

Danville-Pittsylvania Regional Industrial Facility Authority

**CITY OF DANVILLE, VIRGINIA
COUNTY OF PITTSYLVANIA, VIRGINIA**

AGENDA

MONDAY, SEPTEMBER 10, 2012

12:00 NOON

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

COUNTY OF PITTSYLVANIA MEMBERS

**COY E. HARVILLE, VICE CHAIR
JAMES H. SNEAD
JESSIE L. BARKSDALE, ALTERNATE**

CITY OF DANVILLE MEMBERS

**SHERMAN M. SAUNDERS, CHAIR
FRED O. SHANKS, III
J. LEE VOGLER, JR., ALTERNATE**

STAFF

**JOSEPH C. KING, CITY MANAGER, DANVILLE
WILLIAM D. SLEEPER, PITTSYLVANIA COUNTY ADMINISTRATOR
CLEMENT & WHEATLEY, LEGAL COUNSEL TO 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

- A. For the August 13, 2012 Meeting
- B. For the August 28, 2012 Special Meeting

5. NEW BUSINESS

- A. Presentation on the Danville-Pittsylvania County Region from a Site Location Consultant's Perspective – Leigh Cockram, Executive Director of Southern Virginia Regional Alliance, and Crystal Morphis, CEO of Creative Economic Development Consulting
- B. Financial Report as of August 31, 2012 – Barbara A. Dameron, CPA, Authority Treasurer, and Patricia K. Conner, CPA, Danville Senior Accountant

6. CLOSED SESSION

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

- A. As permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for consultation with the Authority's legal counsel, Clement & Wheatley, and briefings by the Authority staff or consultants pertaining to probable contract litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Authority. "Probable litigation" means litigation on which the Authority and its legal counsel have a reasonable basis to believe will be commenced against a known party.
- B. Confirmation of Motion and Vote to Reconvene in Open Meeting
- C. Motion to Certify Closed Meeting

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7. **COMMUNICATIONS FROM:**

Jessie L. Barksdale
Coy E. Harville
Sherman M. Saunders
Fred O. Shanks, III
James H. Snead
J. Lee Vogler, Jr.
Staff

8. **ADJOURN**

**AGENDA
ITEM NUMBER 4A**

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 13, 2012

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, Fred O. Shanks, III and alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James Snead and Alternate Jessie L. Barksdale.

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

Chairman Saunders called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF JULY 9, 2012 MINUTES

Upon **Motion** by Mr. Snead and **second** by Mr. Shanks, Minutes of the July 9, 2012 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. FINANCIAL REPORT AS OF JULY 31, 2012 – BARBARA DAMERON, AUTHORITY TREASURER

Ms. Dameron reviewed the financial report noting in July, the Board had \$76,000 in expenditures and \$26,555 in revenues. Under the Cane Creek Bonds, \$340 to Clement & Wheatley for a subdivision of a plat. Under General Expenditures for 2012, \$27,000 to the general contractor for the demolition of the Cyber Park property and \$5,129 to Clement & Wheatley for general items and also included are some other items such as the Berry Hill leases and Dewberry Contracts. General Expenditures for FY 2013 included \$4,380 for materials needed for the Berry Hill Road, \$5,000 for the Brown, Edwards audit and meals for meetings. For the Cane Creek Center, Lots 3 and 9, \$38,050 for change order #4 which was for the Rip Rap installations in the ditches at Lot 9. Under Rent, Revenue and Other Income, the board received \$25,755 from the Institute for the Charles Hawkins building, \$17,000 of that related to the June of last year, \$8,500 for July; \$300 for Securitas and \$500 for Axxor.

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Vice Chairman Harville questioned the \$2,800 for Steven and Susan Wilson for the Hughes Home and asked if this was rent. Ms. Connor noted they were prior lessees of this property, and this was rental income. Ms. Dameron noted this report is cumulative and Ms. Connor explained they were keeping up with the revenues from the beginning; this report can be modified to show only more current transactions. Mr. Harville asked if Axxor was still active and Ms. Connor noted that Axxor's lease terminates on August 31, 2012.

Mr. Snead asked Ms. Dameron was it possible to have a report that showed only the current expenditures, and especially income. Ms. Dameron noted they could provide a monthly report that showed more detail.

Mr. Harville **moved** to approve the Financial Report as of July 31, 2012. The Motion was **seconded** by Mr. Snead and approved by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders and Shanks (4)
NAY: None (0)

6A. and B. CLOSED SESSION

Chairman Saunders noted that during closed session all matters discussed will involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.

At 12:22 p.m., Mr. Harville **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting as permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended (the "Virginia Code"), for discussion or consideration of the acquisition of real property for the public purpose of enhancing the economic base of the Authority's member localities, 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), for consultation with the Authority's legal counsel, Clement & Wheatley, and briefings by the Authority staff or consultants pertaining to probable contract litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Authority. "Probable litigation" means litigation on which the Authority and its legal counsel have a reasonable basis to believe will be commenced against a known party.

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

VOTE: 4-0
AYE: Harville, Snead, Saunders and Shanks (4)
NAY: None (0)

Mr. Harville **moved** to make a correction, and noted that under Item A there was another Code Section which he would like included in his Closed Meeting motion:

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Minutes
August 13, 2012

As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its manufacturing and/or assembly facilities in Pittsylvania County, Virginia;

Mr. Harville asked that this item be included in his motion. Mr. Snead, as second, agreed to include this item in his **second** of the original motion.

The **addition to the motion** was carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders and Shanks (4)
NAY: None (0)

Mr. King noted that upon **Motion** by Mr. Harville and **second** by Mr. Snead, and by unanimous vote at 1:00 p.m., the Authority returned to open meeting.

Mr. Harville **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 meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

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

VOTE: 4-0
AYE: Harville, Snead, Saunders and Shanks (4)
NAY: None (0)

COMMUNICATIONS

Mr. Harville questioned if the demolition of the buildings was complete. Corrie Teague noted that the Cane Creek House has not been completed, but the contractor has until the 24th to finish everything.

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August 13, 2012

Mr. Harville noted that in reference to Kenneth Martin from VDOT and the Cane Creek Center, Mr. Martin told Mr. Harville that he spoke with Ric Drazenovich, and that things are working well with VDOT looking after that. VDOT is also going to try to do some spraying along the guardrails to prevent the growth of grass to keep it looking good.

MEETING ADJOURNED AT 1:04 P.M.

Chairman

Secretary to the Authority

DRAFT

**AGENDA
ITEM NUMBER 4B**

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
August 28, 2012

A Special Called Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:18 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, Fred O. Shanks, III and alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James Snead and Alternate Jessie L. Barksdale.

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

Chairman Saunders called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

NEW BUSINESS

4A. CONSIDERATION – RESOLUTION NO. 2012-08-28-SPECIAL-4A-3

Authority Attorney Michael Guanzon explained that this Resolution is a follow up transaction. A deed was recorded where the IDA gave certain property to S&B Associates, LLC, and included a provision known as the Shell Building in Cane Creek. Under the terms of that Deed, S&B had to construct a shell building and it provided that if they sell or lease the property, they would have to pay \$125,200 back to RIFA.

Chairman Saunders requested a Motion.

Mr. Harville **moved** adoption of *Resolution No. 2012-08-28-Special-4A-3 in order (i) to confirm the satisfaction of the building construction requirements in that certain Deed dated June 12, 2008, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia, as Instrument No. 08-4211, at page 9, and (ii) to waive or assign the \$125,200 payment related to the sale of the property.*

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

Authority Attorney Michael Guanzon noted that this property does not belong to RIFA. The property was conveyed to S&B and it was only if S&B would sell it or lease it then S&B would be required to pay \$125,200 to RIFA. At the end, when that transfer is made to the IDA, the IDA will have title to it. The IDA will have an agreement with RIFA that as they

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Minutes

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have title to it now, if they subsequently sell the property, they will pay the \$125,200 back to RIFA.

After questions and discussion, the **Motion** was carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders and Shanks (4)
NAY: None (0)

4B. CONSIDERATION – RESOLUTION 2012-08-28-SPECIAL-4B

Authority Attorney Michael Guanzon noted that this is a follow up with United States Green Energy where they were required under the terms of the Performance Grant Agreement to complete their building and have jobs in place by a certain deadline. The Company is requesting an extension of 30 days. With US Green Energy, RIFA has a Reverter Clause which says if they fail to meet these deadlines, title automatically, without any action whatsoever by any Trustee, comes back to RIFA. That is the reason for the Special Meeting. It is such an extreme type of action that if RIFA does nothing and gets the property back and the Company is 99% finished, RIFA would have to re-convey it back to the company and there are transfer costs and taxes that would have to be paid again.

Mr. Saunders asked for a Motion to Approve.

Mr. Harville **moved** adoption of *Resolution 2012-08-28-Special-4B to extend the completion deadline in that certain Deed of Correction and Amendment dated March 12, 2012, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia as Instrument No. 12-1384, at page 23, from September 1, 2012 to September 30, 2012.*

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

Mr. Shanks questioned how many extensions there have been and Mr. Guanzon noted this was the second extension. Mr. Shanks asked Jeremy Stratton if any progress has been made on the site. Mr. Stratton noted that the Company was almost done and that George Peterson from U.S. Green Energy was present. Mr. Peterson gave the Authority an update and noted the inside of the building is being fitted out, sheetrock is being completed today, spackling tomorrow, painting following that. Electric is in the building, cable trays are being set to the machines. They have moved most of the tooling and machines except for one line that is needed to finish some orders. There is no sewer and water yet and there are two toilets that have to be installed. The boiler is shipping this week for the heating. The outside has been the real issue; they have had some compaction issues and a water issue that created a delay of about two weeks. The surveyor finished the site work today and the road can be cut. The survey work has all been put in for the sewer and water lines. They need two manholes and a water vault; there has been a delay getting those and hopefully they will be here next week. If they are here next week, they can finish the water and sewer and after that, lay down the sidewalk and pavement.

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Minutes

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Board Members questioned Mr. Peterson if a 30 day extension is enough time and Mr. Peterson noted he believed it would be. Mr. Guanzon explained it is at the Board's discretion as to how long an extension they want to grant and also, the Company will need a Certificate of Occupancy to say that the building has been complete, they have to have those numbers of new jobs and they have to be open for business. Those are the three things that have to be done or else it comes back to RIFA. Mr. Guanzon explained if another extension was needed, the Board would have to have another special meeting.

Mr. Shanks asked what the last extension was for and Mr. Guanzon explained it was two parts, the first was due to an error on RIFA's part in the square footage requirements and that was reduced. RIFA also changed the date from June or July to this September 1, deadline.

Mr. Vogler questioned if the extension could only be 30 days or 60 days, or could 45 be an option and Mr. Guanzon advised it could any number of days, but RIFA by-laws state there has to be a certain period time for public notice to set a special meeting; hypothetically if they decided, close to that deadline, that they needed an extension, RIFA might not be able to give it because a special meeting could not be convened fast enough.

Mr. Bowman stated that he and Mr. Stratton discussed this and suggest the extension go to the next RIFA meeting in October as a deadline in case there is a delay with equipment or work force coming in. Mr. Stratton noted the October 8, 2012 RIFA meeting would give an additional eight days after the suggested 30 day extension and a special meeting would not be needed.

Mr. Snead noted he wanted to **amend** the motion and give them until the 8th of October.

Mr. Saunders asked Mr. Snead if that was a motion and Mr. Snead confirmed it was, that he was making a motion to amend to the RIFA meeting.

Mr. Harville suggested RIFA give them an additional 10 day extension.

Mr. Saunders noted that there were two motions on the floor, the original motion for Item B and then the amended motion; that the Board had to take the amended motion first.

Mr. Saunders asked for a second to the amended motion and Mr. Shanks **seconded** the amended motion.

Mr. Harville withdrew his motion.

Mr. Guanzon stated that the motion needs to be to accept the amendment and then vote on the actual revision.

Mr. Saunders questioned Mr. Guanzon regarding the Motion. Mr. Guanzon stated that the amendment is on the floor and has not been voted on and there is a second motion to change that Resolution. The Board has to vote to make sure they accept that one in lieu of the other.

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August 28, 2012

Mr. Saunders questioned if Mr. Snead's motion was in order and Mr. Guanzon confirmed it was but the vote has to be to accept that Motion in lieu of the other and then the Board would vote on it.

The **motion** to accept Mr. Snead's amendment was carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders and Shanks (4)
NAY: None (0)

Mr. Saunders called for a vote on the *revised Motion* and Mr. Guanzon stated that the Motion would be exactly as noted earlier except that instead of the September 30 date, it will be October 8.

Mr. Saunders asked the second if he agreed with what Mr. Guanzon stated and Mr. Shanks noted his agreement and the Motion was carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders and Shanks (4)
NAY: None (0)

COMMUNICATIONS

Mr. Harville questioned when the tour for CBN would be and Mr. Stratton noted CBN will come back and give a presentation to the Board. A tour of the facilities would be difficult due to the Company's high security measures and it would be better for CBN to come to a RIFA meeting and give a presentation.

MEETING ADJOURNED AT 12:50 P.M.

Chairman

Secretary to the Authority

**AGENDA
ITEM NUMBER 5B**

**Danville - Pittsylvania Regional Industrial Facility
Authority**

Financial Status

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- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY 2012
- C. General Expenditures for FY 2013
- D. Mega Park – Funding Other than Bond Funds
- E. \$11.25 Million Bonds – Mega Park
- F. Funds Available for Appropriation
- 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 August 31, 2012

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funds from bond issuance	\$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	486,509.71				
Cane Creek Parkway ³		\$ 3,804,576.00	\$ 3,724,241.16	\$ -	
Swedwood Drive ²		69,414.00	69,414.00	-	
Cane Creek Centre entrance ³		72,335.00	53,878.70	-	
Financial Advisory Services		9,900.00	9,900.00	-	
Dewberry contracts ⁷		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant ^{4,5}		71,881.00	12,644.62	59,236.38	
Land		-	2,560,921.67	-	
Demolition services		71,261.62	48,761.62	22,500.00	
Legal fees		-	50,884.23	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	18,569.70	-	
Total	\$ 7,631,010.13	\$ 4,311,140.12	\$ 6,731,263.18	\$ 81,736.38	\$ 818,010.57

notes:

¹ Dewberry Contracts consist of wetland, engineering, surveying and site preparation

² Funds being used to cover City and County matching contributions for a VDOT grant for Swedwood Drive

³ Project completed under budget

⁴ In September 2008 the outstanding principal balance of \$6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.

⁴ These contracts were originally to be paid by the \$1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.

⁵ The budget amount decreased \$71,279.61 from the 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

⁶ This line item represents the amount of expenditures on the "CCC - Lots 3 & 9" budget sheet that is covered by bond funds. RIFA's local share of 5% of these project costs is being covered by these bond funds. Project finished under original budget.

<u>Road Summary-Cane Creek Parkway:</u>	
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

<u>Funding Summary - Cane Creek Parkway</u>	
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 2012
As of August 31, 2012

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY11	-				
Contingency					
Arbitrage Rebate Calculation Fees		\$ 2,000.00	\$ 2,000.00	\$ -	\$ -
Demolish Cyber Park Property		-	34,500.00	-	-
Cyber Park Parcel Appraisals		-	1,800.00	-	-
Employee Reimbursement		-	114.51	-	-
News & Advance ads for RIFA RFPs		-	199.60	-	-
Miscellaneous contingency items		15,000.00	667.66	-	-
Total Contingency Budget		17,000.00	39,281.77	-	(22,281.77)
Legal		90,250.00	67,078.13	-	23,171.87
Accounting		18,750.00	18,750.00	-	-
Annual Bank Fees		4,100.00	4,321.25	-	(221.25)
Postage & Shipping		100.00	79.83	-	20.17
Meals		2,800.00	2,771.27	-	28.73
Utilities		10,000.00	1,334.78	-	8,665.22
Insurance		7,000.00	5,456.00	-	1,544.00
Total	\$ 150,000.00	\$ 150,000.00	\$ 139,073.03	\$ -	\$ 10,926.97

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2013

As of August 31, 2012

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY12	-				
Contingency					
Miscellaneous contingency items		\$ 36,950.00	\$ 169.55	\$ -	\$ -
Demolish Cyber Park Property		-	-	-	-
Total Contingency Budget		<u>36,950.00</u>	<u>169.55</u>	<u>-</u>	<u>36,780.45</u>
Legal		75,000.00	-	-	75,000.00
Accounting		20,750.00	5,000.00	15,750.00	-
Annual Bank Fees		4,400.00	-	-	4,400.00
Postage & Shipping		100.00	-	-	100.00
Meals		2,800.00	233.34	-	2,566.66
Utilities		4,000.00	185.73	-	3,814.27
Insurance		6,000.00	-	-	6,000.00
Total	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 5,588.62</u>	<u>\$ 15,750.00</u>	<u>\$ 128,661.38</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of August 31, 2012

<i>Funding</i>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ¹⁻⁴	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Local Match for TIC FY10 SSED Allocation - Engineering Portion ⁵	76,067.61				
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	972,754.29	18,095.71	
Consulting Services - McCallum Sweeney		115,000.00	92,130.18	22,869.82	
Total	\$ 14,464,467.44	\$ 14,231,524.83	\$ 14,190,559.30	\$ 40,965.53	\$ 232,942.61

¹ This figure does not include the interest the City lost from the uninvested funds, which was paid to the City 1/3/2012 and totaled \$144,150.41.

² Settlement fees were drawn from bonds issued for the Berry Hill project 12/1/2011.

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

⁴ RIFA paid the City back for all advances on 1/3/2012.

⁵ The RIFA Board approved to utilize the remaining funds from the Mega Park bond funds and approximately \$65,000 of the 'Funds Available for Appropriation' towards the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park.

Danville-Pittsylvania Regional Industrial Facility Authority
\$11.25 million Bonds for Berry Hill Mega Park project - Issued December 1, 2011
As of August 31, 2012

<i>Funding</i>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funds from bond issuance	\$ 11,250,000.00				
Issuance cost	(323,455.70)				
Underwriter's Discount	(225,000.00)				
Original Issue Discount	(21,325.15)				
Interest earned to date	892.90				
<i>Initial Land Purchases</i> ¹		-	10,345,376.83	-	
<i>Interest owed to City on fronts for land purchases</i>		-	144,150.41	-	
<i>Legal fees</i>		-	148,396.67	-	
<i>Dewberry & Davis</i>		-	14,785.00	-	
<i>Other expenditures</i>		-	28,403.14	-	
Total	\$ 10,681,112.05	\$ -	\$ 10,681,112.05	\$ -	\$ -

¹ The City of Danville fronted the funds for \$10,340,983.83 of these land purchases. RIFA reimbursed the City of Danville this amount plus the interest owed, which totaled \$144,150.41, on 1/3/2012 using the bond funds drawn down.

Danville-Pittsylvania Regional Industrial Facility Authority
Funds Available for Appropriation
As of August 31, 2012

<i>Source of Funds</i>	<u>Funding</u>	<u>Expenditures</u>	<u>Unexpended / Unencumbered</u>
Yorktowne Reimbursement ¹	\$ 181,339.68		
General funds reimbursed by Berry Hill \$11.25M Bonds	184,266.38		
Sale of Land to Harmony Church	36,564.50		
 <i>Expenditures</i>			
Transfer to 'Mega Park - Other than Bonds' budget ²		\$ 65,000.00	
 <i>Totals</i>	 <u>\$ 402,170.56</u>	 <u>\$ 65,000.00</u>	 <u>\$ 337,170.56</u>

¹ 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.

² The RIFA Board approved to utilize approximately \$65,000 of these funds toward the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park.

Danville-Pittsylvania Regional Industrial Facility Authority
 Rent, Interest, and Other Income Realized
 As of August 31, 2012

<u>Source of Funds</u>	<u>Funding</u>			<u>Expenditures</u>	<u>Unexpended / Unencumbered</u>
	<u>Carryforward from FY2012</u>	<u>Receipts August 2012</u>	<u>Receipts FY2013</u>		
<u>Carryforward</u>	\$ 376,519.31				
<u>Current Lessees</u>					
	<u>Park</u>	<u>Property</u>			
Institute for Advanced Learning and Research (IALR) ¹	Cyberpark	Hawkins Research Bldg at 230 Slayton Ave.	\$ 8,404.36	\$ 34,158.93	
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.	300.00	600.00	
Axxor N.A. LLC ³	Cane Creek	Apartments at 390 Cedar Lane	500.00	1,000.00	
Guilford Whitetail Management	Berry Hill	Klutz Farm off State Rd. 863	-	-	
Browning & Associates, Ltd. ⁴	Berry Hill	4380 Berry Hill Road House	-	-	
Mountain View Farms of Virginia, L.C.	Berry Hill	30 acre tract on Stateline Bridge Rd.	-	-	
Osborne Company of North Carolina, Inc.	Berry Hill	4380 Berry Hill Road Pastureland	-	-	
Clodfelter Hunting Lease	Berry Hill	371.13 acres off State Road 863	-	-	
Mark L. Osborne	Berry Hill	Mega Park Lot 8 approx. 34.4 acres	-	-	
<u>Total Rent</u>			<u>\$ 9,204.36</u>	<u>\$ 35,758.93</u>	
<u>Interest Received</u> ²			\$ 26.50	\$ 52.14	
<u>Expenditures</u>				\$ -	
<u>Totals</u>			<u>\$ 376,519.31</u>	<u>\$ 9,230.86</u>	<u>\$ 35,811.07</u>
				<u>\$ -</u>	<u>\$ 412,330.38</u>

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

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

³ Please note that Axxor N.A. LLC has paid a \$500 security deposit per the lease agreement that is not included in rental income above.

⁴ 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}
*August 31, 2012**

	Unaudited FY 2013
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,094,683
Cash - money market	389,998
Due from other governments	158,281
Accounts Receivable	366
<i>Total current assets</i>	1,643,328
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	917,714
Restricted cash - debt service fund CCC bonds	1,322,178
Restricted cash - debt service fund Berry Hill bonds	-
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,116
Capital assets not being depreciated	24,936,831
Capital assets being depreciated, net	27,244,055
Construction in progress	1,930,750
Unamortized bond issuance costs	627,906
<i>Total noncurrent assets</i>	58,979,550
Total assets	60,622,878
Liabilities	
<i>Current liabilities</i>	
Bonds payable - current portion	5,825,000
Accrued interest	91,939
Security deposit	1,500
<i>Total current liabilities</i>	5,918,439
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	11,320,000
<i>Total noncurrent liabilities</i>	11,320,000
Total liabilities	17,238,439
Net Assets	
Invested in capital assets - net of related debt	41,834,550
Unrestricted	1,549,889
Total net assets	\$ 43,384,439

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 these statements are for the period ended August 31, 2012 as of August 31, 2012, 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
*August 31, 2012**

	Unaudited FY 2013
Operating revenues	
Rental income	27,514
Total operating revenues	27,514
Operating expenses⁴	
Mega Park expenses ³	274
Cane Creek Centre expenses ^{3, 5}	32,146
Cyber Park expenses ³	-
Professional fees	-
Insurance	5,456
Other operating expenses	418
Total operating expenses	38,294
Operating loss	(10,780)
Non-operating revenues (expenses)	
Interest income	50
Interest expense	-
Total non-operating revenues, net	50
Net loss before capital contributions	(10,730)
Capital contributions	
Contribution - City of Danville	339,363
Contribution - Pittsylvania County	339,363
Total capital contributions	678,726
Change in net assets	667,996
⁶ Net assets at July 1,	42,716,443
Net assets at August 31,	\$ 43,384,439

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 fees of \$17,146 related to the \$7.3M bonds for Cane Creek.

⁶ Please note that this will change once all FY2012 entries are made and may also change depending on whether there are audit adjustments for FY2012 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*August 31, 2012**

	Unaudited FY 2013
Operating activities	
Receipts from grant reimbursement requests	\$ -
Receipts from leases	35,759
Payments to suppliers for goods and services	(113,397)
Net cash used in operating activities	(77,638)
Capital and related financing activities	
Capital contributions	678,726
Interest paid on bonds	(1,049)
Principal repayments on bonds	-
Net cash provided by capital and related financing activities	677,677
Investing activities	
Interest received	50
Net cash provided by investing activities	50
Net increase in cash and cash equivalents	600,089
Cash and cash equivalents - beginning of year (including restricted cash)	5,124,600
Cash and cash equivalents - through August 31, 2012 (including restricted cash)	\$ 5,724,689
Reconciliation of operating loss before capital contributions to net cash used in operating activities:	
Operating loss	\$ (10,780)
Changes in assets and liabilities:	
Change in prepaids	9,579
Change in due from other governments	-
Change in other receivables	17,520
Change in accounts payable	(84,851)
Change in unearned income	(9,106)
Change in security deposit	-
Net cash used in operating activities	\$ (77,638)

Components of cash and cash equivalents at August 31, 2012:	
American National - Checking	\$ 1,094,683
American National - General money market	389,998
Wachovia - \$7.3M Bonds CCC Debt service fund	1,322,178
Wachovia - \$7.3M Bonds CCC Project fund	917,714
US Bank - \$11.25M Bonds Berry Hill Debt service fund	-
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,116
	\$ 5,724,689