, form of option to be mutually agreed upon by Seller and Purchaser, triggered in the event that the construction of a shell building suitable for light industrial use on the Property has not been substantially completed within twelve (12) months after Closing. The purchase price under such option shall be equal to the Purchase Price plus any out-of-pocket construction costs incurred by the Purchaser. The purchase price under such option shall not include soft-costs (architecture fees, engineering fees, financing fees and legal fees) or a project management/development fee paid to an affiliate of Purchaser. Such option shall be subordinate to any construction financing obtained by Purchaser, but Purchaser agrees that Purchaser shall cause the release of any lien related to such construction financing in connection with any repurchase by Seller of the Property as provided herein.

3. Exceptions that do not materially affect the use of, or marketability of title to, the Property as reasonably determined by Purchaser.

MEMORANDUM OF UNDERSTANDING

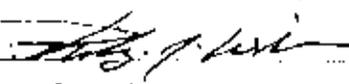
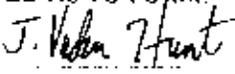
This Memorandum of Understanding ("MOU") by and between the County of Pittsylvania, Virginia (the "County"), a political subdivision of the Commonwealth of Virginia, and RealtyLink Investments, LLC ("RealtyLink"), a South Carolina Limited Liability Company (collectively, the "Parties"), is made and effective as of the last date of execution by the undersigned Parties.

The purpose of this MOU is to memorialize usage terms of potential Collaborative Economic Development Performance Grant Funds for site work improvement on Lot 3A and Lot 3B of the Cane Creek Centre Industrial Park ("Cane Creek"), said Lot 3A and Lot 3B to be replatted and designated as Lot 3C located in Pittsylvania County, Virginia, for ultimate operator of the site.

The Parties to this MOU hereby agree as follows:

1. The County will make all reasonable efforts to apply for a Collaborative Economic Development Performance Grant (the "Grant") up to \$700,000 (the "Grant Funds") through the Virginia Economic Development Partnership after Project AF is announced.
2. Should the County be awarded such Grant Funds, such funds shall be transferred to the Danville-Pittsylvania County Regional Industrial Facilities Authority ("RIFA") for the sole purpose of assisting with site work improvement on Lot 3A and Lot 3B (to be replatted and designated as Lot 3C) of RIFA's Cane Creek per the Grant agreement.
3. If such Grant Funds are awarded, and after the same are transferred to RIFA, the Grant Funds shall be distributed to RealtyLink retroactively and only after such site work on Lot 3A and Lot 3B (to be replatted and designated as Lot 3C) of Cane Creek has been fully completed.
4. Should such Grant Funds be awarded, RealtyLink shall transfer commiserate cost savings to the ultimate operator of the site via a long-term lease.

Witness the following signatures and seals.

COUNTY OF PITTSYLVANIA, VIRGINIA By:  Title: COUNTY ADMINISTRATOR Date: 11/15/19	REALTYLINK INVESTMENTS, LLC By:  Title: Member Date: 11/19/2019
APPROVED AS TO FORM: By:  J. Vaden Hunt, Esq.	

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	12/09/2019
Subject:	Resolution 2019-12-09-5C
From:	Richard M. Drazenovich, PE, Director of Public Works City of Danville

SUMMARY

The RIFA Board will be asked to approve Resolution 2019-12-09-5C, approving the expanded role of A. Kent Shelton, to serve as project monitor at Berry Hill.

ATTACHMENTS

Resolution 2019-12-09-5C

A RESOLUTION APPROVING THE EXPANDED ROLE OF A. KENT SHELTON, P.E., AS SET FORTH IN RESOLUTIONS 2017-03-13-5C, 2017-11-15-5D AND 2018-12-10-5A, TO SERVE AS THE PROJECT MONITOR AND LIMITED INSPECTOR FOR THE CHANGES TO THE PHASE I VIRGINIA WATER LINE PROJECT AND THE PHASE I SANITARY SEWER PROJECT TO SERVE LOT 7 AT THE AUTHORITY'S SOUTHERN VIRGINIA MEGA SITE AT BERRY HILL PROJECT, AT AN ESTIMATED ADDITIONAL COST OF \$27,560.00 (EXISTING HOURLY RATE OF \$38)

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 adopted Resolution 2017-03-13-5C, approving the assignment of A. Kent Shelton, P.E. (“**Shelton**”), whom the City of Danville, Virginia (the “**City**”), had retained as an independent contractor for professional engineering services for the City, as the project monitor for the Authority’s Phase 1 Grading Pads Project at the Southern Virginia Mega Site at Berry Hill project (formerly known as the Berry Hill Mega Park project) (the “**SVM**”); and the costs of such services are acknowledged by the Authority as an in-kind service contribution by the City, to be shown on the “due to/due from” balance sheet between the locality members of the Authority, at an hourly rate of \$38 (estimated to be approximately \$23,712 for the duration of the project) plus travel expenses; and

WHEREAS, the Authority adopted Resolution 2017-11-15-5D, approving the expansion of the scope of the professional engineering services provided by Shelton to the Authority’s Phase 1 Sewer Infrastructure Project at the SVM project; and the costs of such services are acknowledged by the Authority as an in-kind service contribution by the City, to be shown on the “due to/due from” balance sheet between the locality members of the Authority, at an hourly rate of \$38 (estimated to be approximately \$39,520.00 for the duration of the project) plus travel expenses; and

WHEREAS, the Authority adopted Resolution 2018-12-10-5A, approving the expansion of the scope of the professional engineering services provided by Shelton to the Authority’s Phase 1 Virginia Water Line Project at the SVM project; and the costs of such services are acknowledged by the Authority as an in-kind service contribution by the City, to be shown on the “due to/due from” balance sheet between the locality members of the Authority, at an hourly rate of \$38 (estimated to be approximately \$29,640.00 for the duration of the project) plus travel expenses; and

WHEREAS, the Authority’s changes to the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project to serve Lot 7 at the SVM project also requires the same professional engineering services to monitor and to inspect the project for quality control, permit compliance, testing, meetings with the contractor’s superintendent and other items for oversight (collectively, “**Observation Services**”); and

WHEREAS, Shelton is willing (i) to expand the scope of his Observation Services to include the changes to the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer

Resolution No. 2019-12-09-5C

Project and (ii) to perform limited inspection of the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project to serve Lot 7 at the SVM (collectively, “**Limited Inspection Services**”), at the same rate of \$38 per hour (estimated to be approximately \$27,560.00 for the duration of the project, based on an estimated 1,120 hours of work; approximately \$15,000.00 for the Phase I Virginia Water Line Project Observation Services has not been used because the original project scope was reduced, resulting in the net increase in the observation costs for the changes in the water and sewer project equaling \$27,560.00) plus reimbursement of reasonable travel expenses; and

WHEREAS, the City, as a member locality of the Authority, is agreeable to making an in-kind service contribution of Shelton’s expanded Observation Services and Limited Inspection Services to the Authority; and

WHEREAS, the Authority has determined that the proposed in-kind service contribution by the City is necessary and reasonable for furtherance of the Authority’s Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project and the advancement of the development of the SVM.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the assignment of Shelton as the project monitor for the Authority’s changes to the Phase I Virginia Water Line Project and Phase I Sanitary Sewer Project at the SVM project, to provide Observation Services and Limited Inspection Services.

2. The Authority hereby approves that the Observation Services and the Limited Inspection Services provided by Shelton for the changes to the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project at the SVM project shall be acknowledged as, and deemed to be, an in-kind service contribution by the City, to be shown on the “due to/due from” balance sheet between the locality members of the Authority. The amount of the contribution shall be equal to the payments made by the City to Shelton for the Observation Services and the Limited Inspection Services for the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project at the SVM project at a rate of \$38 per hour plus reimbursement of reasonable travel expenses.

3. The Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and to deliver such other documents in connection with the in-kind service contribution by the City pertaining to Observation Services and Limited Inspection Services by Shelton for the changes to the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project at the SVM project, as may be approved by the Chairman (or the Vice Chairman as the case may be), such execution by the Chairman (or the Vice Chairman as the case may be) to conclusively establish his approval of such other documents.

4. The Authority hereby authorizes and directs the Treasurer of the Authority to acknowledge the in-kind service contribution by the City pertaining to Observation Services and Limited Inspection Services by Shelton for the changes to the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project at the SVM project as set forth in this Resolution.

Resolution No. 2019-12-09-5C

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 in-kind service contribution by the City pertaining to Observation Services and Limited Inspection Services by Shelton for the changes to the Phase I Virginia Water Line Project and the Phase I Sanitary Sewer Project at the SVM project and the matters contemplated in this Resolution.

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 December 9, 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 9th day of December 2019.

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

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5D
Meeting Date:	12/09/2019
Subject:	Discussion of Route 311 and Route 58 Intersection
From:	Ronald S. Scarce, Authority Board Member Pittsylvania County

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5E
Meeting Date:	12/09/2019
Subject:	Presentation of Audit
From:	Chris Murray, CPA Brown Edwards & Company

Audit Documents will be presented at the meeting.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5F
Meeting Date:	December 9, 2019
Subject:	Financial Status Reports – November 30, 2019
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through November 30, 2019 will be provided at the meeting. The financial status reports as of November 30, 2019 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of November 30, 2019 as presented.

ATTACHMENTS

Financial Status Reports

Danville - Pittsylvania Regional Industrial Facility
Authority

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2020
- 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 November 30, 2019

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
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}		79,381.00	47,431.62	31,949.38	
Land		-	2,792,945.57	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	198,077.83	-	
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	\$ 4,318,640.12	\$ 7,494,392.28	\$ 31,949.38	<u><u>\$ 52,240.46</u></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 2020

As of November 30, 2019

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 25,000.00				
County Contribution	25,000.00				
Carryforward from FY2019	4,434.23				
Transfer from Unrestricted Fund Balance	200,000.00				
Contingency					
Miscellaneous contingency items		\$ 24,154.23	\$ 11,200.01	\$ -	\$ 12,954.22
Total Contingency Budget		<u>24,154.23</u>	<u>11,200.01</u>	<u>-</u>	<u>12,954.22</u>
Legal		200,000.00	33,619.50	-	166,380.50
Accounting		22,175.00	5,000.00	-	17,175.00
Annual Bank Fees		605.00		-	605.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	1,188.22	-	2,811.78
Utilities		400.00	92.10	-	307.90
Insurance		3,000.00	2,337.00	-	663.00
Total		<u>\$ 254,434.23</u>	<u>\$ 53,436.83</u>	<u>\$ -</u>	<u>\$ 200,997.40</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of November 30, 2019

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				
TIC #2264 - Phase II Land and Engineering	3,700,000.00				
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	-	
401 Buford Road		246,082.96	246,082.96	-	
Off State Road 1055		181,890.19	181,890.19	-	
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)		784,500.00	160,500.00	624,000.00	
Appalachian Power Company		1,655,000.00	380,000.00	1,275,000.00	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 17,931,524.83	\$ 17,098,997.98	\$ 15,197,027.27	\$ 1,901,970.71	\$ 832,526.85

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

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Lot 4 Site Development
As of November 30, 2019

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.		1,707,562.81	1,612,187.81	95,375.00	
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		11,860.00	11,860.00	-	
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		1,578,000.00	-	1,578,000.00	
Transfers to "General Expenditures Fiscal Year 2015" Contingency ³					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)	-	
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	(12,000.00)	-	
Total	\$ 7,900,356.15	\$ 7,697,130.21	\$ 6,016,431.31	\$ 1,680,698.90	<u>\$ 203,225.94</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 Megasite at Berry Hill - Lot 8 Site Development

As of November 30, 2019

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
<i>TIC #3358 Site Improvements for Project Lignum</i>					
Tobacco Commission Grant	\$ 2,624,800.00				
<i>Expenditures</i>					
Dewberry Engineers Inc.		89,300.00	82,800.00	6,500.00	
<i>Total</i>	<u>\$ 2,624,800.00</u>	<u>\$ 89,300.00</u>	<u>\$ 82,800.00</u>	<u>\$ 6,500.00</u>	<u><u>\$ 2,535,500.00</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of November 30, 2019

	<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 & Imp.	262,960.00				
TIC #3011 Water System Improvements Phase II					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Imp.	224,160.00				
Expenditures					
Dewberry Engineers Inc.		398,284.00	216,999.32	181,284.68	
Haymes Brothers, Inc. - Phase I Sanitary Sewer		4,883,720.10	3,759,801.66	1,123,918.44	
C.W. Cauley & Son - Phase 1 Water		1,843,540.00	751,222.00	1,092,318.00	
Norfolk Southern Railway Company		22,300.00	22,300.00	-	
Pittsylvania County Service Authority		1,475.00	1,475.00	-	
Treasurer of Virginia		7,900.00	7,900.00	-	
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	\$ 7,163,115.10	\$ 4,765,593.98	\$ 2,397,521.12	<u>\$ 756,211.90</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Rent, Interest, and Other Income Realized for Fiscal Year 2020
As of November 30, 2019

<i>Source of Funds</i>	<u>Funding</u>		<u>Expenditures</u> <u>FY2020</u>	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2019</u>	<u>Receipts</u> <u>Current</u> <u>Month</u>		
<i>Carryforward</i>	\$ 726,050.44			
<i>Current Lessees</i>				
Institute for Advanced Learning and Research (IALR) ¹		\$ 25,412.50	\$ 127,062.50	
Capital Outdoor, Inc.			2,000.00	
<i>Total Rent</i>		<u>\$ 25,412.50</u>	<u>\$ 129,062.50</u>	
<i>Interest Received</i> ²		\$ 442.64	\$ 1,754.85	
<i>Miscellaneous Income</i>		\$ 164,505.93	\$ 871,056.66	
<i>Expenditures</i>				
Hawkins Research Bldg. Property Mgmt. Fee			\$ 101,650.00	
Transfer to General Expenditures budget			\$ 200,000.00	
Disbursements for Gerfertec incentives			\$ 25,376.00	
Disbursements for Harlow Fastech incentives			\$ 289,235.62	
Totals	<u>\$ 726,050.44</u>	<u>\$ 190,361.07</u>	<u>\$ 1,001,874.01</u>	<u>\$ 616,261.62</u>
			Restricted ¹	\$ 339,107.56
			Unrestricted	\$ 249,790.89
			Committed	\$ 522,764.38

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}
November 30, 2019*

	Unaudited FY 2020
Assets	
<i>Current assets</i>	
Cash - checking	\$ 766,861
Cash - money market	802,247
<i>Total current assets</i>	1,569,108
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	90,690
Restricted cash - debt service fund CCC bonds	505,198
Capital assets not being depreciated	23,832,535
Capital assets being depreciated, net	22,505,505
Construction in progress	14,628,421
<i>Total noncurrent assets</i>	61,562,349
Total assets	63,131,457
Liabilities	
<i>Current liabilities</i>	
Bonds payable - current portion	869,740
<i>Total current liabilities</i>	869,740
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	1,675,000
<i>Total noncurrent liabilities</i>	1,675,000
Total liabilities	2,544,740
Net Position	
Net investment in capital assets	58,512,411
Restricted - debt reserves	505,198
Unrestricted	1,569,108
Total net position	\$ 60,586,717

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
*November 30, 2019**

	Unaudited FY 2020
Operating revenues	
Rental income	130,537
Other Income	777,799
Total operating revenues	908,336
Operating expenses⁴	
Mega Park expenses ³	1,536,440
Cane Creek Centre expenses ³	18,769
Cyber Park expenses ³	411,789
Professional fees	22,352
Other operating expenses	17,997
Total operating expenses	2,007,347
Operating income (loss)	(1,099,011)
Non-operating revenues (expenses)	
Interest income	7,440
Interest expense	(7,323)
Total non-operating expenses, net	117
Net income (loss) before capital contributions	(1,098,894)
Capital contributions	
Contribution - City of Danville	894,760
Contribution - Pittsylvania County	394,760
Total capital contributions	1,289,520
Change in net position	190,626
Net position at July 1, 2019	60,396,091
Net position at November 30, 2019	\$ 60,586,717

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
November 30, 2019*

	Unaudited FY 2020
Operating activities	
Receipts from leases	\$ 127,061
Other receipts	777,382
Payments to suppliers for goods and services	(2,199,833)
Net cash used by operating activities	(1,295,390)
Capital and related financing activities	
Capital contributions	1,289,520
Interest paid on bonds	(26,302)
Principal repayments on bonds	(925,000)
Net cash provided by capital and related financing activities	338,218
Investing activities	
Interest received	7,440
Net cash provided by investing activities	7,440
Net increase (decrease) in cash and cash equivalents	(949,732)
Cash and cash equivalents - beginning of year (including restricted cash)	3,114,728
Cash and cash equivalents - through November 30, 2019 (including restricted cash)	\$ 2,164,996
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (1,099,011)
Changes in assets and liabilities:	
Change in prepaids	254
Change in accounts payable	(192,741)
Change in unearned income	(3,892)
Net cash used by operating activities	\$ (1,295,390)

Components of cash and cash equivalents at November 30, 2019:	
American National - Checking	\$ 766,861
American National - General money market	802,247
Wells Fargo - \$7.3M Bonds CCC Debt service fund	505,198
Wells Fargo - \$7.3M Bonds CCC Project fund	90,690
	\$ 2,164,996

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 7A
Meeting Date: 12/09/2019
Subject: Resolution 2019-12-09-7A
From: Mr. Rowe and Mr. Guanzon

SUMMARY

The RIFA Board will be asked to approve Resolution 2019-12-09-7A, authorizing negotiation, execution and delivery of a local performance agreement.

ATTACHMENTS

Resolution 2019-12-09-7A

Resolution No. 2019-12-09-7A

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A LOCAL PERFORMANCE AGREEMENT FOR WHOM AN ANNOUNCEMENT WILL BE MADE BY THE GOVERNOR’S OFFICE OF THE COMMONWEALTH OF VIRGINIA ON OR ABOUT DECEMBER 11, 2019, UNDER WHICH THE AUTHORITY WOULD PROVIDE AT A MINIMUM AN INDUSTRIAL ENHANCEMENT GRANT IN THE FORM OF ANNUAL TAX REBATES ON REAL ESTATE AND TANGIBLE PERSONAL PROPERTY FOR THE ESTABLISHMENT OF A MANUFACTURING FACILITY AT ONE OF ITS PROJECTS LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, IN EXCHANGE FOR CERTAIN MINIMUM PERFORMANCE PARAMETERS AS THOSE REQUIRED BY THE GOVERNOR’S OFFICE AND/OR THE TOBACCO REGION REVITALIZATION COMMISSION

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

WHEREAS, the Authority, the County of Pittsylvania, Virginia (the “**County**”), and the City of Danville, Virginia (the “**City**”), in order to stimulate economic growth and development of the community by creating jobs and infrastructure have agreed to provide incentives to new and expanding businesses which conduct industrial activity; and

WHEREAS, as permitted by Sections 2.2-3711(A)(3), 2.2-3711(A)(5) and 2.2-3711(A)(40) of the Code of Virginia, 1950, as amended, the Authority, at the regular meeting, (i) discussed 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; (ii) discussed the location of a prospective business or industry in one of the Authority’s projects (the “**Project**”), located in Pittsylvania County, Virginia, where no previous announcement has been made of the business’s or industry’s interest in locating its facility in the Project; and (iii) discussed and considered records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation 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

WHEREAS, the Governor’s Office of the Commonwealth of Virginia (the “**Governor’s Office**”) and the Tobacco Region Revitalization Commission intend to execute or have executed performance grant agreements with an industry recruit (“**Industry Recruit**”) for certain minimum performance parameters regarding the establishment of a manufacturing facility and the creation of new jobs at the Project; and

WHEREAS, the Authority desires to negotiate, execute and deliver a local performance agreement (“**LPA**”) with Industry Recruit under which the Authority would

Resolution No. 2019-12-09-7A

provide at a minimum an industrial enhancement grant in the form of annual tax rebates on real estate and tangible personal property for the establishment of a manufacturing facility, in exchange for certain minimum performance parameters as those required by the Governor's Office and/or the Tobacco Region Revitalization Commission; and

WHEREAS, an announcement will be made by the Governor's Office on or about December 11, 2019 regarding Industry Recruit; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of the County and the City, and the development of the Project for the Authority to negotiate, execute and to deliver a LPA with Industry Recruit.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of a LPA with Industry Recruit, as described in this Resolution, together with such amendments, deletions or additions thereto as may be approved by the Chairman or the Vice Chairman of the Authority, and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver a LPA, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of a LPA, and related documents by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any amendments, deletions or additions thereto.

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by a LPA, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions; however, such authorization shall be subject to appropriation and budget levels, and the form and the legality of the LPA shall have been approved by legal counsel to the Authority.

3. The Authority hereby directs that in the event that certain Governor's Office announcement occurs, a LPA, as then executed by the Chairman (or Vice Chairman as the case may be), shall be placed on the agenda for the Authority's January 2020 regular meeting for ratification.

4. Without limiting the provisions of Paragraph 3 above, the Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to a LPA and the matters contemplated therein or related thereto on or before the date of this Resolution is adopted.

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

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Resolution No. 2019-12-09-7A

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 December 9, 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 9th day of December 2019.

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

(SEAL)