

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

Monday, April 8, 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 MARCH 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 – Jennifer H. Burnett, Clement & Wheatley, Authority's legal counsel
- B. Consideration of Resolution No. 2013-04-08-5B, approving the assignment by Dewberry & Davis, Inc., a North Carolina corporation, to Dewberry Engineers, Inc., a New York corporation, of that certain Amendment to Proposal for Technical Services dated April 1, 2003, which amendment is dated December 20, 2006 (project No. 50003249) – Ms. Burnett
- C. Consideration of Resolution No. 2013-04-08-5C, approving the assignment by Dewberry & Davis, Inc., a North Carolina Corporation, to Dewberry Engineers, Inc., a New York corporation, of that certain Standard Form of Agreement between Owner and Engineer for Professional Services dated as of February 9, 2009, which was Amended by Amendment No. 1 thereto dated October 6, 2009, and by Amendment No. 2 thereto dated December 3, 2010 (Project No. 50018376) – Ms. Burnett

6. NEW BUSINESS

- A. Consideration of Resolution No. 2013-04-08-6A, approving the grant to Lumos Networks, Inc., a Virginia corporation, of a 15-foot wide nonexclusive easement to construct, operate, maintain, replace and remove a communication system consisting of such cables, buried wires, conduits, and terminals, over a certain vacant portion of the Authority's Cyber Park project, commonly known as Lot 10C (Tax Parcel No. 76471), fronting on Riverpoint Drive, in Danville, Virginia, in order to attach to the AEP Transmission Tower Lease Area – Corrie M. Teague, Project Manager, City of Danville Office of Economic Development
- B. Update on the request by the Institute of Advanced Learning and Research, a political subdivision of the Commonwealth of Virginia, to have the Charles Hawkins Building, located in the Authority's Cyber Park, conveyed to the Institute of Advance Learning and Research – Joseph C. King, City Manager, City of Danville; Barbara A. Dameron, CPA, Authority Treasurer; and Patricia K. Conner, CPA, City of Danville Senior Accountant

Danville-Pittsylvania Regional Industrial Facility Authority

C. Financial Status Report as of March 31, 2013 – Ms. Dameron and Ms. Conner

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.

A. 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.

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

C. 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:	04/08/13
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

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

ATTACHMENTS

Meeting Minutes – 03/11/2013

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2013

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:12 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 James Snead and Alternate Jessie L. Barksdale. Vice Chairman Coy E. Harville was absent.

City/County staff members attending were: City Manager Joe King, County Administrator Dan Sleeper, Danville Finance Director/Authority Treasurer Barbara Dameron, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Jeremy Stratton, City of Danville Director of Public Works Ric Drazenovich, City of Danville Project Manager Corrie Teague, 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. Also present were Dewberry and Davis Project Manager Shawn Harding.

Chairman Saunders called the Meeting to order.

Mayor Saunders questioned Authority Attorney Michael Guanzon on procedure if both the Chairman and Vice Chairman were absent from a meeting. Mr. Guanzon noted that under the terms of the By-laws, the Secretary would call the meeting to order and then hold a temporary election of a presiding officer for the sole purpose of that meeting.

PUBLIC COMMENT PERIOD

Former Pittsylvania County Director of Economic Development Ken Bowman appeared before the RIFA Board stating he would like to address the board regarding what happened last Monday night after the Board of Supervisors meeting. Mr. Bowman noted he hopes the Board of Supervisors will try to get out to the public as to why they wanted to dismantle the Economic Development Office for Pittsylvania County and thanked Jeremy Stratton and his office and the alliance between the County and the City. Mr. Bowman discussed the trip to China, the contact made there, and an article he wrote about the trip which appears in the current *Virginia Business* magazine. Mr. Bowman stated it has been honor and pleasure to work with each and every one here.

APPROVAL OF MINUTES OF THE DECEMBER 10, 2012 MEETING

Upon **Motion** by Mr. Shanks and **second** by Mr. Snead, Minutes of the February 11, 2013 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

OLD BUSINESS

5A. CONSIDERATION – UPDATE ON RESOLUTION 2013-02-11-6C – DEWBERRY & DAVIS

Authority Attorney Michael Guanzon noted at the last meeting, the assignment of two contracts from Dewberry to Dewberry's affiliate company was approved and it was conditioned on two things that staff is in the process of getting resolved. The issue was to make sure Virginia law applied and that the venue would be in Pittsylvania County or City of

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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Danville depending where the project was located. Since the Dewberry affiliate is located outside of Virginia, if there is a dispute the contract would be governed under Virginia law and would be resolved within the state. Mr. Guanzon noted there is another update, just as a reminder, there was a connector road for the Mega Park that had been negotiated but had not yet been signed.

No Action is Required by the Board at this time.

NEW BUSINESS

6A. REPORT – WILLIAM H. LOCK'S OFFER TO SELL TO THE AUTHORITY LOTS 3A, 3B AND 3C ON ED HARDY ROAD

Governmental Affairs Consultant Lynwood Wright noted staff has reviewed this request and in the opinion of staff, that property adds no value to the Mega Park and they do not recommend that RIFA exercise that purchase option.

No Action is Required by the Board.

6B. PREPARATION OF THE AUTHORITY'S AGENDA MATERIAL AND DEADLINES

Danville City Manager Joe King noted this matter is provided to give the Board an understanding of the process staff uses to prepare agenda materials. If there are any items the Board needs to put on the agenda, members can simply notify the County Administrator if a County representative or the City Manager if a City representative and they will see that it gets placed on the agenda. Staff works almost a month ahead, the City and County staffs meet together with the Authority Attorney to go through and schedule agenda materials. Assignments are then made to respective staff members to follow up on items and prepare them for the agenda. Staff's goal is to make sure that when the Board convenes the meeting, it has received the agenda materials the Wednesday before the Monday meeting and that the Agenda, to the extent possible, is fully informative.

6C. UPDATE ON THE STATUS OF THE AUTHORITY'S MEGA PARK PROJECT

Assistant County Administrator for Planning & Development Gregory Sides noted that the Tobacco Commission has projected two more years of funding for the Mega Site programs and staff was working with VDOT on the connector road. The connector road project was funded through the Tobacco Commission for the Authority to do local engineering on the alignment for the connector road from 58 to Berry Hill Road. Staff is working with VDOT to try to get them to take that project on as a VDOT project.

Shawn Harding gave a brief update on the permitting status. The permit has been submitted and staff has received the first round of comments from DEQ. The permit has been split into two individual permits, one with DEQ and one with the Army Corp of Engineers. Last Thursday, Staff received six comment letters that were forwarded to them from the Army Corp of Engineers, and are currently working on a comment letter back to the permit. Mr. Hardin noted there are two issues the EPA has brought up: there are seven "Tobacco" funded Mega Sites in the state of Virginia and why are seven needed, and the second issue is the speculative nature of the project. Mr. Drazenovich noted that one of the requirements on the permitting is minimizing the impacts to the maximum extent possible.

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However, if it is not known who is going into the pad, you can't tell them if it has been minimized. If that question can't be answered, the permit can't be completed, and the pad can't be graded. If there isn't a client and the vetting process hasn't been gone through on how small of a pad, the configuration, then you haven't given them the information that is required on the permit, and therefore, it is not a complete application. And they are also objecting to the fact that mega sites have been built and sit for many, many years and not get filled.

Mr. King explained that staff is struggling on when to bring in legislative assistance and has said once the permit is applied for and denied, is appropriate. Staff also ought to be asking Robert Hurt and others to be looking at those federal regulations. Congress has the ability to clarify that in the case of industrial development an industrial park is an industrial park and is speculative by nature. Mr. King noted he believed it would be a legitimate role to ask Robert Hurt and others to address that legislation because it is hurting communities all over Virginia and the Country.

Mr. Harden also explained that if staff came in tomorrow with an industry that wants to locate at the Mega Park, with a site plan that is done around that industry and are willing to wait until that site gets graded, they would be give a permit. Henry County has been going through this process now for 18 months on Commonwealth Crossing. Mr. Stratton stated that it is not just on mega sites, any industrial property involved here on out is going to be virtually impossible to do. The City is dealing with this on the Coleman Site.

6D. FINANCIAL REPORT AS OF FEBRUARY 29, 2013

Authority Treasurer Barbara Dameron gave the financial status report beginning with the Cane Creek Centre Bonds, noting there is no change except a small amount of interest. Under General Expenses, the Authority expended \$250 for meals and utilities. The Mega Park Funding Other Than Bond Funds show no changes, no expenditures. The Berry Hill Mega Park, Lot 4 Site Development now shows the amount appropriated from the Funds Available for Appropriation and also from Rent, Interest and Other Income; \$181,000 is budgeted and the Authority has expended \$57,840 for the Virginia Water Protection Permit Fee. Funds Available for Appropriation shows the \$175,000 that was transferred to the Lot 4 and page 27 shows the \$5,600 in expenditures that was also transferred to Lot 4. The Receipts for February show a total of \$5,400 that was received in rental income. Unaudited Statements show Unearned Income of \$600 from the Mountain View Farm Lease.

7A. - CLOSED SESSION

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

At 12:45 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 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

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litigation” means litigation on which the Authority’s legal counsel has a reasonable basis to believe will be commenced against a known party.

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

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

Mr. Snead also **moved** that Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting 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.

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

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

On **Motion** by Mr. Shanks and **second** by Mr. Snead, and by unanimous vote at 1:03 p.m., the Authority returned to open meeting.

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 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. Snead and carried by the following vote:

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

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COMMUNICATIONS

Mr. Barksdale made a brief comment regarding the action of the Board of Supervisors and noted he was disappointed and ashamed of the action taken because it sends the wrong message to businesses and industry as well as citizens, taxpayers and those people whom the Board has taken an oath to look after. Mr. Barksdale stated he hopes that the Board will do the right thing, that it will devote time and energy to get the economic development interest initiatives on track and remain vigilant to do that.

Mr. Shanks noted he received a phone call from Robert Simms who owns land adjacent to the Mega Park who has indicated that the four-wheelers have taken over again and as many as seventeen to even as high as thirty, four-wheelers are crossing onto the Mega Park property. Mr. Sleeper responded that they are working with the Sheriff and City Police on that.

MEETING ADJOURNED AT 1:07 P.M.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-A
Meeting Date:	04/08/2013
Subject:	Resolution No. 2013-02-11-6C
From:	Tiffany Harris, Danville Executive Secretary

SUMMARY

Additional information will be supplied by the RIFA Attorney during the April 8th meeting.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-B
Meeting Date:	04/08/2013
Subject:	Resolution No. 2013-04-08-5B
From:	Tiffany Harris, Danville Executive Secretary

SUMMARY

Attached is Resolution No. 2013-04-08-5B as submitted by the RIFA Attorney. Additional background information will be provided during the meeting.

Resolution No. 2013-04-08-5B

A RESOLUTION TO APPROVE ASSIGNMENT BY DEWBERRY & DAVIS, INC., A NORTH CAROLINA CORPORATION, TO DEWBERRY ENGINEERS, INC., A NEW YORK CORPORATION, OF THAT CERTAIN AMENDMENT TO PROPOSAL FOR TECHNICAL SERVICES DATED APRIL 1, 2003, WHICH AMENDMENT IS DATED DECEMBER 20, 2006 (PROJECT NO. 50003249)

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 and Dewberry & Davis, Inc., a North Carolina corporation (the “**Prior Engineer**”), are parties to that certain Amendment to Proposal for Technical Services dated April 1, 2003, which amendment is dated December 20, 2006 and was executed by the Authority on December 21, 2006 (Project No. 50003249) (the “**Agreement**”); and

WHEREAS, the Prior Engineer has requested the Authority’s consent to the assignment of the Agreement by the Prior Engineer to Dewberry Engineers, Inc., a New York corporation (“**Dewberry**”), pursuant to that certain letter agreement dated December 10, 2012, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference (the “**Consent**”); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County and the City of Danville, Virginia for the Authority to consent to the assignment of the Agreement to Dewberry and execute and deliver the Consent, subject to Dewberry entering into Amendment No. 1 to the Agreement, a copy of which is attached hereto as Exhibit B and incorporated herein by this reference (the “**Amendment**”).

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby consents to the assignment of the Agreement by the Prior Engineer to Dewberry and approves the Consent as reviewed at this meeting, subject to Dewberry entering into the Amendment as reviewed at this meeting, each with such amendments, deletions or additions thereto as may be approved by the Chairman or Vice Chairman of the Authority, and hereby authorizes 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 Consent and the Amendment on behalf of the Authority, such execution of the Consent and 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 Consent and/or the Amendment, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

Resolution No. 2013-04-08-5B

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 Consent and/or 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 April 8, 2013, 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 April 2013.

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

(SEAL)

Resolution No. 2013-04-08-5B

Exhibit A

(See attached)



December 10, 2012

Danville Pittsylvania County Regional
Industrial Facility Authority (RIFA)
Mr. Gary Via
Purchasing Department
P.O. Box 3300
Danville, VA 24543

Dewberry & Davis, Inc.
551 Piney Forest Road
Danville, VA 24540-3353
434.797.4497
434.797.4341 fax
www.dewberry.com

Re: Assignment of Dewberry & Davis, Inc. Contract to Dewberry Engineers Inc.

Dear Mr. Via:

At year end, Dewberry & Davis, Inc. will transfer its engineering operations to its sister company, Dewberry Engineers Inc. After the consolidation, the project personnel you currently work with will remain the same; you will have the same main point of contact. Dewberry Engineers Inc.'s insurance program will also be the same. You will receive a new certificate of insurance in January.

As part of the transfer of Dewberry & Davis, Inc.'s engineering staff, assets and business to Dewberry Engineers Inc., this letter provides notice of, and requests your consent to, the assignment by Dewberry & Davis, Inc. to Dewberry Engineers Inc. of all of Dewberry & Davis, Inc.'s rights, title, and interest in and under the below listed agreements between Dewberry & Davis, Inc. and RIFA ("Client").

Existing agreements between Dewberry & Davis, Inc. and Client:

Dewberry & Davis, Inc. Project No.	Client Project No.	Dewberry & Davis, Inc. Project Name	Client Project Manager
50003249		Wetlands Monitoring - Cane Creek	Shawn Harden

Dewberry & Davis, Inc. respectfully requests that you signify your approval and confirmation of the above by executing this letter and returning it as soon as possible in the enclosed pre-addressed, stamped envelope.

Thank you for your prompt attention to this matter. We appreciate your assistance as we organize our operations to best support our clients and to better align with how most people know us, as "Dewberry." Should you have any questions about this request or need any additional documentation, please call me 434.549.8508.

Sincerely,

Dewberry & Davis, Inc.

By: Shawn Harden, P.E.
Title: Associate/Project Manager

CONSENTED, ACKNOWLEDGED AND AGREED TO:

Danville Pittsylvania County Regional Industrial Facility Authority

Signature

By: _____

Title: _____

Date: _____



Exhibit B

Project No. 50003249

THIS AMENDMENT NO. 1 (this “**Amendment**”) dated _____, 2013 to Amendment to Proposal for Technical Services dated April 1, 2003, which amendment is dated December 20, 2006 and was executed by DPRIFA on December 21, 2006 (the “**Agreement**”), by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**DPRIFA**” or “**Owner**”), and **DEWBERRY ENGINEERS INC.**, a New York corporation (“**Dewberry**” or “**Engineer**”), provides as follows:

Dewberry & Davis, Inc. (the “**Prior Engineer**”) was the original party to the Agreement. The Prior Engineer requested that DPRIFA consent to the Prior Engineer’s assignment of the Agreement, and all of the Prior Engineer’s right, title, and interest therein, to Engineer. For and in consideration of DPRIFA giving such consent to assignment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby amend the Agreement, as follows:

Section 1. - Controlling Law; Designated Representatives – Page 4. Add the following new paragraphs after “**FEES**”:

“CONTROLLING LAW

This letter agreement (this “**Agreement**”) shall be governed by the laws of the Commonwealth of Virginia, its conflict of laws provisions excepted. Dewberry and Danville-Pittsylvania Regional Industrial Facility Authority (“**Owner**”) hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Agreement, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts.”

“APPROVAL OF CONSULTANTS AND EMPLOYEES OF ENGINEER

Dewberry shall submit to Owner the names of the Consultants and other agents, employees, and independent contractors selected by Dewberry to perform the services specified herein (collectively, the “**Selected Personnel**”). The Selected Personnel shall be subject to Owner’s prior approval. Upon request by Owner, Dewberry shall remove from service and substitute any one or more Selected Personnel identified by Owner.”

Section 2. - Counterparts. This Amendment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment.

Resolution No. 2013-04-08-5B

Section 3. - Effect on Agreement. Except as amended in this Amendment, all other terms, provisions, and conditions of the Agreement shall remain in full force and effect, and the parties ratify and confirm that the Agreement, as amended by this Amendment, is and remains in full force and effect.

IN TESTIMONY WHEREOF, witness our signatures to this **AMENDMENT** as of the date first above written:

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

DEWBERRY ENGINEERS INC., a New
York corporation

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-C
Meeting Date:	04/08/2013
Subject:	Resolution No. 2013-04-08-5C
From:	Tiffany Harris, Danville Executive Secretary

SUMMARY

Attached is Resolution No. 2013-04-08-5C as submitted by the RIFA Attorney. Additional background information will be provided during the meeting.

Resolution No. 2013-04-08-5C

A RESOLUTION TO APPROVE ASSIGNMENT BY DEWBERRY & DAVIS, INC., A NORTH CAROLINA CORPORATION, TO DEWBERRY ENGINEERS, INC., A NEW YORK CORPORATION, OF THAT CERTAIN STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES DATED AS OF FEBRUARY 9, 2009, WHICH WAS AMENDED BY AMENDMENT NO. 1 THERETO DATED OCTOBER 6, 2009, AND BY AMENDMENT NO. 2 THERETO DATED DECEMBER 3, 2010 (PROJECT NO. 50018376)

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 and Dewberry & Davis, Inc., a North Carolina corporation (the “**Prior Engineer**”), are parties to that certain Standard Form of Agreement Between Owner and Engineer for Professional Services dated as of February 9, 2009, which was amended by Amendment No. 1 thereto dated October 6, 2009 and executed by the Authority on October 15, 2009, and by Amendment No. 2 thereto dated December 3, 2010 and executed by the Authority on December 21, 2010 (Project No. 50018376) (the “**Agreement**”); and

WHEREAS, the Prior Engineer has requested the Authority’s consent to the assignment of the Agreement by the Prior Engineer to Dewberry Engineers, Inc., a New York corporation (“**Dewberry**”), pursuant to that certain letter agreement dated December 10, 2012, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference (the “**Consent**”); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County and the City of Danville, Virginia for the Authority to consent to the assignment of the Agreement to Dewberry and execute and deliver the Consent, subject to Dewberry entering into Amendment No. 3 to the Agreement, a copy of which is attached hereto as Exhibit B and incorporated herein by this reference (the “**Amendment**”).

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby consents to the assignment of the Agreement by the Prior Engineer to Dewberry and approves the Consent as reviewed at this meeting, subject to Dewberry entering into the Amendment as reviewed at this meeting, each with such amendments, deletions or additions thereto as may be approved by the Chairman or Vice Chairman of the Authority, and hereby authorizes 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 Consent and the Amendment on behalf of the Authority, such execution of the Consent and 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.

Resolution No. 2013-04-08-5C

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 Consent and/or 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 Consent and/or 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 April 8, 2013, 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 April 2013.

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

(SEAL)

Resolution No. 2013-04-08-5C

Exhibit A

(See attached)



December 10, 2012

Danville Pittsylvania County Regional
Industrial Facility Authority (RIFA)
Mr. Gary Via
Purchasing Department
P.O. Box 3300
Danville, VA 24543

Dewberry & Davis, Inc.
551 Piney Forest Road
Danville, VA 24540-3353
434.797.4497
434.797.4341 fax
www.dewberry.com

Re: Assignment of Dewberry & Davis, Inc. Contract to Dewberry Engineers Inc.

Dear Mr. Via:

At year end, Dewberry & Davis, Inc. will transfer its engineering operations to its sister company, Dewberry Engineers Inc. After the consolidation, the project personnel you currently work with will remain the same; you will have the same main point of contact. Dewberry Engineers Inc.'s insurance program will also be the same. You will receive a new certificate of insurance in January.

As part of the transfer of Dewberry & Davis, Inc.'s engineering staff, assets and business to Dewberry Engineers Inc., this letter provides notice of, and requests your consent to, the assignment by Dewberry & Davis, Inc. to Dewberry Engineers Inc. of all of Dewberry & Davis, Inc.'s rights, title, and interest in and under the below listed agreements between Dewberry & Davis, Inc. and RIFA ("Client").

Existing agreements between Dewberry & Davis, Inc. and Client:

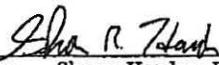
Dewberry & Davis, Inc. Project No.	Client Project No.	Dewberry & Davis, Inc. Project Name	Client Project Manager
50018376		Berry Hill Industrial park	Shawn Harden

Dewberry & Davis, Inc. respectfully requests that you signify your approval and confirmation of the above by executing this letter and returning it as soon as possible in the enclosed pre-addressed, stamped envelope.

Thank you for your prompt attention to this matter. We appreciate your assistance as we organize our operations to best support our clients and to better align with how most people know us, as "Dewberry." Should you have any questions about this request or need any additional documentation, please call me 434.549.8508.

Sincerely,

Dewberry & Davis, Inc.


By: Shawn Harden, P.E.
Title: Associate/Project Manager

CONSENTED, ACKNOWLEDGED AND AGREED TO:
Danville Pittsylvania County Regional Industrial Facility Authority

Signature
By: _____
Title: _____
Date: _____



Exhibit B

Project No. 50018376

THIS AMENDMENT NO. 3 (this “**Amendment**”) dated _____, 2013 to Standard Form of Agreement Between Owner and Engineer for Professional Services dated as of February 9, 2009 (the “**Main Agreement**”), which was amended by Amendment No. 1 thereto dated October 6, 2009 and executed by DPRIFA on October 15, 2009, and by Amendment No. 2 thereto dated December 3, 2010 and executed by DPRIFA on December 21, 2010 (the “**Prior Amendments**” and together with the Main Agreement, the “**Agreement**”), by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**DPRIFA**” or “**Owner**”), and **DEWBERRY ENGINEERS INC.**, a New York corporation (“**Engineer**”), provides as follows:

Dewberry & Davis, Inc. (the “**Prior Engineer**”) was the original party to the Agreement. The Prior Engineer requested that DPRIFA consent to the Prior Engineer’s assignment of the Agreement, and all of the Prior Engineer’s right, title, and interest therein, to Engineer. For and in consideration of DPRIFA giving such consent to assignment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby amend the Agreement, as follows:

Section 1. - Controlling Law – Page 7. Add the following new paragraph after paragraph 6.06.A in the Main Agreement:

“B. The parties hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Agreement, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts.”

Section 2. - Indemnification and Mutual Waiver – Page 9. Add the following new paragraph after paragraph 6.10.E in the Main Agreement:

“F. The parties acknowledge that in light of the fact that Owner is a political subdivision of the Commonwealth of Virginia, nothing in paragraph 6.10.B or paragraph 6.10.C imposes an obligation on Owner to pledge the faith and credit of Owner within the meaning of any constitutional debt limitation; to delegate governmental powers; to make a donation or to lend credit of Owner within the meaning of the Constitution of Commonwealth of Virginia; or to, directly or indirectly or contingently, obligate Owner to make any payments beyond those appropriated for any fiscal year in which such document is in effect.”

Section 3. - Designated Representatives – Page 12. Add the following new paragraph 8.05.A to the Main Agreement:

“8.05 Approval of Consultants and Employees of Engineer.

Resolution No. 2013-04-08-5C

A. Engineer shall submit to Owner the names of the Consultants and other agents, employees, and independent contractors selected by Engineer to perform the services specified in this Agreement (collectively, the “**Selected Personnel**”). The Selected Personnel shall be subject to Owner’s prior approval. Upon request by Owner, Engineer shall remove from service and substitute any one or more Selected Personnel identified by Owner.”

Section 4. - Counterparts. This Amendment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment.

Section 5. - Effect on Agreement. Except as amended in this Amendment, all other terms, provisions, and conditions of the Agreement shall remain in full force and effect, and the parties ratify and confirm that the Agreement, as amended by this Amendment, is and remains in full force and effect.

IN TESTIMONY WHEREOF, witness our signatures to this **AMENDMENT** as of the date first above written:

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

DEWBERRY ENGINEERS INC., a New
York corporation

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6-A
Meeting Date:	04/08/2013
Subject:	Lumos Networks Request for Easement
From:	Corrie Teague, Danville Economic Development Project Manager

SUMMARY

Lumos Networks is requesting an easement on RIFA property (Parcel 76471) in order to place fiber optic facilities to the AEP transmission/cell tower off of Riverpoint Drive in the Cyber Park.

BACKGROUND

Lumos Networks is a fiber-based service provider in the Mid-Atlantic region. They provide data, broadband, voice and IP services over an expanding fiber optic network. Lumos Networks has a hundred year history of innovative product offerings and exceptional customer service. Their product offerings include high-speed transport, wavelengths and Metro Ethernet. Their diversified portfolio is attractive to carriers with needs for transport and fiber to the cell site and to regional enterprise customers seeking high-quality data and IP services and interconnection to data centers in our region. Lumos Networks offers a complete suite of data and voice products supported by approximately 5,800 fiber-route miles in Virginia, West Virginia, and portions of Pennsylvania, Maryland, Ohio and Kentucky. They use an on-network service strategy that ensures redundancy and reliability.

Lumos is requesting approval to construct, operate, maintain, replace and remove a communication system consisting of such cables, buried wires, conduits, terminals, as the grantees may from time to time require, upon, under, across and over the land which the undersigned owns or in which the undersigned have any interest; said land being located and described as follows: Parcel ID Number 76471, which is described as 271 Riverpoint Drive, Danville, VA.

RECOMMENDATION

Staff recommends that the board approves this request.

ATTACHMENTS

1. Resolution
2. Easement

A RESOLUTION APPROVING THE GRANT TO LUMOS NETWORKS, INC., A VIRGINIA CORPORATION, OF A 15-FOOT WIDE NONEXCLUSIVE EASEMENT TO CONSTRUCT, OPERATE, MAINTAIN, REPLACE AND REMOVE A COMMUNICATION SYSTEM CONSISTING OF SUCH CABLES, BURIED WIRES, CONDUITS, AND TERMINALS, OVER A CERTAIN VACANT PORTION OF THE AUTHORITY'S CYBER PARK PROJECT, COMMONLY KNOWN AS LOT 10C (TAX PARCEL NO. 76471), FRONTING ON RIVERPOINT DRIVE, IN DANVILLE, VIRGINIA, IN ORDER TO ATTACH TO THE AEP TRANSMISSION TOWER LEASE AREA

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, Lumos Networks, Inc., a Virginia corporation (“**Lumos**”), is a fiber-based service provider in the Mid-Atlantic region that provides data, broadband, voice and IP services over an expanding fiber optic network; and

WHEREAS, Lumos’s diversified portfolio provides services to carriers with needs for transport and fiber to the cell site and to regional enterprise customers seeking high-quality data and IP services and interconnection to data centers in Pittsylvania County, Virginia, Danville, Virginia and others. Lumos’s data and voice products are supported by approximately 5,800 fiber-route miles in Virginia, West Virginia, and portions of Pennsylvania, Maryland, Ohio and Kentucky; and

WHEREAS, Lumos requests a fifteen (15) foot wide nonexclusive easement to construct, operate, maintain, replace and remove a communication system consisting of such cables, buried wires, conduits, and terminals, over a certain vacant portion of the Authority’s Cyber Park project, commonly known as Lot 10C (Tax Parcel No. 76471), fronting on Riverpoint Drive, in Danville, Virginia, in order to attach to the AEP Transmission Tower Lease Area (the “**Communications Easement**”), a copy of which is attached hereto as **Exhibit A**, incorporated herein by this reference; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County and the City of Danville, and the improvement of the Authority's Cyber Park project for the Authority to execute and deliver the Communications Easement to Lumos.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the Communications Easement as set forth in **Exhibit A** and as reviewed at this meeting, together with such amendments, deletions or additions thereto as may be approved by the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, and hereby authorizes the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, to execute and

Resolution No. 2013-04-08-6A

deliver the Communications Easement on behalf of the Authority, such execution of the Communications Easement by the Chairman and/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 Communications Easement, 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 Communications Easement 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 April 8, 2013, 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 April 2013.

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

(SEAL)

Resolution No. 2013-04-08-6A

Exhibit A
(Communications Easement)

THIS RIGHT OF WAY AGREEMENT is made and entered into this ____ day of _____ 2013, by and between

DANVILLE PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

("GRANTOR (S)") and Lumos Networks Inc., a corporation organized and doing business under the laws of the Commonwealth of Virginia, with its principal office in Waynesboro, Virginia ("GRANTEE").

Received of the Lumos Networks Inc. the sum of One Dollar (\$1.00) in consideration of which the undersigned hereby grant and convey unto said Company, its subsidiaries, its successors, assigns, lessees and agents, a right of way and easement of 15 feet in width, as per attached plat **P3DAVL105V-E1**, to construct, operate, maintain, replace and remove a communication system consisting of such cables, buried wires, conduits, terminals, as the grantees may from time to time require, upon, under, across and over the land which the undersigned owns or in which the undersigned have any interest; said land being located and described as follows: **Parcel ID Number 76471, which is described as 271 Riverpoint Dr, Danville, VA**, together with the following rights: Of ingress and egress over, under and across the lands of the undersigned to and from said systems for the purpose of exercising the rights herein granted.

Grantee agrees to quit claim easement upon written notice from Grantor that services will no longer be provided to the location mentioned above.

GRANTEE shall repair damage to roads, fences, or other improvements and shall pay for other damage when such damage results from the construction, inspection or maintenance of GRANTEE facilities, provided owner gives written notice thereof to GRANTEE within thirty (30) days after such damage occurs.

WITNESS the following signature(s) and seal(s) this ____ day of _____, 20____.

(SEAL)

_____ (Print Name)

_____ (Signature)

_____ (Title)

STATE OF VIRGINIA

To-wit:

City / County of _____

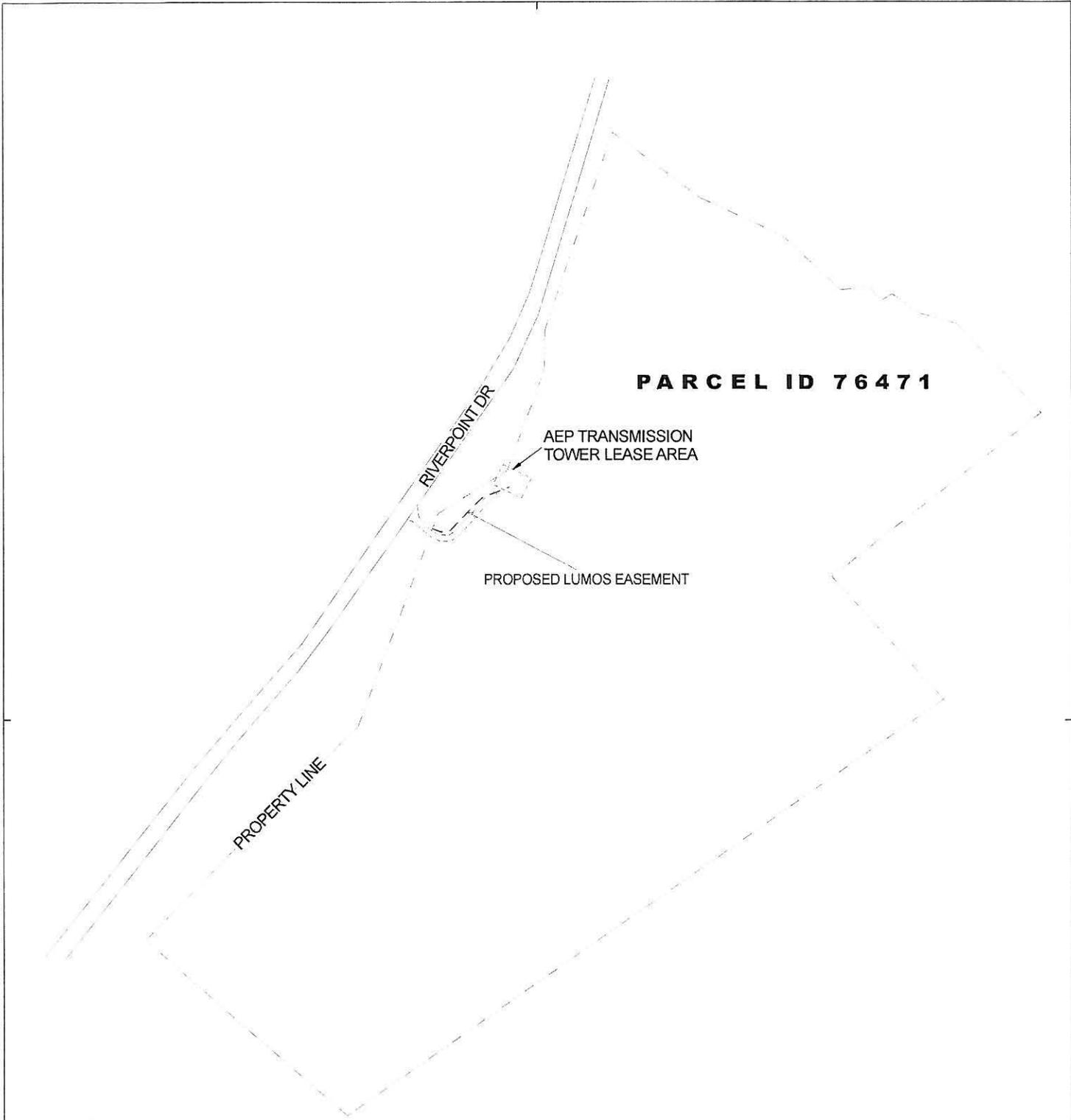
I, _____, a Notary Public in and for the State aforesaid, whose commission expires on the ____ day of _____, 20____, do hereby certify that

_____ whose name(s) _____ signed to the foregoing writing dated the ____ day of _____, 20____, acknowledged the same before me in the City / County aforesaid this ____ day of _____, 20____.

NOTARY PUBLIC

PREPARED BY: **Lumos Networks, Inc.**

Outside Plant Engineering 524 West Broad St Waynesboro, VA 22980 (540) 949-3454



PARCEL ID 76471

RIVERPOINT DR

AEP TRANSMISSION
TOWER LEASE AREA

PROPOSED LUMOS EASEMENT

PROPERTY LINE

LUMOS NETWORKS Plat to Accompany
Our Technology Comes with People **Right of Way Agreement**

DANVILLE PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
 PROPERTY OF

DANVILLE VIRGINIA
 CITY OR COUNTY STATE

P3DAVL105V P3DAVL105V E-1
 WORK ORDER NUMBER PLAT NUMBER

3/26/13 RICHARD PATTERSON
 DATE BY

DENOTES CENTERLINE
 OF LUMOS NETWORKS
 INC. EASEMENT. ————

PLACEMENT OF LUMOS CABLE
 WILL DETERMINE CENTERLINE
 OF EASEMENT.

DRAWING IS A REPRESENTATION
 OF PROPERTY AND IS NOT TO SCALE.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6-B
Meeting Date:	04/08/2013
Subject:	Hawkins Research Center Request
From:	Joe King, Danville City Manager

SUMMARY

The Institute for Advanced Learning & Research (Institute) leases the Charles Hawkins Research Center from RIFA for its own use and to house tenants. This January, RIFA received the accompanying letter from the Institute's Executive Director, Dr. Liam Leightley, requesting that ownership of the Center be transferred to the Institute. The City and County staff have been working since January with the Institute and grant funding authorities to identify available options.

BACKGROUND

The Hawkins Center was funded through a combination of local contributions and grants from the Tobacco Commission and Economic Development Administration (EDA). The EDA grant requires that RIFA charge users of the Center market lease rates. Funds generated through lease payments must be used by RIFA to maintain the building and are not available for other purposes. As noted in Dr. Leightley's letter, to cover both RIFA's lease charges and its operating expenses requires that the Institute charge its tenants a \$23 per square foot lease rate. This is more than double the area's market rates.

When the Hawkins Center lease was first established, it was assumed that the Institute would be able to both pay lease rates to RIFA and cover its operating costs with funds from Virginia Tech and state appropriations. This is no longer possible due to state budget cuts. The Institute reports that it will have to leave the Hawkins Center if a way cannot be found to reduce its costs. Two options are available to avoid this:

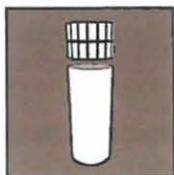
1. Transfer ownership of the Charles Hawkins Research Center to the Institute; or
2. Maintain RIFA's ownership, but pay the Institute a fee to manage the facility that would offset its lease expenses.

RECOMMENDATION

Staff will review these options at the April 8th RIFA Board meeting.

ATTACHMENTS

January 2, 2013 letter from Dr. Liam Leightley



THE INSTITUTE

FOR ADVANCED LEARNING AND RESEARCH

January 2, 2013

Danville-Pittsylvania Regional Industrial Facility Authority
% Mayor Sherman M. Saunders, RIFA Chairman
P. O. Box 3300
Danville, VA 24543

Via: Hand Delivery

Members of the Authority:

The Institute for Advanced Learning & Research (Institute) is more committed to economic development than ever before. The organization is making a significant effort to drive our technology development efforts toward active commercialization. A clear example of this effort will be our first commercial "spin-off" which we are planning for early in the second quarter of 2013. Our commercialization focus means that we need to have "more" efforts in the pipeline and we need your help.

The Charles Hawkins Research Center is a wonderful annex to the Institute but the cost to operate the facility runs about \$11.00 per square foot. Under the terms of our lease with the Authority we must also pay you an additional \$10.00 per square foot for occupied space. Factoring in a modest 10% over cost means we must charge tenants \$23.00 per square foot and that, for our region, is high. It is especially challenging for any start-ups or fledgling businesses. This financial challenge has borne true with our first planned spin-off. When the spin-off is completed it will vacate Hawkins and occupy a larger space at less cost.

It is our plan to focus most of the Hawkins space on the development of new businesses and entities. Toward that end, we have identified a second prospective spin-off and decided if we can reach an amenable agreement, to house that group in three of the Hawkins labs until it is ready to "graduate" likely in 2015. We are also a partner with The Launch Place and all our economic developers to bring new and developing businesses onto the Institute campus. The Institute can materially help these businesses to develop and better apply intellectual property, grow and benefit from our

Liam E. Leightley, Ph.D. | Executive Director
150 Slayton Avenue | Danville, VA 24540 | Voice: 434-766-6713 | Fax: 434-791-3279 | www.ialr.org |
liam.leightley@ialr.org

technical and business research capabilities, and help in the development and training of their employees to optimize productivity and quality. Every effort will be made to help these businesses become successful and job creating employers. Moreover, we have additional technologies and intellectual property that we can place within the business community and nurture it to successful business applications.

But we need to be able to do all of this on a cost-effective basis.

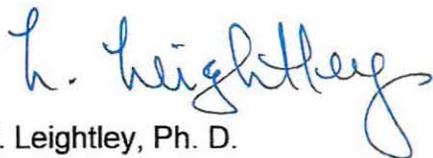
If the Authority could transfer the ownership of the Hawkins building to the Institute, we would be able to dramatically reduce the cost charged to tenants and strengthen the economic development efforts of our community. We would bring the full resources of the Institute to bear on driving economic change into all levels of our community – whether they are existing businesses and start-up operations, established entrepreneurs or one of our citizens whose dream is to run his or her own business. This will help us put “more” effort into the commercialization development pipeline.

On the other side of this opportunity lies a harsh reality. If we cannot change the financial structure of the Hawkins Research Center, then the Institute must dramatically adjust its current arrangement on the property. We cannot continue to spend over \$400,000 per year on a nearly empty building. As our lease with the Authority expires in May 2013, we will be unable to renew it under the terms currently in place.

We are extremely hopeful that you can help us in our mission to drive economic and community transformation. The Institute is making a significant effort and focus to drive new product development, new processes and technologies that our community can commercialize in the near term to grow new businesses and create more jobs.

If you have any questions, please feel free to contact myself or Michael Duncan (434-766-6653; michael.duncan@ialr.org).

Wishing each of you the best for the New Year,



Liam E. Leightley, Ph. D.
Executive Director

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6-C
Meeting Date:	04/08/2013
Subject:	Financial Status Reports – March 31, 2013
From:	Barbara A. Dameron, Authority Treasurer

SUMMARY

A review of the financial status reports through March 31, 2013 will be provided at the meeting. The financial status reports as of March 31, 2013 are attached for the RIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of March 31, 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 March 31, 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>
Funds from bond issuance	\$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	486,558.60				
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	13,774.62	58,106.38	
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		-	22,089.70	-	
Total	\$ 7,631,059.02	\$ 4,311,140.12	\$ 6,758,413.18	\$ 58,106.38	<u>\$ 814,539.46</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 March 31, 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				
Transfer in from Rent for Charles Hawkins Bldg	33,777.98				
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		108,777.98	60,507.30	-	48,270.68
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	2,044.62	-	755.38
Utilities		4,000.00	183.52	-	3,816.48
Insurance		6,000.00	-	-	6,000.00
Total	<u>\$ 194,820.91</u>	<u>\$ 194,820.91</u>	<u>\$ 88,359.55</u>	<u>\$ -</u>	<u>\$ 106,461.36</u>

¹ The rent proceeds from the Charles Hawkins Research Building are restricted by the EDA. RIFA is allowed to reimburse the General Expenditures budget for expenses of the building after the EDA grant closeout date of 7/31/2008. This transfer is to utilize part of the rent proceeds of the Hawkins Building to reimburse RIFA's General Expenditures budget for such expenses paid by it for the Hawkins Building.

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of March 31, 2013

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
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	
Total	\$ 14,231,524.83	\$ 14,231,524.83	\$ 14,190,559.30	\$ 40,965.53	\$ (0.00)

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 March 31, 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	<u>\$ 7,889,153.00</u>	<u>\$ 57,840.00</u>	<u>\$ 57,840.00</u>	<u>\$ -</u>	<u>\$ 7,831,313.00</u>

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 March 31, 2013

<i>Source of Funds</i>	<u>Funding</u>	<u>Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</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				
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 March 31, 2013

Source of Funds	Funding			Expenditures	Unexpended / Unencumbered
	Carryforward from FY2012	Receipts March 2013	Receipts FY2013		
<u>Carryforward</u>	\$ 376,519.31				
<u>Current Lessees</u>					
Institute for Advanced Learning and Research (IALR) ¹	Cyberpark	Hawkins Research Bldg at 230 Slayton Ave.	\$ 3,904.51	\$ 58,182.38	
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.	300.00	2,400.00	
Axxor N.A. LLC ³	Cane Creek	Apartments at 390 Cedar Lane	-	500.00	
Guilford Whitehall Management	Berry Hill	Kluttz 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 Stalentine Bridge Rd.	-	1,200.00	
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>			\$ 4,204.51	\$ 63,282.38	
<u>Interest Received</u> ²			\$ 26.24	\$ 230.60	
<u>Expenditures</u>					
Transfer to Berry Hill Mega Park Lot 4 Project ⁵				\$ 5,683.83	
Transfer to General Expenditures budget - Hawkins Bldg ⁶				\$ 33,777.98	
<u>Totals</u>			\$ 376,519.31	\$ 4,230.75	\$ 63,512.98
				\$ 39,461.81	\$ 400,570.48

Restricted ¹ \$ 349,582.04
Unrestricted \$ 50,988.44

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.

⁶ The rent proceeds from the Charles Hawkins Research Building are restricted by the EDA as stated in note 1. RIFA is allowed to reimburse the General Expenditures budget for expenses paid for the building after the EDA grant closeout date of 7/31/2008. This transfer is to utilize part of the rent proceeds of the Hawkins Building to reimburse RIFA's General Expenditures budget for such expenses paid by it for the Hawkins Building.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Assets^{1, 2}
*March 31, 2013**

	Unaudited FY 2013
Assets	
<i>Current assets</i>	
Cash - checking	\$ 361,342
Cash - money market	1,140,176
Prepays	208
<i>Total current assets</i>	1,501,726
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	917,763
Restricted cash - debt service fund CCC bonds	988,527
Restricted cash - debt service fund Berry Hill bonds	114,816
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,050
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>	59,559,526
Total assets	61,061,252
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	48,239,526
Unrestricted	1,501,126
Total net assets	\$ 49,740,652

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 March 31, 2013 as of March 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
*March 31, 2013**

	Unaudited FY 2013
Operating revenues	
Virginia Tobacco Commission Grants	5,708,878
Rental income	54,188
Total operating revenues	5,763,066
Operating expenses ⁴	
Mega Park expenses ³	69,065
Cane Creek Centre expenses ^{3, 5}	95,825
Cyber Park expenses ³	16,118
Professional fees	42,910
Insurance	5,456
Other operating expenses	2,359
Total operating expenses	231,733
Operating income	5,531,333
Non-operating revenues (expenses)	
Interest income	418
Interest expense	(69,307)
Total non-operating expenses, net	(68,889)
Net income before capital contributions	5,462,444
Capital contributions	
Contribution - City of Danville	396,793
Contribution - Pittsylvania County	396,792
Total capital contributions	793,585
Change in net assets	6,256,029
Net assets at July 1,	43,484,623
Net assets at March 31,	\$ 49,740,652

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
*March 31, 2013**

	Unaudited FY 2013
Operating activities	
Receipts from grant reimbursement requests	\$ 5,867,159
Receipts from leases	61,784
Payments to suppliers for goods and services	(306,679)
Net cash provided by operating activities	5,622,264
Capital and related financing activities	
Capital contributions	793,335
Interest paid on bonds	(192,943)
Principal repayments on bonds	(5,825,000)
Net cash used by capital and related financing activities	(5,224,608)
Investing activities	
Interest received	418
Net cash provided by investing activities	418
Net increase in cash and cash equivalents	398,074
Cash and cash equivalents - beginning of year (including restricted cash)	5,124,600
Cash and cash equivalents - through March 31, 2013 (including restricted cash)	\$ 5,522,674
Reconciliation of operating income before capital contributions to net cash provided by operating activities:	
Operating income	\$ 5,531,333
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	\$ 5,622,264

Components of cash and cash equivalents at March 31, 2013:	
American National - Checking	\$ 361,342
American National - General money market	1,140,176
Wachovia - \$7.3M Bonds CCC Debt service fund	988,527
Wachovia - \$7.3M Bonds CCC Project fund	917,763
US Bank - \$11.25M Bonds Berry Hill Debt service fund	114,816
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,050
	\$ 5,522,674