Danville-Pittsylvania Regional Industrial Facility Authority

CITY OF DANVILLE, VIRGINIA
COUNTY OF PITTSYLVANIA, VIRGINIA

AGENDA

MONDAY, JULY 11, 2011

12:00 NOON

DANVILLE REGIONAL AIRPORT
EASTERN CONFERENCE ROOM
424 AIRPORT DRIVE, DANVILLE, VIRGINIA

COUNTY OF PITTSYLVANIA MEMBERS

COY E. HARVILLE, VICE CHAIRMAN
HENRY A. "HANK" DAVIS, JR.
FRED M. INGRAM, ALTERNATE

CITY OF DANVILLE MEMBERS

SHERMAN M. SAUNDERS, CHAIRMAN
T. DAVID LUTHER
FRED O. SHANKS, III, ALTERNATE

STAFF

JOSEPH C. KING, CITY MANAGER, DANVILLE
WILLIAM D. SLEEPER, PITTSYLVANIA COUNTY ADMINISTRATOR
CLEMENT & WHEATLEY, ATTORNEY FOR AUTHORITY
SUSAN M. DEMASI, AUTHORITY SECRETARY
BARBARA A. DAMERON, 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 FOR THE JUNE 13, 2011 MEETING**

5. **NEW BUSINESS**

   A. Consideration of Resolution No. 2011-07-11-5A, to elect the Chairman and Vice Chairman of the Authority and Appoint the Secretary and Treasurer of the Authority.

   B. Consideration of Resolution No. 2011-07-11-5B, to support the Authority's application for certification of the Authority's Mega Site under the McCallum Sweeney Consulting Mega-Site Certification Program.

   C. Consideration of Change Order No. 1 dated June 17, 2011 in the Amount of $10,625 from Haymes Brothers, Inc. for the Cane Creek Graded Pads Project.

   D. Consideration of the Fiscal Year 2012 Proposed Budget for RIFA's General Expenditures.

   E. Consideration of Resolution No. 2011-07-11-5E* to approve the Engagement Letter with BNY Mellon Corporate Trust to Perform the Final Arbitrage Rebate Calculation for the $14M Series 2002 Revenue Bonds used for the IALR project. (*Formal Resolution to be presented at meeting).

   F. Financial Report as of June 30, 2011.

6. **CLOSED MEETING**

   A. As permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion or consideration of a request from the Institute for Advanced Learning and Research, a political subdivision of the Commonwealth of Virginia (the "Institute"), for assignment of that certain real property with improvements, commonly known as 150 Slayton Avenue, 230 Slayton Avenue, and 228 Slayton Avenue (Tax PINs 76442 and 78360), located in the Authority's Cyber Park, and currently occupied by the Institute, and in the alternative, for reduction of rent under the lease of 230 Slayton Avenue (located on Tax PIN 78360), where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

B. As permitted by Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended, for consultation with and briefing by legal counsel pertaining to actual litigation regarding Nancy Barbour Smith, *et al.* v. Pittsylvania County Board of Supervisors (Case No. CL10000088-00), where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority.

C. Confirmation of Motion and Vote to Reconvene in Open Meeting.

D. Motion to Certify Closed Meeting.

7. ACTION ON MATTERS CONSIDERED IN CLOSED MEETING:

A. Consideration of Request from the Institute for assignment of that certain real property with improvements, commonly known as 150 Slayton Avenue, 230 Slayton Avenue, and 228 Slayton Avenue (Tax PINs 76442 and 78360), located in the Authority's Cyber Park, and currently occupied by the Institute, and in the alternative, for reduction of rent under the lease of 230 Slayton Avenue (located on Tax PIN 78360).

8. COMMUNICATIONS FROM:

Henry A. "Hank" Davis, Jr.
Coy E. Harville
Fred M. Ingram
T. David Luther
Sherman M. Saunders
Fred O. Shanks, III
Staff

9. ADJOURN

AGENDA
ITEM NUMBER 4

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
June 13, 2011

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12:12 p.m. on the above date in the Conference Room located at the Danville Regional Airport, 424 Airport Drive. Present were City of Danville Members Chairman Sherman Saunders, David Luther and alternate Fred Shanks. Pittsylvania County Members Vice-Chairman Coy Harville and Henry A. "Hank" Davis, Jr., were present; Pittsylvania County alternate Fred Ingram were absent.

City/County staff members attending were: City Manager Joe King, Pittsylvania County Administrator Dan Sleeper, Danville Finance Director/Authority Treasurer Barbara Dameron, Pittsylvania County Finance Director Kim Van der Hyde, Danville Planning Director Kenny Gillie, Danville Senior Accountant Patricia Knutti, Danville Economic Development Consultant Linwood Wright, Karen Walker from the Institute for Advanced Learning & Research, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Also present were Dewberry and Davis Project Manager Shawn Harden and Tim Clark, Workforce Investment Board.

Chairman Saunders called the Meeting to order.

PUBLIC COMMENT PERIOD

Citizen Karen Maute noted there will be an EPA meeting at the Danville Public Library to discuss their role in Uranium mining, milling and storage of tailing. Ms. Maute noted she had questions regarding RIFA and rezonings that are being done in the County.

Citizen Barbara Hudson commented on the amount of time the Authority allows people to voice their concerns.

Chairman Saunders noted that there is a revised Agenda for this meeting.

APPROVAL OF MAY 9, 2011 MINUTES

Upon **Motion** by Mr. Harville and **second** by Mr. Luther, Minutes of the May 9, 2011 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

CONSIDERATION OF RESOLUTION NO. 2011-06-13-5A

Mr. Harville **moved** to approve **Resolution No. 2011-06-13-5A** approving the terms of those certain contracts between the City of Danville, Virginia and Dewberry & Davis, Inc., a North Carolina corporation, (i) dated November 12, 2010, for surveying services at the Authority's Cane Creek site, at a price of $10,250, and (ii) dated December 3, 2010, for environmental, archeological and geotechnical investigations at Phase 2 of the Authority's Mega Park site, and

wetland permitting/marketing and project management services at Phases 1 and 2 of the Authority's Mega Park site, at a price of $985,500.

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

VOTE: 4-0
AYE: Davis, Harville, Luther and Saunders (4)
NAY: None (0).

CONSIDERATION OF RESOLUTION NO. 2011-06-13-5B

Mr. Harville **moved** to approve **Resolution No. 2011-06-13-5B**, ratifying the County Administrator's actions in executing and delivering that certain contract between the Authority and Haymes Brothers, Inc., a Virginia corporation, as approved by the Authority on May 9, 2011, pursuant to Resolution No. 2011-05-09-5A.

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

VOTE: 4-0
AYE: Davis, Harville, Luther and Saunders (4)
NAY: None (0).

CONSIDERATION OF RESOLUTION NO. 2011-06-13-5C(A)

Mr. Davis **moved** to approve **Resolution No. 2011-06-13-5C(A),** approving a one-year hunting lease to Oak Hill Hunt Club, an unincorporated association, of approximately 570.75 acres at the Authority's Mega Park site (GPINs 1366-16-2959 and 1367-01-8739), commonly known as Hairston Farm and Shoffner Farm; and the lease shall be for the uses of hunting, fishing and related outdoor recreational activities, at a total rental fee of $4,000.00.

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

Mr. Davis noted that the Authority is not leasing it to a club to provide club facilities but for the purpose of the uses of hunting, fishing and related outdoor recreational activities with no club house or club organization.

Mr. Shanks noted that this lease has been in existence for a number of years.

The Motion was carried by the following vote:

VOTE: 4-0
AYE: Davis, Harville, Luther and Saunders (4)
NAY: None (0).

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
June 13, 2011

CONSIDERATION OF RESOLUTION NO. 2011-06-13-5D(A)

Mr. Davis **moved** to approve **Resolution No. 2011-06-13-5D(A)**, authorizing a one-year hunting lease to Guilford Whitetail Management, a North Carolina corporation, of approximately 1595.07 acres at the Authority's Mega Park site (GPINs 1366-54-5996, 1367-41-3134, 1377-01-1754 and 1356-75-8216), commonly known as the Klutz Farm; and the lease shall be for the uses of hunting, fishing and related outdoor recreational activities, at a total rental fee of $4,500.00

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

VOTE: 4-0
AYE: Davis, Harville, Luther and Saunders (4)
NAY: None (0).

CONSIDERATION OF RESOLUTION NO. 2011-06-13-5E

Mr. Harville **moved** to approve **Resolution No. 2011-06-13-5E**, approving plans and specifications for construction of Electronic Instrumentation and Technology, LLC's facility in the Authority's Cyber Park.*

Mr. Tim Clark was present to answer any questions regarding the facility.

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

VOTE: 4-0
AYE: Davis, Harville, Luther and Saunders (4)
NAY: None (0).

CONSIDERATION OF RESOLUTION NO. 2011-06-13-5F

Mr. Harville **moved** to approve **Resolution No. 2011-06-13-5F**, approving plans and specifications for construction of elevator shaft and storage building at the Institute for Advanced Learning and Research's Sustainable Energy Technology Center Building in the Authority's Cyber Park.*

Kenny Gillie noted that the proposal complies with all the covenants and as it is visible from a right of way, requires approval from the Authority. Mr. Harville questioned Mr. Gillie regarding compliance with the covenants and Mr. Gillie noted that since it was a new feature and it is visible it does require approval.

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

VOTE: 4-0
AYE: Davis, Harville, Luther and Saunders (4)
NAY: None (0).

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
June 13, 2011

CONSIDERATION OF RESOLUTION NO. 2011-06-13-5G

Mr. Luther **moved** to approve **Resolution No. 2011-06-13-5G**, approving plans and specifications for construction of expansion of plant propagation space in the Institute for Advanced Learning and Research's Charles Hawkins Building in the Authority's Cyber Park.*

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

VOTE: 4-0
AYE: Davis, Harville, Luther and Saunders (4)
NAY: None (0).

Per the Attorney for the Authority, New Business Agenda Items regarding Resolutions 2011-06-13-5E, 2011-06-13-5F and 2011-06-13-5G do not have separate written resolutions.

MONTHLY FINANCIAL REPORT

Authority Treasurer Barbara Dameron gave the monthly financial report as of May 31, 2011.

Mr. Luther **moved** to accept the financial report as presented. The Motion was **seconded** by Mr. Harville and carried by the following vote:

VOTE: 4-0
AYE: Davis, Harville, Luther and Saunders (4)
NAY: None (0).

COMMUNICATIONS

Mr. Harville noted that he would like RIFA to talk to Mary Rae Carter, of Southside Virginia Economic Development regarding sending a written invitation to the Governor for a tour and briefing of the Mega Park.

Upon **Motion** by Mr. Harville and **second** by Mr. Luther, the meeting was adjourned at 12:30 p.m.

_____
Chairman

_____
Clerk to the Authority

AGENDA
ITEM NUMBER 5A

Resolution No. 2011-07-11-5A

A RESOLUTION TO ELECT THE CHAIRMAN AND VICE CHAIRMAN OF THE AUTHORITY AND APPOINT THE SECRETARY AND TREASURER OF THE AUTHORITY.

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

WHEREAS, pursuant to Article V, paragraph 1 of the Amended and Restated Bylaws of the Authority (the "**Bylaws**") , the County of Pittsylvania, Virginia, and the City of Danville, Virginia, as member localities of the Authority, have each appointed two (2) directors and one (1) alternate director to the Board of Directors of the Authority (the "**Board**"); and

WHEREAS, Article VI, paragraphs 1 and 2 of the Bylaws provide that the Board shall elect from its directors a Chairman and a Vice Chairman to serve for the fiscal year until their successors are elected; and

WHEREAS, Article VI, paragraph 5 of the Bylaws provides that the Board shall appoint a Secretary and a Treasurer, which may include staff provided by a member locality or other persons employed or contracted by the Authority, and that such offices of Secretary and Treasurer may be held by the same person; and

WHEREAS, Article VII, paragraph 1 of the Bylaws provides that regular elections of officers shall be held at a regular meeting of the Board in July of each fiscal year.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Board hereby elects the following directors to serve the Authority in the office designated below and to have such powers and duties as prescribed to them by the Bylaws and pursuant to applicable law:

   a. Chairman: _____; and
   b. Vice Chairman: _____.

2. The Board hereby elects the following persons to serve the Authority in the office designated below (which may be the one and the same person) and to have such powers and duties as prescribed to them by the Bylaws and pursuant to applicable law:

   a. Secretary: _____; and
   b. Treasurer: _____.

3. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things

as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, with respect to the matters contemplated herein.

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

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on July 11, 2011, 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 11th day of July 2011.

_____

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

(SEAL)

AGENDA
ITEM NUMBER 5B

Resolution No. 2011-07-11-5B

A RESOLUTION SUPPORTING THE AUTHORITY'S APPLICATION FOR CERTIFICATION OF THE AUTHORITY'S MEGA SITE UNDER THE MCCALLUM SWEENEY CONSULTING MEGA-SITE CERTIFICATION PROGRAM

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 is the owner of the Berry Hill Regional Mega Park Site (the **"Mega Site"**), comprised of those certain lots or parcels of land, located in the County of Pittsylvania, Virginia, on State Road 863 (Berry Hill Road), State Road 621 (Ed Hardy Road), State Road 862 (Oak Hill Road), State Road 875 (Horseshoe Road), and State Road 880 (Stateline Bridge Road), and located in reasonable proximity to U.S. Route 29 Bypass, in the area commonly known as "Berry Hill", containing 3,528.65 acres, more or less; and

WHEREAS, the Authority is applying for certification of the Mega Site under the McCallum Sweeney Consulting Mega-Site Certification Program (the **"Application"**); and

WHEREAS, as part of the Application and the Authority's planned development of the Mega Site, the Authority is applying for the rezoning of the Mega Site to the Heavy Industry Industrial District (M-2) classification, and the Authority is placing restrictive and protective covenants on the Mega Site, consistent with such rezoning; and

WHEREAS, as part of the Application, the Mega Site must be available for at least five (5) years for sale to certain qualified business entities for use in heavy industry and large manufacturing operations; and

WHEREAS, the Authority has determined that the Application and making the Mega Site available for at least five (5) years for sale to certain qualified business entities for use in heavy industry and large manufacturing operations (i) is proper pursuant to Section 15.2-6405 of the Code of Virginia, 1950, as amended (the Authority is authorized to develop and maintain facilities and acquire, own, hold, use, sell, encumber, transfer, or dispose of real property), and (ii) is in the best interests of the Authority and of the citizens of the County of Pittsylvania and the City of Danville, Virginia.

NOW, THEREFORE, BE IT RESOLVED, that

1. For at least five (5) years, the Mega Site shall be available for sale to certain qualified business entities for use in heavy industry and large manufacturing operations.

2. The Authority hereby authorizes and directs the Chairman and Vice Chairman, either of whom may act independently of the other, and staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as they in their

discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

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

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

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on July 11, 2011, 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 11th day of July 2011.

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

(SEAL)

AGENDA
ITEM NUMBER 5C

Change Order

No. 01

Date of Issuance: 06/17/2011 Effective Date: _____

Project: Cane Creek Graded Pads	Owner: DPIFSA	Owner's Contract No.:01-01-08873
Contract: Cane Creek Graded Pads & Sewer Line		Date of Contract: May 9, 2011
Contractor: Haymes Brothers, Inc.		Engineer's Project No.: 50042387

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

Description:
Install 810 LF of 6" perforated french drain with #57 stone and filter fabric.

Attachments (list documents supporting change):

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: $ 1,225,050.00	Original Contract Times: ☐ Working days ☒ Calendar days Substantial completion (days or date): 120 days Ready for final payment (days or date): 150 days
[**Increase**] [Decrease] from previously approved Change Orders No. 0 to No. 1: $0	[**Increase**] [Decrease] from previously approved Change Orders No. 0 to No. 1: Substantial completion (days): 3 days Ready for final payment (days): 3 days
Contract Price prior to this Change Order: $ 1,225,050.00	Contract Times prior to this Change Order: Substantial completion (days or date): 120 days Ready for final payment (days or date): 150 days
[**Increase**] [Decrease] of this Change Order: $ 10,625.00	[**Increase**] [Decrease] of this Change Order: Substantial completion (days or date): 123 days Ready for final payment (days or date): 153 days
Contract Price incorporating this Change Order: $ 1,235,675.00	Contract Times with all approved Change Orders: Substantial completion (days or date): 123 days Ready for final payment (days or date): 153 days

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____	By: _____	By: _____
Engineer (Authorized Signature)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Date: 6-17-11	Date: _____	Date: _____

Approved by Funding Agency (if applicable):

_____ Date: _____

Haymes Brothers

CHANGE ORDER REQUEST (PROPOSAL)

Project: Cane Creek Graded Pads & Sewer Line

Change Order Request Number: 001

From (Contractor): Haymes Brothers, Inc.

To: Dewberry Davis, Inc.

Date: 6/16/2011

A/E Project Number: 01-01-08873

Re: French Drain

Contract For: Graded Pads & Sewer Line

This Change Order Request (C.O.R.) contains an itemized quotation for changes in the Contract Sum or Contract Time in response to proposed modifications to the Contract Documents based on Proposal Request No. 001 .

Description of Proposed Change:
We propose to install a french drain, utilizing 6" perforated pipe, filter fabric and #57 stone per the recommendation of the F&R representative on site, as detailed below.

Quantity	Measure	Item	Unit Price	Sub Total
810	LF	6" French Drain	$ 12.50	$ 10,125.00
1	EA	Outlet Protection	$ 500.00	$ 500.00
			Total	$ 10,625.00

Attached supporting information from: ☐ Subcontractor ☐ Supplier ☐ ☐ _____ _____

Reason for Change:

Due to excavation of undercut/unsuitable material, ground water is developing over a considerable amount of subgrade areas. In consultation with F&R and Dewberry, it was decided that a french drain was needed to dewater the area in order for structural fill to be placed.

Does Proposed Change involve a change in Contract Sum? ☐ No ☒ Yes **[Increase]** [Decrease] $10,625.00

Does Proposed Change involve a change in Contract Time? ☐ No ☒ Yes **[Increase]** [Decrease] 3 days

Attached pages: ☐ Proposal Worksheet Summary: _____
☐ Proposal Worksheet Detail(s): _____

Signed by: Ricky Mansfield Date: 6/16/2011

Copies: ☐ Owner ☐ Consultants ☐ _____ ☐ _____ ☐ _____ ☐ _____ ☐ File

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99 Canal Center Plaza, Suite 300, Alexandria, VA 22314

Form Version: July 1994

This is not an official CSI Construction Contract Administration (CCA) Form. Please use CSI's official CCA Forms if required by your project needs.

AGENDA
ITEM NUMBER 5D

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2011 and Proposed Budget for Fiscal Year 2012

	FY 2011			FY 2012	
	Funding	Budget	Expenditures [2]	Proposed Funding	Proposed Budget
Funding					
City Contribution	$ 20,000.00			$ 75,000.00	
County Contribution	20,000.00			75,000.00	
Carryforward from prior fiscal year	79,533.66			5,000.00 [3]	
Transfer in from rental income realized	50,000.00			-	
Transfer in from Research Facility Build-Out budget	37.16			-	
Contingency					
Bank Fees		-	$ 4,071.25		$ 4,100.00
Surveying of lots		-	1,700.00		-
Subsurface exploration at Cane Creek Centre		-	2,889.00		-
Dewberry - subdivide Cane Creek Centre		-	10,250.00		-
Repairs to Mega Park rental property		-	30.26		-
Mega Park - rezoning fees		-	278.24		-
Arbitrage Rebate Calculation Fee [1]		-	-		2,000.00
Miscellaneous contingency items		-	-		15,000.00
Total Contingency Budget		$ 21,400.00	19,218.75		21,100.00
Legal		110,570.82	99,084.75		95,250.00
Accounting		18,000.00	18,000.00		18,750.00
Postage & Shipping		100.00	-		100.00
Meals		2,500.00	2,575.67		2,800.00
Utilities		10,000.00	8,251.12		10,000.00
Insurance		7,000.00	5,848.00		7,000.00
Total	$ 169,570.82	$ 169,570.82	$ 152,978.29	$ 155,000.00	$ 155,000.00

[1] Pending approval of expenditure by RIFA Board.

[2] As of the date of preparation, June 30, 2011. Does not include expenses for FY 2011 for which invoices have not been received.

[3] Please note that this is an estimate of the expected carryforward after all FY 2011 expenses are received and recorded.

AGENDA
ITEM NUMBER 5E

Danville-Pittsylvania Regional Industrial Facility Authority

427 Patton Street, Room 428
Danville, VA 24541
Telephone: 434-797-8928
Facsimile: 434-799-5041

Date: July 11, 2011

To: Danville-Pittsylvania Regional Industrial Facility Authority (RIFA) Board Members

From: Barbara A. Dameron

Subject: Final Maturity Arbitrage Rebate Calculation for $14 million Revenue Bonds, Series 2002

RIFA utilized $14 million in Revenue Bonds, Series 2002, for the Institute of Advanced Learning and Research (IALR) project. Pinnacle Arbitrage Compliance LLC, later acquired by Bank of New York (BNY) Mellon Corporate Trust, performed the five-year arbitrage rebate calculation as of August 1, 2006. These bonds were paid off on August 1, 2007. Therefore, a final maturity arbitrage rebate calculation is legally required as of the pay-off date of August 1, 2007. BNY Mellon Corporate Trust assessed the fee for this service at $2,000.

Staff deems this as a reasonable fee for these services and recommends that the RIFA Board approve the attached engagement letter securing BNY Mellon Corporate Trust to perform services for the final maturity arbitrage rebate calculation.

BNY MELLON

Corporate Trust

June 29, 2011

Patricia Knutti
Danville-Pittsylvania Regional
Industrial Facility Authority
427 Patton Street
Danville, VA 24541

$14,000,000
Danville-Pittsylvania Regional Industrial
Facility Authority Revenue Bonds
(Institute for Advanced Learning and Research Project)
Series 2002

Dear Ms. Knutti:

This letter (this "Agreement") sets forth the terms and conditions on which The Bank of New York Mellon Trust Company, N.A. ("we" or "BNY Mellon") will perform the services outlined below (the "Services") for the Danville-Pittsylvania Regional Industrial Facility Authority, Virginia ("you" or "Client") as they relate to arbitrage rebate calculations for the above-captioned bond issue (the "Bonds").

Scope of Services

1. BNY Mellon will prepare a computation to determine the arbitrage rebate amount (the "Rebate Amount") for the Bonds as described in §148(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulations Section 1.148 (the "Regulations"). The Rebate Amount is equal to the excess of the amount earned on the investment of all gross proceeds over the amount that would have been earned if such gross proceeds were invested at the bond yield.

   A. **Preparation of Arbitrage Rebate Calculations.** In preparing the rebate calculations, we will evaluate cash flows from investments made with gross proceeds of the Bonds. This evaluation will include an analysis of the relevant funds associated with the Bonds, such as reserve funds, construction funds, capitalized interest funds, debt service funds, etc. The cash flows from includable funds are future valued to the computation date using the bond yield to determine if the issue has accrued a rebate liability. In addition, for bond years with gross proceeds subject to the rebate requirements, a computation credit is included in the calculation of the rebate liability.

   In determining the Rebate Amount, a test is performed each year on any "Debt Service Fund" established for the Bonds. If the Debt Service Fund, as defined in the bond documents, meets certain requirements specified in the Regulations, it is deemed a "Bona Fide Debt Service Fund" and, therefore, is excluded from the rebate calculation. If the Debt Service Fund fails to

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T 214 580 1220 F 214 580 3400

meet these requirements, the Debt Service Fund must be included in the determination of the Rebate Amount for the Bonds. As described in the Fees and Expenses section of this

Agreement, additional fees will be charged for calculations involving a Debt Service Fund that fails to qualify as a Bona Fide Debt Service Fund.

B. **Application of Spending Exceptions.** The Regulations offer a few exceptions to the arbitrage rebate rules if the proceeds of a bond issue are spent within a specific time frame. All or a portion of the proceeds of the Bonds may qualify for certain exceptions to the rebate requirements (the 6-month, 18-month or 2-year spending exceptions). If these proceeds and the earnings on the proceeds are spent in accordance with the requirements specified in the Regulations, these exceptions are available to be applied to the Bonds.

   Spending exceptions to the rebate requirement are optional and, as a result, are only beneficial if these proceeds are generating a positive Rebate Amount. Therefore, it is necessary to first determine the Rebate Amount for these funds and then, if appropriate, apply the applicable spending exception. With the exception of the six-month spending exception, we will evaluate application of the spending exceptions after the second anniversary of the issuance of the Bonds to determine if an exception would reduce the positive Rebate Amount. If an exception to rebate appears to provide a favorable alternative, we will issue an additional report setting forth these results. The fees to prepare a report relating to the appropriate spending exception will be separate from the standard rebate calculation fees and will be discussed with you before these opportunities are pursued.

C. **Calculation of the Yield Reduction Payments.** Certain accounts or funds are subject to the yield restriction requirement of the Regulations in addition to the rebate requirement. These accounts are included in the determination of required yield reduction payments after the expiration of certain defined temporary periods established by the Regulations and disclosed in the bond documents.

   In preparing the yield restriction analysis, the cash flows for the yield restricted investments must be isolated for the time period after the expiration of the appropriate temporary periods. The cash flows are then future valued to the computation date using a "materially higher bond yield," as defined in the Regulations, to determine if the issue has violated the yield restriction requirement. Certain violations of the yield restriction requirement can be resolved by the computation and payment of a Yield Reduction Payment. The fees to compute the Yield Reduction Payment will be separate from the standard rebate calculation fees as explained in the Fees and Expenses section of this Agreement.

D. **Bond Yield Election Analysis for Variable Rate Issues.** For variable rate bond issues, our fees assume the Rebate Amount is computed using a composite bond yield, in accordance with the Regulations, and that no yield period election has been made. If the Bonds have accrued a positive Rebate Amount using the composite yield, it may be possible to recompute the Rebate Amount using alternate yield periods and reduce the rebate liability. However, the alternate yield period methodology could increase the rebate liability, in which case, the composite yield computation would be used to determine the Rebate Amount. If you desire the alternate yield

period calculations to be done, additional fees will be incurred. This work will only be done with your consent and at an agreed upon price.

2. Upon the completion of our work, we will provide a rebate report for the Bonds, which will contain a signed opinion and detailed supporting schedules indicating the Rebate Amount, computed in accordance with the Code and the Regulations. If a remittance is due to the United States Treasury, we will assist you in completing the Internal Revenue Service Form 8038-T and will provide you with filing instructions to make the payment.

Fees and Expenses

3. Our fees to compute the Rebate Amount for the Bonds for the computation period of August 1, 2006 through August 1, 2007 will be $2,000. An invoice will be issued at the time the completed report is sent to you and is payable upon receipt.

4. These fees assume that the accounts that comprise the Debt Service Fund qualify as a Bona Fide Debt Service Fund and therefore can be excluded from the computation of the Rebate Amount. If the Debt Service Fund fails to qualify for this exception and must be included in the computation of the Rebate Amount, an additional fee, as stated below, will be charged to analyze and include in the determination of the Rebate Amount the investment activity in each of the accounts that comprise the Debt Service Fund for the Bonds.

5. We do not bill for minor routine consultation and advice. To the extent requests for special services may result in additional fees, we will provide you with an estimate of such costs in advance and will only proceed with your approval.

6. The efficiency with which we can complete the rebate calculation is greatly impacted by the number of times we have to request additional information. Our fees detailed above are based on the assumption that you will provide appropriate assistance and information, including sufficient investment records, and that all requested information will be provided on a timely basis. Failure to provide necessary information in a timely manner or the delivery of investment information requiring additional inquiries, such as expenditure of professional time to interpret nonstandard transactions, increases the time necessary to complete the calculation and may result in additional fees being charged.

No Coordination with Private Activity Regulations

7. The purpose of our engagement is to determine the Rebate Amount pursuant to §148(f)(2) of the Code. Sections 141-147 of the Code and the related Treasury Regulations set forth requirements with respect to the amount of bond proceeds that may be used for the benefit of a private person or entity. Treasury Regulations Section 1.141-6(a) requires that allocations of expenditures of bond proceeds for purposes of computing the Rebate Amount must be the same as the allocations of expenditures used to test the private use of projects financed with proceeds of the Bonds.

8. For purposes of calculating the Rebate Amount, our calculations assume that the allocation of the expenditures of Bond proceeds as provided to us are the same for both purposes of Sections 141-147 and Section 148 of the Code. The scope of this engagement does not include procedures to analyze the private use limitations associated with the Bonds.

Term of the Agreement

9. This Agreement will commence on the date hereof and shall terminate upon completion of the Services outlined above, unless earlier terminated as set forth below. Both the Client and BNY Mellon may cancel this Agreement with 30 days written notice with or without cause. The Client shall pay for work-in-progress, completed Services and expenses incurred by BNY Mellon through the effective date of any termination.

Concerning BNY Mellon

10. Notwithstanding any provision contained herein to the contrary, BNY Mellon, including its officers, directors, employees and agents, shall:

    a. not be liable for any action taken or omitted under this Agreement so long as it shall have acted in good faith and without negligence;

    b. have no responsibility to inquire into or determine the genuineness, authenticity, or sufficiency of any documents or instruments submitted to it in connection with its duties hereunder;

    c. be entitled to deem the signatories of any documents or instruments submitted to it hereunder as being those purported to be authorized to sign such documents or instruments on behalf of the parties hereto, and shall be entitled to rely upon the genuineness of the signatures of such signatories without inquiry and without requiring substantiating evidence of any kind; and

    d. be, and hereby is indemnified and saved harmless by Client from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the willful misconduct or gross negligence of BNY Mellon, and such indemnification shall survive its resignation or removal, or the termination of this Agreement.

    Any banking association or corporation into which BNY Mellon may be merged, converted or with which BNY Mellon may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which BNY Mellon shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of BNY Mellon shall be transferred, shall succeed to all BNY Mellon's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Limitation of Liability

11. The total aggregate liability of BNY Mellon under this Agreement shall be limited to any penalty and/or interest imposed on the Client by the United States Internal Revenue Service on any additional Rebate Amount which results from a proven error by BNY Mellon in rendering the

Services outlined in this Agreement. The Client, and not BNY Mellon, shall be responsible for paying the correct Rebate Amount due.

12. Neither of us will, in any event, be liable to the other, for any reason, for any consequential, incidental, special, punitive or indirect damages, including loss of profits, revenue, data, use of money or business opportunities, regardless of whether notice has been given or there is an awareness that such damages have been or may be incurred.

Dispute Resolution

13. Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

Other Terms

14. The Client will timely notify BNY Mellon of any refunding or defeasance transactions involving any bond subject to this Agreement. Such notification is critical as a refunding or defeasance transaction may accelerate the required calculation of the Rebate Amount. Failure to notify BNY Mellon of refunding or defeasance transactions could cause a filing with the United States Treasury to be late, which could result in penalties and interest.

15. The Services provided hereunder are solely for the calculation of the Rebate Amount, and are to be used for no other purpose. We assume no responsibility to keep you apprised of developments in the tax law relative to this engagement after it has been completed. We will not audit the information provided to us and will express no opinion as to the completeness, accuracy, or sufficiency of such information for purposes of calculating the Rebate Amount.

16. BNY Mellon shall own all work papers prepared by it to document, in accordance with professional obligations, performance of the Services, and it may retain, in confidence, copies of reports and other documents prepared by it.

Agreement

17. This Agreement constitutes the entire agreement between the Client and BNY Mellon, and merges all prior and contemporaneous communications, with respect to the Services and the other matters contemplated by this Agreement; BNY Mellon shall have only those duties as are specifically provided herein and no additional obligations of BNY Mellon shall be inferred from the terms of this Agreement or any other agreement. This Agreement may not be modified except in writing signed by both parties. If any provision of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or part, the other provisions shall remain in full force and effect.

18. Unless this Agreement is accepted below, the fees for the Services detailed in this Agreement are valid for only ninety days from the date hereof.

Report Format (Select One)

19. In an effort to minimize paper usage, our standard practice is to provide our report in an electronic format upon completion of the work. Please select the report format you prefer:

☐ ***Electronic Version***. Report is provided via e-mail in a portable document format (PDF), which can be read using Acrobat Adobe Reader.

☐ ***Paper Version***. A single copy of our report is provided in a spiral bound format. If additional copies are needed, please contact us.

If the terms of this Agreement are satisfactory, please sign one copy of this Agreement acknowledging our agreement and return it to BNY Mellon.

We very much appreciate the opportunity to serve you. If you have any questions, please contact

Very truly yours,

The Bank of New York Mellon Trust Company, N.A.

By _____
Name: Melissa Penix
Title: Senior Associate

Accepted and Agreed:

Danville-Pittsylvania Regional Industrial Facility Authority, Virginia

_____
Signature Date

_____
Printed Name

_____
Title

AGENDA
ITEM NUMBER 5F

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

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A. $7.3 Million Bonds

B. General Expenditures for FY 2011

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Danville-Pittsylvania Regional Industrial Facility Authority

$7.3 million Bonds for Cane Creek Centre - Issued in August 2005

As of June 30, 2011

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
Funds from bond issuance	$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	486,299.03				
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		7,600.00	7,600.00	-	
Dewberry contracts [1]		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant [4,5]		71,881.00	8,412.00	63,469.00	
Yorktowne Sound Buffer		-	-	-	
Land			2,560,921.67	-	
Demolition services			33,761.62	-	
Legal fees			48,954.23	-	
Other expenditures			9,689.70	-	
Total	$ 7,630,799.45	$ 4,095,388.50	$ 6,586,455.58	$ 63,469.00	**$ 980,874.87**

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*

[*] *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 September 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.*

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 2011

As of June 30, 2011

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City	$ 20,000.00				
County	20,000.00				
Carryforward from FY10	79,533.66				
Transfer in from rental income realized [3]	50,000.00				
Transfer in from Research Facility-Build Out budget [1]	37.16				
Contingency					
Bank Fees		$ -	$ 4,071.25	$ -	$ -
Surveying of lots		-	1,700.00	-	-
Subsurface exploration at Cane Creek Centre		-	2,889.00	-	-
Dewberry - subdivide Cane Creek Centre		-	10,250.00	-	-
Repairs to Mega Park rental property		-	30.26	-	-
Mega Park - rezoning fees		-	278.24	-	-
Total Contingency Budget		21,400.00	19,218.75	-	2,181.25
Legal [2]		110,570.82	99,084.75	-	11,486.07
Accounting		18,000.00	18,000.00	-	-
Postage & Shipping		100.00	-	-	100.00
Meals		2,500.00	2,575.67	-	(75.67)
Utilities		10,000.00	8,251.12	-	1,748.88
Insurance		7,000.00	5,848.00	-	1,152.00
Total	$ 169,570.82	$ 169,570.82	$ 152,978.29	$ -	**$ 16,592.53**

[1] This was the remaining balance on the Research Facility - Build Out project upon completion. This is a portion of the interest earned while the funds from the Danville Regional Foundation were invested in a money market account. Per the Danville Regional Foundation, this belongs to RIFA. The RIFA Board approved to transfer this to the General Expenditures budget at its October 12, 2010 meeting.

[2] The Board approved at its December 13, 2010 meeting to increase the legal budget using $14,570.82 of available funding and transferring $6,000 from the Contingency budget.

[3] The RIFA Board approved at its March 14, 2011 meeting to transfer $50,000 from rental income realized to the General Expenditures budget to cover legal and contingency items. The entire $50,000 has been budgeted for legal at this time.

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park

As of June 30, 2011

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City contribution	$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property [1]	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Land					
Klutz property		$ 8,394,553.50	$ 8,394,553.50	$ -	
Canter property [2]		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis[3]		990,850.00	948,385.79	42,464.21	
Consulting Services - McCallum Sweeney		115,000.00	92,130.18	22,869.82	
Total	$ 14,388,399.83	$ 14,231,524.83	$ 14,166,190.80	$ 65,334.03	$ **156,875.00**

[1] *This figure does not include the interest the City is losing from the uninvested funds.*

[2] *Settlement fees have been charged to general expenditures until a funding source is available*

[3] *This contract was originally for $814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. $740,000 will be covered by the FY09 Tobacco Allocation and $250,850 will be covered by the FY10 Tobacco Allocation.*

Danville-Pittsylvania Regional Industrial Facility Authority

Cane Creek Centre - Lots 3 & 9

As of June 30, 2011

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
EDA Grant Investment	$ 2,275,030.00				
Tobacco Commission FY10 Reserve Fund Allocation	426,568.00				
Local Match - RIFA [1]	142,190.00				
Expenditures					
Dewberry & Davis		$ 111,600.00	$ 10,710.00	$ 100,890.00	
Advertisements for bids		-	2,383.00	-	
Total	$ 2,843,788.00	$ 111,600.00	$ 13,093.00	$ 100,890.00	**$ 2,729,805.00**

[1] *Bond funds are available to cover this local match.*

Danville-Pittsylvania Regional Industrial Facility Authority

Yorktowne Reimbursement

As of June 30, 2011

Yorktowne Reimbursement*	$ 181,339.68

*Since Yorktowne did not meet the job requirements set forth in its initial Performance Agreement executed in 2005, it is repaying incentive money to RIFA to account for the jobs not created. In accordance with the amended Performance Agreement, we received one payment from Yorktowne in the amount of $45,334.92 in November 2009. We received another payment of $136,004.76 in November 2010. No further payments are due unless Yorktowne fails to meet the new targets in the amended performance agreement. The RIFA Board approved at the March 14, 2011 meeting to retain these funds for use within RIFA. These funds are available for the RIFA Board to allocate to budgets as needed.

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized
As of June 30, 2011

		Funding		Expenditures		Unexpended / Unencumbered
Funding						
Rent Received						
Hawkins Research Building Rent Received from IALR [1, 4]	$	409,898.27				
Cedar Lane Rent Received		10,800.00				
Gilbert Building Rent Received from Securitas		10,400.00				
Klutz Farm Rent Received		11,000.00				
Oak Hill Hunting Club Rent Received		4,000.00				
Sod Farm Rent Received		6,500.00				
4380 Berry Hill Rd House Rent Received		1,000.00				
4380 Berry Hill Rd Pastureland Rent Received		800.00				
Hughes Property Rent Received		400.00				
	$	454,798.27				
Interest Received [2]	$	23,002.39				
Expenditures						
Disbursement to IALR for SEnTeC project [1]			$	278,812.00		
Transfer to General Expenditures budget [3]				50,000.00		
Total	$	477,800.66	$	328,812.00	$	148,988.66

[1] *A portion of the rent received from the IALR for the Hawkins Research Building was Board-restricted for the SEnTeC project. RIFA disbursed $278,812.00 to the IALR to fully satisfy this commitment made by the Board at the June 11, 2008 meeting.*

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

[3] *The RIFA Board approved to transfer $50,000 from rental income realized to the General Expenditures budget at its March 14, 2011 meeting.*

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Assets [1, 2]
*June 30, 2011**

		Unaudited FY 2011
Assets		
Current assets		
Cash - checking	$	490,472
Cash - money market		489,594
Prepaids		10,113
Total current assets		990,180
Noncurrent assets		
Restricted cash - project fund		1,046,256
Restricted cash - debt service fund		635,719
Capital assets not being depreciated		24,193,225
Capital assets being depreciated, net		28,161,909
Construction in progress		1,023,794
Unamortized bond issue costs		116,551
Total noncurrent assets		55,177,454
Total assets		56,167,634
Liabilities		
Current liabilities		
Due to City of Danville		10,457,372
Bonds payable - current portion		285,000
Unearned income		6,700
Security deposit		1,000
Total current liabilities		10,750,072
Noncurrent liabilities		
Bonds payable - less current portion		5,895,000
Total noncurrent liabilities		5,895,000
Total liabilities		16,645,072
Net Assets		
Invested in capital assets - net of related debt		38,423,531
Unrestricted		1,099,031
Total net assets	$	39,522,562

[1] Please note that 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 that this balance sheet does not include general accounts receivable or accounts payable at the month-end date. This is because information regarding accrued receivables/payables is not available at the time of statement preparation.

*Please note that these statements are for the period ended June 30, 2011 as of June 30, 2011, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Assets
*June 30, 2011**

	Unaudited FY 2011
Operating revenues	
Rental income	415,798
Reimbursement of incentive grants	180,000
Other grants	575,000
Total operating revenues	1,170,798
Operating expenses [4]	
Mega Park expenses [3]	146,006
Cane Creek Centre expenses [3, 5]	101,374
Cyber Park expenses [3]	23,165
Economic development - Cyberpark	934,531
Economic development - Cane Creek Centre	622,126
Grant passthrough - Mega Park	500,000
Professional fees	43,426
Insurance	6,065
Other operating expenses	11,480
Total operating expenses	2,388,173
Operating loss	(1,217,375)
Non-operating revenues (expenses)	
Interest income	3,359
Interest expense	(17,687)
Total non-operating expenses, net	(14,328)
Net loss before capital contributions	(1,231,703)
Capital contributions	
Contribution - City of Danville	193,058
Contribution - Pittsylvania County	193,058
Total capital contributions	386,116
Change in net assets	(845,587)
Net assets at July 1,	40,368,149
Net assets at June 30,	$ 39,522,562

[3] A portion or all of these expenses may be capitalized at fiscal year-end.

[4] Please note that most non-cash items, such as depreciation and amortization, are not included here until year-end entries are made.

[5] Please note that this line item includes $61,715 for fees related to the $7.3M bonds for Cane Creek.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*June 30, 2011**

		Unaudited FY 2011
Operating activities		
Receipts from grant reimbursement requests	$	329,814
Receipts from incentive repayment		136,005
Receipts from leases		427,799
Payments to suppliers for goods and services		(711,464)
Net cash provided by operating activities		182,154
Capital and related financing activities		
Capital contributions		566,116
Interest paid on bonds		(19,811)
Principal repayments on bonds		(275,000)
Net cash provided by capital and related financing activities		271,305
Investing activities		
Interest received		3,359
Net cash provided by investing activities		3,359
Net increase in cash and cash equivalents		456,818
Cash and cash equivalents - beginning of year (including restricted cash)		2,205,223
Cash and cash equivalents - through June 30, 2011 (including restricted cash)	$	2,662,041
Reconciliation of operating loss before capital contributions to net cash provided by operating activities:		
Operating loss	$	(1,217,375)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Non-cash economic incentive expenses		1,202,845
Non-cash economic incentive reimbursements		(180,000)
Changes in assets and liabilities:		
Change in prepaids		357
Change in due from other governments		254,814
Change in other receivables		140,305
Change in accounts payable		(26,492)
Change in unearned income		6,700
Change in security deposit		1,000
Net cash provided by operating activities	$	182,154

Components of cash and cash equivalents at June 30, 2011:		
American National - Checking	$	490,472
American National - General money market		489,594
Wachovia - $7.3M Bonds CCC Debt service fund		635,719
Wachovia - $7.3M Bonds CCC Project fund		1,046,256
	$	2,662,041