

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

Monday, March 11, 2013

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 OF THE FEBRUARY 11, 2013 MEETING

5. OLD BUSINESS

- A. Update on Resolution No. 2013-02-11-6C, concerning the assignment by Dewberry & Davis, Inc., a North Carolina corporation, to Dewberry Engineers Inc., a New York corporation, of various contracts entered with the Authority – Michael C. Guanzon, Clement & Wheatley, Authority's legal counsel

6. NEW BUSINESS

- A. Report on William H. Lock's offer to sell to the Authority Lots 3A, 3B and 3C (Tax Parcel 1357-85-4141), containing a total of 35.59 acres, more or less, fronting on Ed Hardy Road (State Road No. 621), located in Pittsylvania County, Virginia, which lots are in proximity to the Authority's Mega Park project – Jeremy A. Stratton, Director, Office of Economic Development, City of Danville
- B. Preparation of the Authority's agenda materials and deadlines – Joseph C. King, City Manager, City of Danville
- C. Update on the status of the Authority's Mega Park project – Gregory Sides, Assistant County Administrator, Pittsylvania County; Shawn Harden, P.E., Associate/Project Manager, Dewberry Engineers Inc.; and Richard Drazenovich, P.E., Director of Public Works, City of Danville
- D. Financial Status Report as of February 28, 2013 – Barbara A. Dameron, CPA, Authority Treasurer, and Patricia K. Conner, CPA, City of Danville Senior Accountant

7. 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.

Danville-Pittsylvania Regional Industrial Facility Authority

- A. As permitted by Section 2.2-3711(A)(7) 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 litigation on a contract matter, where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority. "Probable litigation" means litigation on which the Authority's legal counsel has a reasonable basis to believe will be commenced against a known party.
- B. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning a prospective business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the Authority's Cane Creek project.
- C. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- D. Motion to Certify Closed Meeting.

8. COMMUNICATIONS FROM:

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

9. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	4
Meeting Date:	03/11/2013
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, February 11, 2013 meeting.

ATTACHMENTS

Meeting Minutes – 02/11/13

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 11, 2013

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, City of Danville Director of Planning/Zoning Administrator Kenny Gillie, City of Danville Senior Accountant Patricia Conner, Clement and Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Dewberry and Davis Project Manager Brian Bradner and Clement & Wheatley Attorney Jennifer Burnette.

Chairman Saunders called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE DECEMBER 10, 2012 MEETING

Mr. Harville made a **motion** to approve the minutes with a correction to show the vote for item 6A in the December 10, 2012 minutes is 4-0 instead of 5-0. After discussion by the Board, the Motion was **seconded** by Mr. Snead, and the Minutes of the January 14, 2013 meeting were approved as amended. Draft copies had been distributed to Authority Members prior to the Meeting.

OLD BUSINESS

5A. CONSIDERATION – RESOLUTION 2013-01-14-6B – AMENDING BY-LAWS

Authority Attorney Michael Guanzon noted this item is a carryover from the last meeting, and because of the notice requirements, action had to be taken at this meeting. The City of Danville has a term limit for its appointees to this Board, the County does not. This leaves it up to the City or the County to determine whether term limits should be imposed by them instead of RIFA.

Mr. Harville **moved** adoption of *Resolution 2013-01-14-6B, amending paragraph 2 of Article V (“Board of Directors”) of the Bylaws of the Authority by deleting “... and no director or alternative director may serve more than one (1) additional term”.*

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

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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 11, 2013

NEW BUSINESS

6A. CONSIDERATION – RESOLUTION NO. 2013-02-11-6A – APPROVING A LICENSE TO THE CITY OF DANVILLE TO USE A PORTION OF LOT B IN CANE CREEK

City Manager Joe King explained that rebuilding the substation is a large job and area to lay down the materials is needed. What is being proposed would be to use part of RIFA's property and at the end of the project, it will be restored to its original condition.

Mr. Harville **moved** adoption of *Resolution 2013-02-11-6A, approving a license to the City of Danville to use a portion of Lot 7B, fronting on Tom Fork Road, in the Authority's Cane Creek project in Pittsylvania County, Virginia, for the purpose of storing materials and installing and using a temporary gravel road in support of the City of Danville's utility project to rebuild the 69kV transmission line between Brantley Substation and Airside Substation.*

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

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

6B. NOTICE FROM THE DANVILLE CITY PLANNING COMMISSION – FOR AN SUP FILED BY KELVIN MILLER TO OPERATE AN AUTOMOBILE REPAIR FACILITY AT 705 RIVER PARK DRIVE

City of Danville Director of Planning Kenny Gillie noted the City has had a request for a Special Use Permit to operate a body shop in what used to be Rock on Wood and now is owned by Riverside Roof Truss. Riverside Roof Truss has expanded their operation but doesn't need all the buildings. They have petitioned to allow the lease of one of the buildings for a body shop.

Mr. Saunders asked would the Board wish to oppose, not oppose or express no opinion.

Mr. Shanks asked Mr. Gillie if this would have any adverse effect on the Welcome Center. Mr. Gillie noted that staff is recommending if they approve it, that they add some conditions, including no external storage of vehicles or parts thereof, no work on vehicles to the exterior of the property, they are limited to using only one building and also their hours are limited.

Mr. Snead noted he had viewed the area and believed it would have an adverse effect to the Welcome Center, and that a precedent may be set the Board may not want to go into. From his point, he would say no. Mr. Harville also noted his opposition to this request, that it would have a negative impact. Mr. King pointed out that this property is not actually located in the Cyber Park.

Mr. Gillie noted he would make RIFA's recommendations known to the Planning Commission. Staff has given a tentative recommendation for it because it is in a district that is allowed by special use permit. If the Board has additional conditions or concerns, they would be presented to the Planning Commission and they will make a recommendation to City Council.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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Mr. Saunders questioned Mr. Guanzon that there are four voting members and two have pleaded opposition, does that take care of this matter.

Mr. Harville then stated that as it had been clarified that the property is not in the Cyber Park he believes this falls back to the City. Mr. Harville noted he would withdraw his comments because it is not in the Cyber Park it wouldn't be valid for him to make a comment on that.

Mr. Saunders asked Mr. King to comment on this request and Mr. King noted that when the City receives an application for a zoning issue, a certain number of adjoining property owners are notified. The purpose of this is to get the property owner, that is RIFA, an opportunity to express an opinion. That is why it is before the Board and it is perfectly appropriate for RIFA to take whatever position the Board thinks is best to protect RIFA's interest.

Mr. Shanks stated it would be appropriate for him to abstain from this, as he has represented the applicant in recent months. Mr. Saunders noted he would take no opinion, giving three out of four with no opinion. (No written Resolution)

6C. CONSIDERATION – RESOLUTION 2013-02-11-6C – APPROVING THE ASSIGNMENTS BY DEWBERRY & DAVIS

Authority Attorney Michael Guanzon explained the Board has a request from Dewberry that they want to put their engineering services into one corporation which includes the two contracts with RIFA.

Board Members discussed the possibility of litigation regarding RIFA's contracts and Mr. Guanzon stated that the contracts in which state law applies is dependent on what the contract had indicated. In each of these, it did indicate that Virginia law would apply. Mr. Shanks questioned in the event of litigation, can RIFA make sure any litigation be held locally instead of somewhere else. Mr. Guanzon confirmed that that could be done and that in the contract for the connector road, Virginia is the law that will be applied and he will double check the other contract. In response to Mr. Shanks, Mr. Guanzon noted he put in a venue provision for Pittsylvania County for any state issues and for federal claims it will be the Danville federal court as there is not a federal court in Pittsylvania County.

Mr. Shanks **moved** that adoption of *Resolution No. 2013-02-11-6C, approving the assignments by Dewberry & Davis, Inc., a North Carolina corporation, to Dewberry Engineers Inc., a New York corporation, of (i) that certain Standard Form of Agreement Between Owner and Engineer for Professional Services dated as of June 21, 2012, as amended (Project #50018376), which pertains to work in the Authority's Mega Park project in Pittsylvania County, Virginia; and (ii) that certain Proposal for Technical Services dated April 1, 2003, Wetlands Monitoring of Impact and Non-Impact Areas at the Cane Creek Center Post-Construction Monitoring at the Anglers Park Wetland Mitigation Site, Monitoring Year 2009-2010, as amended (Project #50003249) Wetlands), which pertains to work in the Authority's Cane Creek project in Pittsylvania County, Virginia, and Danville, Virginia, and authorizing the Chairman and/or Vice Chairman of the Authority to execute on its behalf a consent to such assignments - subject to the following conditions, pertaining to the two contracts that RIFA currently has with Dewberry that the contracts be reviewed to insure and if not, to revise, that any litigation be held in a local venue under Virginia State Law. (No written Resolution)*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
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The Motion was **seconded** by Mr. Harville and carried by the following vote:

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

6D. CONSIDERATION – RESOLUTION NO. 2013-02-11-6D – APPROVING TRANSFER OF \$181,000 TO LOT 4 SITE DEVELOPMENT

Barbara Dameron explained that the Tobacco Commission awarded RIFA a grant for the development of Lot 4 at the Berry Hill Mega Park and the grant requires that RIFA have a \$181,000 match. Staff is asking to provide for the funding of that match by moving \$175,316.17 from the Funds Available for Appropriation Sheet and the remaining balance of that or \$5,683.83 from the Rent and Interest and Other Income Realized. The reason staff is making the request now is that RIFA needs to cover the expense of the required Virginia Water Protection Permit from the Department of Environmental Qualities Water Division for a fee of \$57,840.00.

Mr. Harville **moved** adoption of *Resolution No. 2013-02-11-6D, approving the transfer of an aggregate of \$181,000 from the "Funds Available for Appropriation" budget sheet and from the "Rent, Interest & Other Income Realized" budget sheet to a new "Berry Hill Mega Park – Lot 4 Site Development" budget sheet to fund the Authority's required local match under a grant from the Tobacco Indemnification and Community Revitalization Commission.* (No written Resolution)

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

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

6E. FINANCIAL REPORT AS OF JANUARY 31, 2013

Authority Treasurer Barbara Dameron gave the Financial Report and noted that under Cane Creek Center, the only change is approximately \$4.00 in interest income. There is \$11,590 in expenses for January, all are general expenses: \$10,800 for legal, \$500 for the U.S. Bank administration fee for the Cane Creek Bonds and the remainder for miscellaneous expenses such as meals, utilities and postage. The Mega Park Fund has been updated to reflect the transfer requested in December of \$11,854 from the Funds Available, and likewise under Funds Available, showing a decrease for that transfer. Under rent income: \$3,905.00 from IALR, \$300 from Securitas and approximately \$29 in interest income. The Financials are on pages 46-48 and the Statement of Net Assets reflects the debt service payment for Cane Creek Bonds of \$300,000. \$315,000 was moved from Long Term Liabilities to Current Bond Liability for the upcoming Cane Creek Bond.

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

VOTE: 4-0

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

7A. - CLOSED SESSION

At 12:53 p.m., Mr. Snead **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)(7) 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 on *Danville-Pittsylvania Regional Industrial Facility Authority v. AVRC, Inc.*, Case No. CL 12000634-00, in the Circuit Court for the City of Danville, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Authority.

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

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

On **Motion** by Mr. Snead and **second** by Mr. Shanks, and by unanimous vote at 1:00 p.m., the Authority returned to open meeting.

Mr. Snead **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, Shanks (4)
NAY: None (0)

COMMUNICATIONS

Mr. Saunders questioned Mr. King about the letter from IALR, will that be discussed in March and what impact if any will that have on the efforts at the Dan River Business

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

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Development Center. Mr. King responded that they are going to discuss this with the Institute and it will be brought back to RIFA at the March meeting.

Also to be considered is the terms and conditions that the Economic Development Administration, who funded the construction of the building and under which contract RIFA has to operate, under what conditions can it be transferred and is the Institute an eligible entity to which it can be transferred.

Director of Economic Development Jeremy Stratton explained that the City hired a consultant last fall to look at a manufacturing space needs assessment because there is a covert of companies that want to be in the River District. That report is going to be given on March 5th, in the City's conference room, and Crystal Morphis will give the City a synopsis of what to expect in absorption rates, what is best to have over at the DRBDC and a little on the River District.

Mr. King noted staff will issue information on when that the meeting is going to take place and that report will be available for everybody. The idea was to answer the question, does the City have enough space, what locations can be configured appropriately and part of this helps make the right decision on the business development center. Mr. King discussed the space needs at DRBDC and companies that want incubator space in the River District. Mr. King noted the City doesn't have any such facilities there, so staff is trying to determine if there is enough demand to use some of the building space that the IDA has for incubator type operations. Mr. Saunders questioned if the DRBDC board was aware of the IALR letter and Mr. King was not sure if they were.

MEETING ADJOURNED AT 1:14 P.M.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6-A
Meeting Date:	03/11/2013
Subject:	Lock Property
From:	Jeremy A. Stratton, Economic Development Director, City of Danville

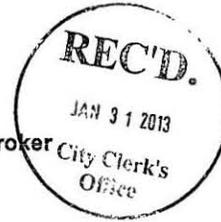
SUMMARY

Staff has reviewed with Attorney Guanzon the letter RIFA received from William H. Lock offering a small tract of land adjacent to the Mega Park on Ed Hardy Road for \$62,200. It is staff's recommendation that RIFA not accept Mr. Lock's offer to sell it this property. There is no significant value to the Mega Park that would be gained from such a purchase.

ATTACHMENTS

Letter from William H. Lock

WILLIAM H. LOCK & ASSOCIATES, INC.
Consulting Forester * Certified Arborist * Real Estate Land Broker
P. O. Box 49571
Greensboro, NC 27419
(336) 632-9088
1-888-899-9088 * www.whlock.com



January 29, 2013

Danville-Pittsylvania Regional Industrial Facility Authority
P. O. Box 3300
Danville, VA 24543

Dear Sir/Madam;

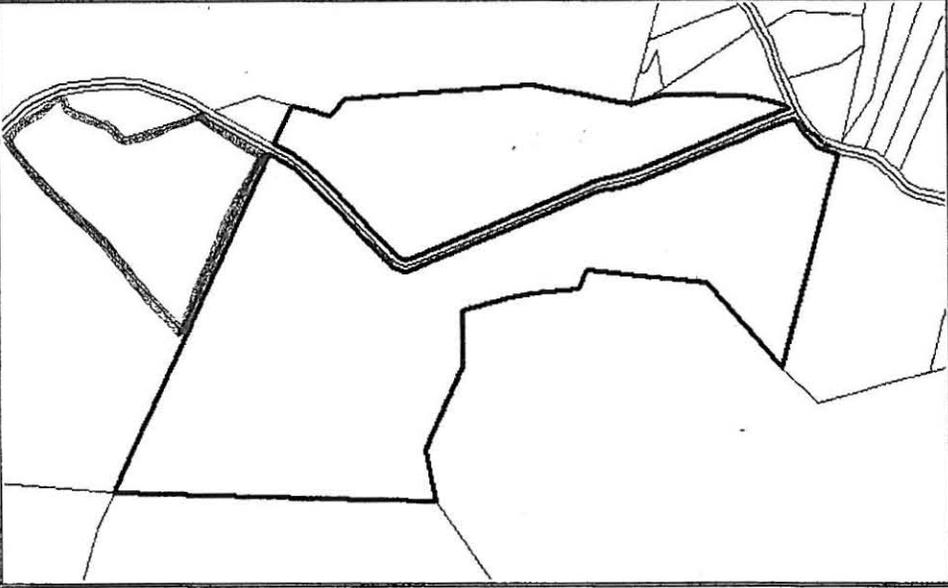
I presently own a small parcel of land adjoining one of your land holdings east of Danville, Va. I am writing to see if you have any interest in purchasing my tract to add to your property.

The land is located on the south side of Ed Hardy Road (Rt. 621). I am including a tax map showing our parcel in relation to yours. The current asking price is \$62,200. I obtained title insurance when I purchased our parcel and there are no existing liens. I have applied for Forestry Land Use for tax year 2013 thru the Pittsylvania County tax office.

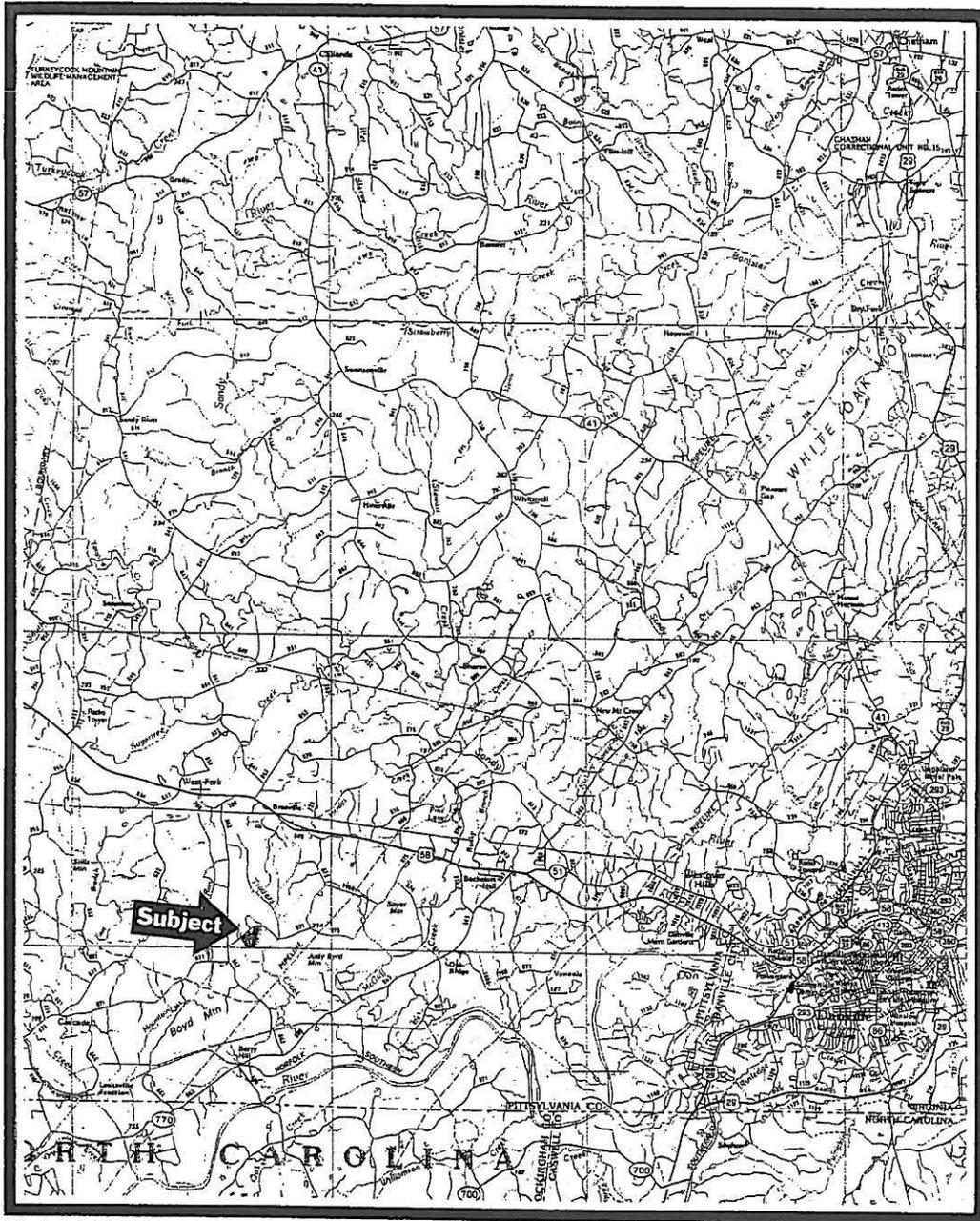
Please let me know if you have any interest in this parcel. I will be happy to provide you with additional information if possible.

Sincerely,

William H. Lock
William H. Lock
Owner/Broker

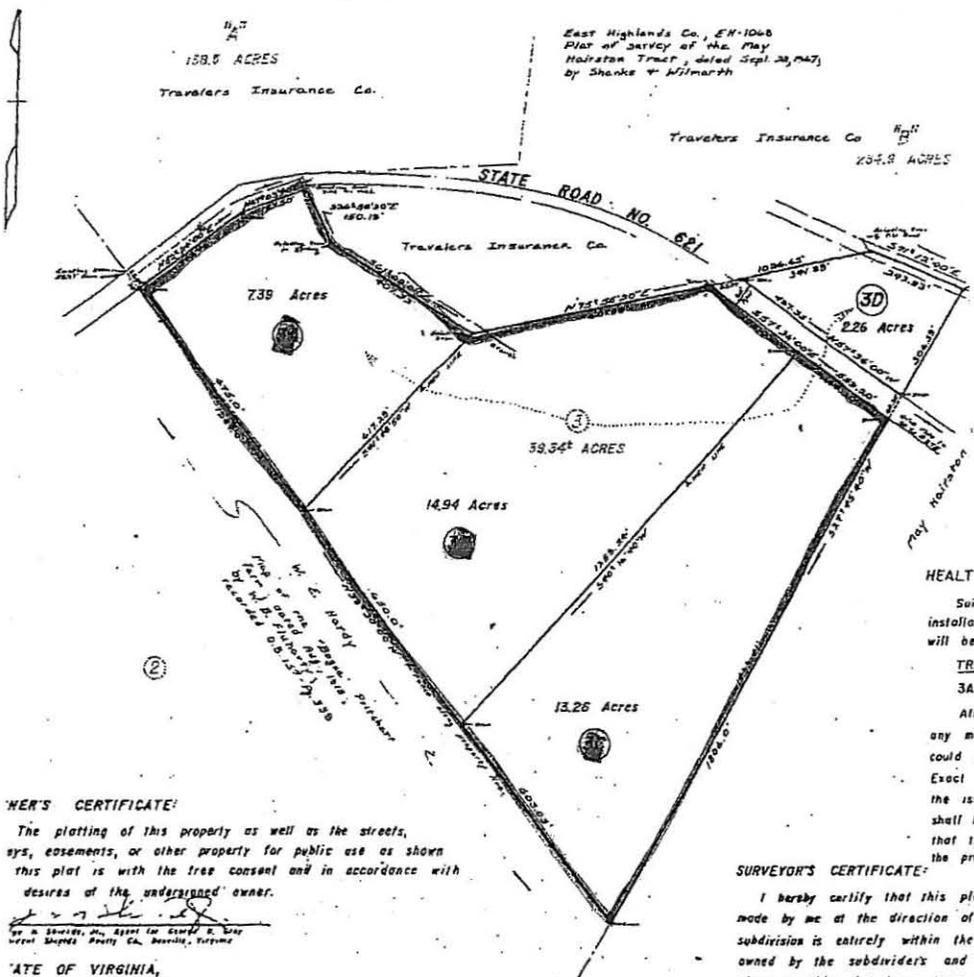
Site: WORSHAM PLACE			
			
Property Details:			
UNIQUEID	50769	CALC_AREA	54.53
COLOR_2	181	JOIN_GPIN	1367-01-8739
JOIN_ACCOU	15900-0A-00-0036-0	NAME	DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
PC_TOWNSHI	2	PC_ASSESSE	1890000
CARD_NO	1	NO_PARCEL_	1
NAME_2		DEED_DATE	8/3/2009
PC_CLASS_C	0	TOTAL_ACRE	189
PC_PROPERTY	WORSHAM PLACE	ADDRESS	P O BOX 3300
PC_CURR_OW	LR09/04564	PC_ZONE_CO	M-2
ADDRESS_2		PC_MAP_SHE	MB1/74
NBRHD_DESC	100 0%	PC_LANDSCA	
UTILITIES		ACCOUNT_CS	DANVILLE, VA 24543
SALE_PRICE	1864800	ROAD_DESC	02 GRAVEL
TOPOGRAPHI		BLDG_NO	0
BLDG_VALUA		USE_DESC	
MA_BLDG_AR	0	BLDG_CLASS	
FUEL_DESC		HEAT_DESC	
MA_HEAT	0	BLDG_YR_BU	0
AIR_DESC		MA_AC	0
BLDG_EFF_Y	0	MA_BATHS	0
COND_DESC		MA_ATTIC_U	
STYLE_DESC		MA_ATTIC_F	
SECT_NBR_S	0	FIRE_DESC	0
MA_FIREPLA	0	FOUND_DESC	

<http://www2.undersys.com/scripts/testadv/usiwebus.dll/usi?formis=ptmap&MouseX=638...> 2/13/2012



Map Error Database, Inc. COPYRIGHT 1971

MB 32 PG 65



OWNER'S CERTIFICATE:

The platting of this property as well as the streets, easements, or other property for public use as shown on this plat is with the free consent and in accordance with the desires of the undersigned owner.

[Signature]
 Notary Public for the County of Giles, Virginia

STATE OF VIRGINIA,
 GILES COUNTY, to wit;

I, Thomas C. Lupton, Jr., a Notary Public in and for the County of Giles in the State of Virginia do hereby certify that George H. Shanks, Jr. is the owner of the above described property and that he acknowledged the same before me in my county and state aforesaid, on the 15 day of MARCH, 1983.

[Signature]
 Notary Public

SURVEYOR'S CERTIFICATE:

I hereby certify that this plat made by me at the direction of subdivision is entirely within the owned by the subdividers and shown on this plat have been as their location and character are

[Signature]
 CERTIFIED SURVEYOR NO. 470

RECORDED IN THE CLERK'S OFFICE OF THE CIRCUIT COURT FOR THE COUNTY OF PITTSYLVANIA, ON THE 12 DAY OF April, 1983 AT 2:14 THE FOREGOING plat UPON ITS CERTIFICATE OF ACKNOWLEDGMENT WAS ADMITTED TO RECORD, PAYING SECTION 32.54 (a) and (b), HAVING BEEN PAID IN THE AMOUNT OF \$

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6-B
Meeting Date:	03/11/2013
Subject:	Agenda Materials and Deadlines
From:	Joseph C. King, City Manager

SUMMARY

RIFA agenda meeting materials are typically distributed to the board and made available to the public the Wednesday before the Monday meeting. If members of the board have items that need to be added to an agenda, it is requested that items be submitted approximately two weeks before the meeting date. This will allow staff and the attorney sufficient time to research items prior to placing the matters on the agenda.

ATTACHMENTS

Deadlines for 2013

Danville-Pittsylvania Regional Industrial Facility Authority (RIFA)
2013 Agenda Deadline Calendar

MEETING DATE (2 nd Monday of the Month)	PRE-RIFA MEETING (Initial Discussion of items to include on next agenda) (3 rd Monday of the Month)	ITEMS DUE TO ATTORNEY (including Executive Summary and back-up documentation) (Wednesday)	ITEMS FROM ATTORNEY DUE TO EXECUTIVE SECRETARY (including back-up documentation & resolutions) (Tuesday)	AGENDA PACKAGE POSTED (Wednesday prior to meeting)
March 11	2/19/13*	2/27/13	3/5/13	3/6/13
April 8	3/18/13	3/27/13	4/2/13	4/3/13
May 13	4/15/13	5/1/13	5/7/13	5/8/13
June 10	5/20/13	5/29/13	6/4/13	6/5/13
July 8	6/17/13	6/26/13	7/2/13	7/3/13
August 12	7/15/13	7/31/13	8/6/13	8/7/13
September 9	8/19/13	8/28/13	9/3/13	9/4/13
October 17 (Thurs)* Move due to Columbus Day & VML	9/16/13	10/2/13	10/8/13	10/9/13
November 14 (Thurs)* Move due to Veterans Day & VACO	10/21/13	10/30/13	11/5/13	11/6/13
December 9	12/18/13	11/25/13*	12/3/13	12/4/13
<i>*Date change due to holiday</i>				

Email agenda items to:

1. Authority Attorney Michael Guanzon (guanzonm@clementwheatley.com; ducketts@clementwheatley.com)
2. Executive Secretary Tiffany Harris (harrita@ci.danville.va.us)
3. City Manager Joe King (kingjc@ci.danville.va.us)
4. County Administrator Dan Sleeper (dan.sleeper@pittgov.org)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6-D
Meeting Date:	03/11/2013
Subject:	Financial Status Reports – February 28, 2013
From:	Barbara A. Dameron, Authority Treasurer

SUMMARY

A review of the financial status reports through February 28, 2013 will be provided at the meeting. The financial status reports as of February 28, 2013 are attached for the RIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of February 28, 2013 as presented.

ATTACHMENTS

Financial Status Reports

**Danville - Pittsylvania Regional Industrial Facility
Authority**

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY 2013
- C. Mega Park – Funding Other than Bond Funds
- D. Berry Hill Mega Park – Lot 4 Site Development
- E. Funds Available for Appropriation
- F. Rent, Interest, and Other Income Realized
- G. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of February 28, 2013

<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>
Funding					
Funds from bond issuance	\$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	486,553.94				
Cane Creek Parkway ³		\$ 3,804,576.00	\$ 3,724,241.16	\$ -	
Swedwood Drive ²		69,414.00	69,414.00	-	
Cane Creek Centre entrance ³		72,335.00	53,878.70	-	
Financial Advisory Services		9,900.00	9,900.00	-	
Dewberry contracts ¹		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant ^{4,5}		71,881.00	12,644.62	59,236.38	
Land		-	2,560,921.67	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	50,884.23	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	21,229.70	-	
Total	\$ 7,631,054.36	\$ 4,311,140.12	\$ 6,756,423.18	\$ 59,236.38	<u>\$ 815,394.80</u>

notes:

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

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

³ Project completed under budget

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

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

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

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 2013

As of February 28, 2013

	<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 FY2012	11,042.93				
Contingency					
Miscellaneous contingency items		\$ 47,992.93	\$ 218.50	\$ -	\$ 47,774.43
Total Contingency Budget		<u>47,992.93</u>	<u>218.50</u>	<u>-</u>	<u>47,774.43</u>
Legal		75,000.00	45,470.30	-	29,529.70
Accounting		20,750.00	20,750.00	-	-
Annual Bank Fees		4,400.00	4,571.25	-	(171.25)
Postage & Shipping		100.00	84.36	-	15.64
Meals		2,800.00	1,812.25	-	987.75
Utilities		4,000.00	160.58	-	3,839.42
Insurance		6,000.00	-	-	6,000.00
Total	\$ 161,042.93	\$ 161,042.93	\$ 73,067.24	\$ -	<u>\$ 87,975.69</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of February 28, 2013

<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				
Tobacco Commission FY10 SSED Allocation - Eng. Portion Deobligated	(244,797.00)				
Local Match for TIC FY10 SSED Allocation - Engineering Portion ⁵	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 ⁶	11,854.39				
 <i>Land</i>					
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	-	
 <i>Other</i>					
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	
 <i>Total</i>		<u>\$ 14,231,524.83</u>	<u>\$ 14,231,524.83</u>	<u>\$ 14,190,559.30</u>	<u>\$ 40,965.53</u>
					<u>\$ (0.00)</u>

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

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

³ This contract was originally for \$814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. \$740,000 was covered by the FY09 Tobacco Allocation. \$162,928 was covered by the FY10 Tobacco Allocation. \$87,922 will be covered with RIFA Funds.

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

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

⁶ Due to the expiration of the Tobacco Commission FY10 SSED Allocation, the RIFA Board approved on 1/14/2013 to utilize \$11,854.39 of the 'Funds Available for Appropriation' to cover the funding shortfall for the budgeted Dewberry & Davis contract.

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of February 28, 2013

	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funding					
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Expenditures					
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Total	\$ 7,889,153.00	\$ 57,840.00	\$ 57,840.00	\$ -	\$ 7,831,313.00

¹ These amounts have not been sent to RIFA yet as they are not needed at this time. Each locality has its local match budgeted.

² The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

Danville-Pittsylvania Regional Industrial Facility Authority

Funds Available for Appropriation

As of February 28, 2013

<i>Source of Funds</i>	<i>Funding</i>	<i>Contract Amount</i>	<i>Expenditures</i>	<i>Encumbered</i>	<i>Unexpended / Unencumbered</i>
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				
Expenditures					
Transfer to 'Mega Park - Other than Bonds' budget ²		\$ -	\$ 76,854.39	\$ -	
CBN Grant Agreement - Approved 11/12/12 ³		150,000.00	-	150,000.00	
Transfer to Berry Hill Mega Park Lot 4 Project ⁴		-	175,316.17	-	
Totals	\$ 402,170.56	\$ 150,000.00	\$ 252,170.56	\$ 150,000.00	\$ -

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 \$65,000 of these funds toward the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park. Due to expiration of the Tobacco Commission grant, the RIFA Board approved on 1/14/2013 to utilize an additional \$11,854.39 to cover budgeted Phase I engineering costs.

³ This grant is to be paid to CBN according to the approved agreement once CBN has (1) delivered a Performance Bond or letter of credit to RIFA and (2) obtained a building permit and provided RIFA with proof that substantial grading has started.

⁴ The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to the Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

Danville-Pittsylvania Regional Industrial Facility Authority
 Rent, Interest, and Other Income Realized
 As of February 28, 2013

Source of Funds	Funding			Expenditures	Unexpended / Unencumbered
	Carryforward from FY2012	Receipts February 2013	Receipts FY2013		
<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.	\$ 3,904.51	\$ 54,277.87	
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.	300.00	2,100.00	
Axxor N.A. LLC ³	Cane Creek	Apartments at 390 Cedar Lane	-	500.00	
Guilford Whittell Management	Berry Hill	Klutz Farm off State Rd. 863	-	-	
Browning & Associates, Ltd. ⁴	Berry Hill	4380 Berry Hill Road House	-	1,000.00	
Mountain View Farms of Virginia, L.C.	Berry Hill	30 acre tract on Stateline Bridge Rd.	1,200.00	1,200.00	
Osborne Company of North Carolina, Inc.	Berry Hill	4380 Berry Hill Road Pastureland	-	-	
Clodfeller 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>			\$ 5,404.51	\$ 59,077.87	
<u>Interest Received</u> ²			\$ 29.05	\$ 204.36	
<u>Expenditures</u>					
Transfer to Berry Hill Mega Park Lot 4 Project ⁵				\$ 5,683.83	
<u>Totals</u>			\$ 376,519.31	\$ 5,433.56	\$ 59,282.23
				\$ 5,683.83	\$ 430,117.71

Restricted ¹ \$ 379,455.51
Unrestricted \$ 50,662.20

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 Lease terminated August 31, 2012

⁴ Lease terminated August 13, 2012

⁵ The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to the Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Assets^{1, 2}
February 28, 2013*

	Unaudited FY 2013
Assets	
<i>Current assets</i>	
Cash - checking	\$ 374,418
Cash - money market	1,140,150
Prepays	208
<i>Total current assets</i>	1,514,776
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	917,759
Restricted cash - debt service fund CCC bonds	989,386
Restricted cash - debt service fund Berry Hill bonds	207
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,033
Capital assets not being depreciated	24,839,271
Capital assets being depreciated, net	27,794,063
Construction in progress	2,277,130
Unamortized bond issuance costs	627,906
<i>Total noncurrent assets</i>	59,445,755
Total assets	60,960,531
Liabilities	
<i>Current liabilities</i>	
Bonds payable - current portion	1,045,000
Unearned income	600
<i>Total current liabilities</i>	1,045,600
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	10,275,000
<i>Total noncurrent liabilities</i>	10,275,000
Total liabilities	11,320,600
Net Assets	
Invested in capital assets - net of related debt	48,125,755
Unrestricted	1,514,176
Total net assets	\$ 49,639,931

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 February 28, 2013 as of February 25, 2013, 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
*February 28, 2013**

	Unaudited FY 2013
Operating revenues	
Virginia Tobacco Commission Grants	5,708,878
Rental income	49,983
Total operating revenues	5,758,861
Operating expenses ⁴	
Mega Park expenses ³	64,979
Cane Creek Centre expenses ^{3, 5}	92,431
Cyber Park expenses ³	13,831
Professional fees	35,650
Insurance	5,456
Other operating expenses	2,104
Total operating expenses	214,451
Operating income	5,544,410
Non-operating revenues (expenses)	
Interest income	371
Interest expense	(68,449)
Total non-operating expenses, net	(68,078)
Net income before capital contributions	5,476,332
Capital contributions	
Contribution - City of Danville	339,488
Contribution - Pittsylvania County	339,488
Total capital contributions	678,976
Change in net assets	6,155,308
Net assets at July 1,	43,484,623
Net assets at February 28,	\$ 49,639,931

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 \$46,854 related to the \$7.3M bonds for Cane Creek.

*Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
February 28, 2013**

	Unaudited FY 2013
Operating activities	
Receipts from grant reimbursement requests	\$ 5,867,159
Receipts from leases	57,579
Payments to suppliers for goods and services	(289,397)
Net cash provided by operating activities	5,635,341
Capital and related financing activities	
Capital contributions	678,726
Interest paid on bonds	(192,085)
Principal repayments on bonds	(5,825,000)
Net cash used by capital and related financing activities	(5,338,359)
Investing activities	
Interest received	371
Net cash provided by investing activities	371
Net increase in cash and cash equivalents	297,353
Cash and cash equivalents - beginning of year (including restricted cash)	5,124,600
Cash and cash equivalents - through February 28, 2013 (including restricted cash)	\$ 5,421,953
Reconciliation of operating income before capital contributions to net cash provided by operating activities:	
Operating income	\$ 5,544,410
Adjustments to reconcile operating income to net cash provided by operating activities:	
Non-cash operating in-kind expenses	250
Changes in assets and liabilities:	
Change in prepaids	9,371
Change in due from other governments	158,281
Change in other receivables	17,886
Change in accounts payable	(84,851)
Change in unearned income	(8,506)
Change in security deposit	(1,500)
Net cash provided by operating activities	\$ 5,635,341

Components of cash and cash equivalents at February 28, 2013:	
American National - Checking	\$ 374,418
American National - General money market	1,140,150
Wachovia - \$7.3M Bonds CCC Debt service fund	989,386
Wachovia - \$7.3M Bonds CCC Project fund	917,759
US Bank - \$11.25M Bonds Berry Hill Debt service fund	207
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,033
	\$ 5,421,953