Danville-Pittsylvania Regional Industrial Facility Authority

CITY OF DANVILLE, VIRGINIA
COUNTY OF PITTSYLVANIA, VIRGINIA

AGENDA

MONDAY, AUGUST 8, 2011

12:00 NOON

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

COUNTY OF PITTSYLVANIA MEMBERS

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

CITY OF DANVILLE MEMBERS

SHERMAN M. SAUNDERS, VICE 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 JULY 11, 2011 MEETING**

5. **NEW BUSINESS**

A. Consideration of Resolution No. 2011-08-08-5A, to approve an amendment to the one-year lease to Browning & Associates, Ltd., a Virginia corporation, of the residence located at the Authority's Mega Park site, in Pittsylvania County, Virginia, commonly known as 4380 Berry Hill Road, Danville, Virginia (part of GPIN 1367-70-4519), at a total rental fee of $6,000.

B. Consideration of a Resolution to approve Change Order No. 2 dated July 20, 2011, to Haymes Brothers, Inc., a Virginia corporation, in the amount of $156,750, for removal of stockpile located on the Authority's Cane Creek project Lot #9, where such stockpile is unsuitable for landfill needed for the construction of graded pads and sewer line. [No written resolution].

C. Consideration of the Proposed Consolidation of the Dan River Business Development Center Operations Under RIFA.

D. Financial Report as of July 31, 2011.

E. Consideration of Changing the Monday, October 10, 2011 meeting of the Authority to Tuesday, October 11, 2011 due to the Columbus Day Holiday.

6. **COMMUNICATIONS FROM:**

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

7. **ADJOURN**

AGENDA
ITEM NUMBER 4

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
July 11, 2011

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12:10 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 David Luther and alternate Fred Shanks; Chairman Sherman Saunders was absent. Pittsylvania County Members Vice-Chairman Coy Harville and Henry A. "Hank" Davis, Jr., were present; Pittsylvania County alternate Fred Ingram was absent.

City/County staff members attending were: City Manager Joe King, Pittsylvania County Administrator Dan Sleeper, Danville Finance Director/Authority Treasurer Barbara Dameron, Director of Economic Development Jeremy Stratton, Pittsylvania County Economic Director Ken Bowman, Assistant County Administrator for Planning & Development Gregory Sides, Danville Senior Accountant Patricia Knutti, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Also present were Karen Walker, Senior Director of Business & Operations and Liam Leightley, Executive Director for the Institute for Advanced Learning & Research.

Vice Chairman Harville called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF JUNE 13, 2011 MINUTES

Upon **Motion** by Mr. Luther and **second** by Mr. Davis, Minutes of the June 13, 2011 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

CONSIDERATION OF RESOLUTION NO. 2011-07-11-5A – A RESOLUTION TO ELECT THE CHAIRMAN AND VICE CHAIRMAN OF THE AUTHORITY AND APPOINT THE SECRETARY AND TREASURER OF THE AUTHORITY.

Mr. Harville noted he would now hear nominations from the floor for Chairman.

Mr. Luther **moved** under **Resolution No. 2011-07-11-5A** to nominate Coy Harville as Chairman. The Motion was **seconded** by Mr. Shanks.

Mr. Harville requested a Motion to close the nominations for Chairman.

Mr. Shanks **moved** to close the nominations; the Motion was **seconded** by Mr. Luther. The Motion to elect Coy Harville as Chairman of the Authority was **carried** by the following vote:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
July 11, 2011

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

Chairman Harville opened the floor for nominations for Vice-Chairman of the Authority.

Mr. Luther **moved** under **Resolution No. 2011-07-11-5A** to nominate Sherman Saunders as Vice-Chairman of the Authority. The Motion was **seconded** by Mr. Davis.

Mr. Harville requested a Motion to close the nominations for Vice Chairman.

Mr. Davis **moved** to close the nominations. The Motion was **seconded** by Mr. Shanks.

The Motion to elect Sherman Saunders as Vice-Chairman of the Authority was **carried** by the following vote:

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

Mr. Shanks **moved** under **Resolution No. 2011-07-11-5A** to appoint Susan DeMasi as Secretary to the Authority and Barbara Dameron as Treasurer to the Authority. The Motion was **seconded** by Mr. Davis and carried by the following vote:

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

Mr. Harville requested a Motion to adopt Resolution No. 2011-07-11-5A with the names of the Chairman, Vice-Chairman, Secretary and Treasurer, filled in at the appropriate places on the Resolution.

Mr. Davis **moved** adoption of Resolution 2011-07-11-5A with the names of the Chairman, Vice-Chairman and the Secretary and Treasurer filled in. The Motion was **seconded** by Mr. Luther and carried by the following vote.

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

CONSIDERATION OF RESOLUTION NO. 2011-07-11-5B

Mr. Davis **moved** to approve **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.

Mr. Harville noted that this Resolution is part of the Mega Park process for RIFA to ensure that the lots remain for sale for at least five years, and that RIFA will not use these lots for their own use for at least five years.

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

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

CONSIDERATION OF CHANGE ORDER NO. 1

Mr. Sleeper noted that they ran into an underground spring and installed a French drain to take the water away from the Pad. Mr. Sleeper noted that with this Motion he would like to request that the Authority send a copy to Mr. Brotherston at the EDA to change the grant.

Mr. Luther **moved** to adopt 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. The Motion was **seconded** by Mr. Davis.

Mr. Shanks questioned Mr. Sleeper whether this was something that Dewberry had recommended or whether it was something that Haymes Brothers did on their own. Mr. Sleeper noted that it was recommended by Froehling & Robinson who tested the sight and determined that the French drain needed to be installed. Mr. Luther questioned how many additional days would be added onto the project and it was noted that three additional days would be added.

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

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

CONSIDERATION – FISCAL YEAR 2012 PROPOSED BUDGET FOR RIFA'S GENERAL EXPENDITURES.

Authority Treasurer Barbara Dameron presented the proposed FY 2012 Proposed Budget for RIFA's general expenditures for approval. Ms. Dameron noted that they have estimated this budget based on prior experiences, contracts and other information. Ms. Dameron recommended that the City and County both contribute $75,000 each and she estimates a carry forward of $5,000. This should meet the Authority's needs for the coming year. Mr. Shanks questioned the Yorktowne reimbursement and Ms. Dameron noted it appeared on a separate sheet.

Mr. Davis **moved** approval of the FY 2012 RIFA Budget for General Expenditures as presented. The Motion was **seconded** by Mr. Luther and carried by the following vote:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
July 11, 2011

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

CONSIDERATION OF RESOLUTION NO. 2011-07-11-5E

Mr. Luther **moved** to approve **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.

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

Mr. Luther and Mr. Davis questioned why the Authority had to pay someone to calculate a rebate. Ms. Dameron noted it was a complex calculation and that the Company had special software to make this calculation.

Mr. Luther questioned a paragraph on page four that had been struck out. Authority attorney Michael Guanzon noted that that provision was not enforceable under Virginia Law and BNY Mellon agreed to remove that paragraph.

Mr. Harville noted that he would like to add to the Motion to authorize the Secretary to sign the Certification.

Mr. Luther **amended** his Motion to include this authorization. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

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

FINANCIAL REPORT AS OF JUNE 30, 2011

Barbara Dameron gave a brief Financial report as of June 30, 2011 and noted that there was almost no activity. There was a payment to Dewberry for wetland monitoring and a payment to VML insurance. There was no activity in the Mega Park, no changes in Cane Creek Center and the Yorktowne reimbursement is noted. Ms. Dameron passed out a document with respect to rental income which breaks down the rental income by facility. Ms. Dameron noted a total rental income of $22,865.50 and interest of $69.00.

Mr. Harville noted he had received the rent check of $2,225.00 from Browning & Associates.

Mr. Luther questioned whether the Authority was named as an additional insured on the Hunt Club's insurance policy and if not, they need to name the Authority as an additional insured. Mr. Guanzon noted that that is a requirement on most contracts for RIFA. Mr. Harville directed Mr. Guanzon to incorporate that into all the leases with RIFA. Mr. Guanzon noted that it is in all

leases in which they occupy the property, that it is a standard provision and the Hunt Club did name them as an additional insured.

Mr. Luther **moved** to approve the Financial Report as presented. The Motion was **seconded** by Mr. Davis and carried by the following vote.

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

CLOSED MEETING

At 12:36 p.m. Mr. Harville requested a Motion to go into Closed Meeting 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; and

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.

Mr. Davis **made** a Motion to go into Closed Meeting. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

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

Upon unanimous vote at 12:55 p.m., the Authority returned to open meeting and Mr. Shanks **moved** adoption of the following Resolution:

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

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

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open 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. Luther and carried by the following vote:

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

ACTION OF MATTERS CONSIDERED IN CLOSING MEETING;

Mr. Davis **made** a Motion that RIFA advise IALR that the Authority will not be honoring their request and that counsel provide IALR with a memorandum so advising them. The Motion was **seconded** by Mr. Luther and carried by the following vote:

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

COMMUNICATIONS

Mr. Harville suggested that regarding the request from the Pittsylvania County Historical Society that the Authority should work with the Historical society and the Preservation group. Mr. Harville directed the City Manager and County Supervisor to write to the Historical Society and ask them to come up with a plan or their outlay of the Mega Park, regarding the history and the natural scenic resources for Berry Hill.

Dan Sleeper noted that the Authority still has the property in Cane Creek, the apartments, and the Authority is going to close them down, shut the power off and winterize them as there is no one in the facility.

Upon **Motion** by Mr. Davis and **second** by Mr. Luther, the meeting was adjourned at 1:10 p.m.

_____
Chairman

_____
Clerk to the Authority

AGENDA
ITEM NUMBER 5A

Resolution No. 2011-08-08-5A

A RESOLUTION TO APPROVE AN AMENDMENT TO THE ONE-YEAR LEASE TO BROWNING & ASSOCIATES, LTD., A VIRGINIA CORPORATION, OF THE RESIDENCE LOCATED AT THE AUTHORITY'S MEGA PARK SITE, IN PITTSYLVANIA COUNTY, VIRGINIA, COMMONLY KNOWN AS 4380 BERRY HILL ROAD, DANVILLE, VIRGINIA (PART OF GPIN 1367-70-4519), AT A TOTAL RENTAL FEE OF $6,000.

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 entered into that certain Lease Agreement (the **"Lease"**), with Browning & Associates, Ltd., a Virginia corporation (**"Browning"**), for the house located at the Authority's Mega Park site in Pittsylvania County, Virginia, commonly known as 4380 Berry Hill Road, Danville, Virginia (part of GPIN 1367-70-4519) (the **"Property"**); and

WHEREAS, Browning indicated its intent to exercise its right to terminate the Lease upon thirty (30) days' notice to the Authority, but Browning has agreed, in lieu of termination, to enter into that certain Amendment to Lease Agreement (the **"Amendment"**) attached hereto as Exhibit A and incorporated herein; and

WHEREAS, the Board of Directors of the Authority has determined that it is in the best interests of the Authority and of the citizens of Danville and Pittsylvania County, Virginia, for the Authority to enter into the Amendment and for the Authority to perform its obligations as contemplated therein.

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

1. The Authority hereby approves the Amendment as reviewed at this meeting, 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 the Amendment on behalf of the Authority, such execution of the Amendment 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 the Amendment, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

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

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

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on August 8, 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 8th day of August 2011.

_____

Secretary
Danville-Pittsylvania Regional Industrial Facility Authority

[EXHIBIT A]
AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT (this "**Amendment**") is made as of the 1st day of August 2011, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a political subdivision of the Commonwealth of Virginia ("**Landlord**"); and **BROWNING & ASSOCIATES, LTD.,** a Virginia corporation ("**Tenant**").

W I T N E S S E T H :

That for and in consideration of the mutual promises and covenants contained in this Lease, the parties agree as follows:

Section 1 – Recitals.

a. Landlord and Tenant entered into that certain Lease Agreement, dated February 14, 2011 (the "**Original Lease**") for lease of the Property.

b. Tenant indicated its intent to exercise its right to terminate the Original Lease upon thirty (30) days' notice to the Authority, but Tenant has agreed, in lieu of termination, to enter into this Amendment.

Section 2 - Term. The Term shall be for a period of one (1) year, commencing on August 1, 2011, and ending on July 31, 2012, unless sooner terminated as provided for in the Original Lease.

Section 3 - Rent. The Rent shall be the sum of $500 per month.

Section 4 - Entire Agreement. The Original Lease and this Amendment contain the entire agreement and understanding of the parties with respect to the transactions contemplated hereby; and the Original Lease and this Amendment supersede all prior understandings and agreements of the parties with respect to the subject matter hereof.

Section 5 - Interpretation. All of the terms, covenants and conditions of the Original Lease shall continue in full force and effect, and the same are hereby reaffirmed, remade and rewritten, except to the extent that any such terms, covenants or conditions have been nullified hereby or conflict or are inconsistent with the terms of this Amendment, in which event the terms of this Amendment shall, in all respects, govern and prevail.

Section 6 - Defined Terms. The capitalized terms of this Amendment that are not defined herein shall be defined as set forth in the Original Lease.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS the following signatures to this **AMENDMENT TO LEASE AGREEMENT**:

LANDLORD:

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

By:_____
Coy E. Harville, Chairman

TENANT:

BROWNING & ASSOCIATES, LTD., a Virginia corporation

By:_____
Title:_____

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

AGENDA
ITEM NUMBER 5B

Haymes Brothers

CHANGE ORDER REQUEST (PROPOSAL)

Project: Cane Creek Graded Pads & Sewer Line

Change Order Request Number: 002

From (Contractor): Haymes Brothers, Inc.

To: Dewberry

Date: 7/20/11 4/22/2010

A/E Project Number:

Re: Unsuitable Material

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. 002 .

Description of Proposed Change:

A significant amount of unsuitable material has been discovered in the stockpile located on lot #9, including, trees, roots, stumps, topsoil and debris. A cross section of the stockpile indicates that here is a total of 31,350 CY of unsuitable material. We propose to move this material and dispose of it in areas as designated and agreed upon for the price of $5.00 per CY for a total of $156,750.00.

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

Reason for Change:

Material that has been discovered in the stockpile is not suitable for structural fill. In consultation with Dewberry & Davis, we have designated areas in which to dispose of the material which will not affect future construction, cause any additional clearing, erosion control or any other modifications to the erosion control plan.

Does Proposed Change involve a change in Contract Sum? ☐ No ☒ Yes [Increase] [Decrease] $156,750.00

Does Proposed Change involve a change in Contract Time? ☐ No ☒ Yes [Increase] [Decrease] 10 Days

Attached pages: ☐ Proposal Worksheet Summary: _____

☐ Proposal Worksheet Detail(s): _____

Signed by: Rick Mayfield Date: 7/20/2011

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 5C

Danville-Pittsylvania Regional Industrial Facility Authority

427 Patton Street
Danville, Virginia 24541
(434) 799-5185
(434) 799-5041 – FAX

Coy E. Harville
Chairman

Sherman M. Saunders
Vice-Chairman

August 1, 2011

Proposed Consolidation of Business Development Center Operations Under RIFA

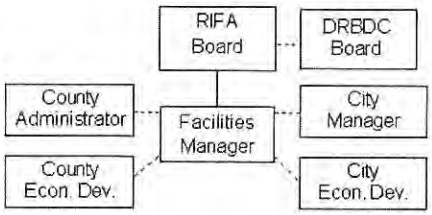
At its meeting of Wednesday, July 20th, the Board of Directors of the Dan River Business Development Center (DRBDC) voted unanimously to request that its building operations be consolidated under the Danville-Pittsylvania Regional Industrial Facility Authority (RIFA). The DRBDC organization would remain to provide RIFA advice on center operations, services, and programs.

The DRBDC was formed a decade ago by Pittsylvania County and the City of Danville. Since then, it has played an important role fostering entrepreneurialism, incubating new businesses, and housing newly recruited industries while they acquired permanent quarters.

The DRBDC lost its director, Linda Green, when she left to take a position on Rep. Robert Hurt's staff early this year. Angie Walker who is serving as the interim head of the Center is leaving at the end of August to take another job. The County and City have significantly reduced FY 2012 funding for the DRBDC, making it impractical to fully staff and operate the center independently.

The County Administrator, City Manager, and their staffs are recommending the following course of action:

- DRBDC should appoint a temporary employee to staff the center until permanent staffing can be put in place.
- Business development center operations should be taken over by RIFA and function as enterprise with its own budget, revenues, and expenditures.
- The DRBDC Board of Directors should be retained to act as an advisory group.
- RIFA should hire a Facilities Manager responsible for the business development center and for RIFA industrial park development projects. The Facilities Manager would report to the RIFA Board, work under the general supervision of the County Administrator and City Manager, and in close cooperation with the County and City economic directors and their staffs.



- The Facilities Manager's primary job duties would include:

  Management of the business development center and coordination of building and grounds maintenance activities conducted by the City, County, and contractors;

  Supervision of a part-time development center receptionist.

  Oversight of engineering, site grading, and construction contracts for RIFA's industrial parks;

  Coordination of work done by RIFA's legal counsel and engineering firms; and

  Coordination with City and County economic development departments to serve business development center tenants and market industrial sites.

  The County and City would share business development center maintenance responsibilities and account for and settle up expenditures annually.

  County – maintenance of grounds, parking lot, and driveway; solid waste disposal.

  City – maintenance of the building; information technology services, computer network, and maintenance of the development center's website; and telephone system. As RIFA's fiscal agent, the City would assume responsibility for payroll and accounting functions.

Clement & Wheatley attorneys have reviewed the DRBDC's articles of incorporation and bylaws and believe this approach is legally feasible. With the concurrence of the RIFA Board, County and City members would seek authorization from their respective governing bodies to initiate the consolidation. Staff and legal counsel would then prepare appropriate documents to implement the changes.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

AGENDA
ITEM NUMBER 5D

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

Table of Contents

A. $7.3 Million Bonds

B. General Expenditures for FY 2011

C. General Expenditures for FY 2012

D. Mega Park

E. Cane Creek Centre – Lots 3 & 9

F. Yorktowne Reimbursement

G. Rent, Interest, and Other Income Realized

H. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of July 31, 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	486,376.55				
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	$ 7,630,876.97	$ 4,095,388.50	$ 6,586,455.58	$ 63,469.00	$ 980,952.39

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 July 31, 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	-	-
Employee Reimbursement			21.52		
Mega Park - rezoning fees		-	278.24	-	-
Total Contingency Budget		21,400.00	19,240.27	-	2,159.73
Legal [2]		110,570.82	115,178.97	-	(4,608.15)
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	8,727.91	-	1,272.09
Insurance		7,000.00	5,848.00	-	1,152.00
Total	$ 169,570.82	$ 169,570.82	$ 169,570.82	$ -	$ -

[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

General Expenditures for Fiscal Year 2012

As of July 31, 2011

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City Contribution	$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY11	-				
Contingency					
Bank Fees		$ 4,100.00		$ -	$ -
Arbitrage Rebate Calculation Fees		2,000.00			
Miscellaneous contingency items		15,000.00		-	-
Total Contingency Budget		21,100.00	-	-	21,100.00
Legal		90,250.00	3,844.78	-	86,405.22
Accounting		18,750.00	-	18,750.00	-
Postage & Shipping		100.00	-	-	100.00
Meals		2,800.00	222.93	-	2,577.07
Utilities		10,000.00	-	-	10,000.00
Insurance		7,000.00	-	-	7,000.00
Total	$ 150,000.00	$ 150,000.00	$ 4,067.71	$ 18,750.00	**$ 127,182.29**

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park

As of July 31, 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 July 31, 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					
Haymes Brothers, Inc. [2]		$ 1,235,675.00	$ 232,398.50	$ 1,003,276.50	
Dewberry & Davis		$ 111,600.00	$ 21,870.00	$ 89,730.00	
Advertisements for bids		-	2,383.00	-	
Total	$ 2,843,788.00	$ 1,347,275.00	$ 256,651.50	$ 1,093,006.50	**$ 1,494,130.00**

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

[2] *Please note that the expended amount does not include 5% retainage withheld that has not yet been paid by RIFA to Haymes Brothers, Inc.*

Danville-Pittsylvania Regional Industrial Facility Authority

Yorktowne Reimbursement

As of July 31, 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 July 31, 2011

Funding		**Funding**	**Expenditures**	**Unexpended / Unencumbered**
Rental Properties				
Lessee	*Property*	*Rent Received*		
Cyberpark				
Institute for Advanced Learning and Research (IALR) [1, 4]	Hawkins Research Building at 230 Slayton Ave.	$ 409,898.27		
Securitas	Gilbert Building at 1260 South Boston Rd.	10,700.00		
Cane Creek Centre				
Stephen R. & Susan G. Wilson	Hughes House at 390 Cedar Lane	2,800.00		
Douglas C. Agner	Hughes House at 390 Cedar Lane	6,000.00		
Richard A. Parker	Hughes House at 390 Cedar Lane	2,400.00		
Berry Hill Mega Park				
Guilford Whitetail Management	Kluttz Farm off State Rd. 863	11,000.00		
Oak Hill Hunt Club	Hairston Farm off State Rd. 863	8,000.00		
Patten Seed Company	30 acre tract on Stateline Bridge Rd.	6,500.00		
Browning & Associates, Ltd. [5]	4380 Berry Hill Road House	3,250.00		
Osborne Company of North Carolina, Inc.	4380 Berry Hill Road Pastureland	800.00		
Total Rent		$ 461,348.27		
Interest Received [2]		$ 23,052.69		
Expenditures				
Disbursement to IALR for SEnTeC project [1]			$ 278,812.00	
Transfer to General Expenditures budget [3]			50,000.00	
Total		$ 484,400.96	$ 328,812.00	$ 155,588.96

[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*

[5] *Please note that Browning & Associates has paid a $1,000 security deposit per the lease agreement that is not included in rental income above.*

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Assets [1, 2]
*July 31, 2011**

	Unaudited FY 2012
Assets	
Current assets	
Cash - checking	$ 344,670
Cash - money market	489,644
Accounts receivable	1,250
Total current assets	835,564
Noncurrent assets	
Restricted cash - project fund	1,046,334
Restricted cash - debt service fund	634,757
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	108,781
Total noncurrent assets	55,168,800
Total assets	56,004,364
Liabilities	
Current liabilities	
Due to City of Danville	10,479,073
Bonds payable - current portion	285,000
Retainage payable	12,232
Accounts payable	1,541
Security deposit	1,000
Total current liabilities	10,778,846
Noncurrent liabilities	
Bonds payable - less current portion	5,895,000
Total noncurrent liabilities	5,895,000
Total liabilities	16,673,846
Net Assets	
Invested in capital assets - net of related debt	38,400,946
Unrestricted	929,572
Total net assets	$ 39,330,518

[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 all general accounts receivable or accounts payable at the month-end date. This is because information regarding accrued receivables/payables is not available at the time of statement preparation.

*Please note that these statements are for the period ended July 31, 2011 as of July 27, 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
*July 31, 2011**

	Unaudited FY 2012
Operating revenues	
Rental income	11,000
Other grants	-
Total operating revenues	11,000
Operating expenses [4]	
Mega Park expenses [3]	-
Cane Creek Centre expenses [3,5]	4,384
Cyber Park expenses [3]	-
Insurance	5,729
Other operating expenses	223
Total operating expenses	10,336
Operating income	664
Non-operating revenues (expenses)	
Interest income	-
Interest expense	-
Total non-operating expenses, net	-
Net income before capital contributions	664
Capital contributions	
Contribution - City of Danville	75,000
Contribution - Pittsylvania County	-
Total capital contributions	75,000
Change in net assets	75,664
[6] **Net assets at July 1,**	39,254,854
Net assets at July 31,	$ 39,330,518

[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 $4,384 for fees related to the $7.3M bonds for Cane Creek.

[6] Please note that this will change once all FY2011 entries are made and may also change depending on whether there are audit adjustments for FY2011 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*July 31, 2011**

	Unaudited FY 2012
Operating activities	
Receipts from grant reimbursement requests	$ -
Receipts from incentive repayment	-
Receipts from leases	6,550
Payments to suppliers for goods and services	(264,219)
Net cash used in operating activities	(257,669)
Capital and related financing activities	
Capital contributions	75,000
Interest paid on bonds	(966)
Principal repayments on bonds	-
Net cash provided by capital and related financing activities	74,034
Investing activities	
Interest received	-
Net cash provided by investing activities	-
Net decrease in cash and cash equivalents	(183,635)
Cash and cash equivalents - beginning of year (including restricted cash)	2,699,040
Cash and cash equivalents - through July 31, 2011 (including restricted cash)	$ 2,515,405
Reconciliation of operating income before capital contributions to net cash used in operating activities:	
Operating income	$ 664
Changes in assets and liabilities:	
Change in prepaids	10,113
Change in due from other governments	-
Change in other receivables	2,250
Change in accounts payable	(263,996)
Change in unearned income	(6,700)
Change in security deposit	-
Net cash used in operating activities	$ (257,669)

Components of cash and cash equivalents at July 31, 2011:	
American National - Checking	$ 344,670
American National - General money market	489,644
Wachovia - $7.3M Bonds CCC Debt service fund	634,757
Wachovia - $7.3M Bonds CCC Project fund	1,046,334
	$ 2,515,405