

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

Monday, May 13, 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 FOR THE APRIL 8, 2013 MEETING

5. OLD BUSINESS

- A. Update on options on how to respond to 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 Advanced Learning and Research – Joseph C. King, City Manager, City of Danville

6. NEW BUSINESS

- A. Discussion on the Authority's leasing strategy and practice for real property located in the Authority's Mega Park site located in Pittsylvania County, Virginia – Gregory L. Sides, Assistant County Administrator, Pittsylvania County
- B. Discussion on request by Applefield Farms, based in Browns Summit, North Carolina, to lease the "Trayham Farm" (GPIN 1367-70-4519) located in the Authority's Mega Park site in Pittsylvania County, Virginia, "for grazing for cattle, and crop land for small grains – corn, wheat or soybeans" – Mr. Sides
- C. Consideration of Resolution No. 2013-05-13-6C, approving a one-year renewal of the lease to the Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Mega Park site (a portion of GPINs 1366-78-4718 and 1367-70-4519), owned by the Authority, commonly known as 4380 Berry Hill Road; and the lease would be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$1,000 – William D. Sleeper, County Administrator, Pittsylvania County
- D. Consideration of Resolution No. 2013-05-13-6D, approving a one-year renewal of the hunting lease with Guilford Whitetail Management, a North Carolina corporation, as tenant, of approximately 1,073.94 acres at the Authority's Mega Park site (GPINs 1366-54-5996, 1367-42-8434, 1377-01-1754 and a portion of 1356-75-8216), commonly known as the Klutz Farm, for the uses of hunting, fishing and related outdoor recreational activities, at a total rental fee of \$5,000 – Mr. Sleeper

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- E. Financial Status Report as of April 30, 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.

- 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 on *Danville-Pittsylvania Regional Industrial Facility Authority v. AVRC, Inc.*, Case No. CL12000634-00, 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.
- 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:	05/13/13
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's review and approval are the minutes from the Monday, April 8, 2013 meeting.

ATTACHMENTS

Meeting Minutes – 04/08/13

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
April 8, 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, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Project Manager Corrie Teague, Governmental Affairs Consultant Lynwood Wright, City of Danville Senior Accountant Patricia Conner, Clement & Wheatley Attorney Jennifer Burnett and Secretary to the Authority Susan DeMasi.

Chairman Saunders called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE MARCH 11, 2013 MEETING

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

OLD BUSINESS

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

Authority Attorney Jennifer Burnett noted at a prior meeting the Board discussed the Executive Summary regarding Dewberry & Davis' request that the current contracts for the wetlands and the Mega Park be transferred to a sister company, a New York corporation. There was discussion at that meeting regarding additional protections to write into an amendment to those contracts as consideration for giving the consent. Those assignments will be discussed and voted on in the next two agenda items.

No Action is Required by the Board.

5B. CONSIDERATION – RESOLUTION NO. 2013-04-08-5B – ASSIGNMENT BY DEWBERRY & DAVIS, INC. TO DEWBERRY ENGINEERS – AMENDMENT TO PROPOSAL DATED APRIL 1, 2003

Authority Attorney Jennifer Burnett noted this amendment pertains to the Wetlands Monitoring, and takes into account the items discussed in order to give consent, to make sure the controlling law would always be Virginia and venue would be Pittsylvania County.

Mr. Shanks **moved** adoption of *Resolution 2013-04-08-5B, approving the assignment by Dewberry & Davis, Inc., a North Carolina corporation, to Dewberry Engineers, Inc., a New*

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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).

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)

5C. CONSIDERATION – RESOLUTION NO. 2013-04-08-5C – ASSIGNMENT BY DEWBERRY & DAVIS TO DEWBERRY ENGINEERS – AGREEMENT BETWEEN OWNER AND ENGINEER DATED FEBRUARY 9, 2009

Authority Attorney Jennifer Burnett explained this amendment is for the contract for the Berry Hill Mega Park. It addresses the controlling law, which is already Virginia in the contract, but to also make sure venue for any proceeding that would arise under the contract would always be in Pittsylvania County. It also addresses an indemnification provision in the contract that states that RIFA, as a political subdivision, would not be able to indemnify.

Mr. Shanks **moved** adoption 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).*

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)

NEW BUSINESS

6A. CONSIDERATION – RESOLUTION NO. 2013-04-08-6A – APPROVING GRANT TO LUMOS NETWORKS, INC.

Ms. Teague noted Mr. Richard Patterson from Lumos was here today, and that Lumos is requesting an easement to run fiber down Riverpoint Drive. Lumos will be in contact with Danville Utilities about an easement, but are coming to RIFA to request an easement on this particular lot to run the lines from Riverpoint up to the cell tower in the Cyber Park. In response to Mr. Harville, Ms. Teague noted staff is working with Mr. Guanzon to make sure the wording does not conflict, it is not going to be an exclusive easement for Lumos. Ms. Teague stated she believes Verizon is on that tower as well. Mr. Harville questioned Ms. Burnett regarding the Easement and she noted that Mr. Guanzon is working on the easement, adding provisions that are protective of RIFA, making sure it is non-exclusive. Ms. Burnett stated that today is approving the concept of it, the Easement is not ready to be signed right now in the form that it is. Ms. Burnett stated the Board can approve the concept of it and then ratify the changes later.

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Mr. Harville **moved** adoption of *Resolution 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.*

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)

6B. UPDATE ON REQUEST BY IALR REGARDING CHARLES HAWKINS BUILDING

City Manager Joe King noted RIFA had received a letter from Liam Leightley in January and a copy of that letter is included in the Agenda packet. Mr. King explained that staff has since been in several discussions with the EDA, and they were able to determine that the Institute would be eligible for a transfer of the EDA grant responsibilities to the Institute. The Hawkins' Building was constructed in part by EDA grants, Tobacco Commission allocations and contributions from the City and the County. The Institute is indicating they cannot produce tenants that can pay the combined rental rates to satisfy RIFA's lease payments plus cover their costs and are asking for a transfer of the property to them to allow them to charge a rate to satisfy the market. The EDA requirements prohibit the use of any revenue generated through lease agreements to anything other than the maintenance of the building. If RIFA were to approve transferring this property to the Institute it would not be losing revenue that could be put to other uses.

Mr. Saunders noted that he had heard some concerns from the Dan River Business Development Center. Mr. King explained that the Institute would accommodate a different client than the DRBDC and did not believe there is a conflict. Mr. King reviewed an analysis of the rent and costs of the Charles Hawkins' Building, that this arrangement was put together with the assumption that Virginia Tech would provide sufficient revenue to the Institute to cover this additional expense. Because of budget issues the State has encountered, this is no longer possible and Virginia Tech is not supporting this building to the extent that it was hoped they would at the outset and that is the heart of the problem.

Mr. Snead questioned if there is anything RIFA can do to bring the rent down to \$11 and Mr. King noted RIFA cannot reduce the \$10 it charges the Institute, and they are only paying that on the space they occupy. RIFA could put together an agreement with the Institute that essentially takes all the money it receives in rent and turns it over to them in a management fee to cover their expenses. That would leave the building in RIFA's hands. Mr. King noted the benefit of taking the building and transferring it to the Institute along with all the EDA responsibilities is RIFA is no longer liable for any of the expenses in the future and it is functioning as it was intended.

Mr. Harville noted he and Mr. Snead could not vote on this today. Mr. Harville stated he did favor Option B, because the main thing was the ownership of the building and let the Institute take the revenue and do all the upkeep. Mr. King explained that today's discussion is to get direction and then pursue it accordingly. Mr. King agreed RIFA needs both

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governing bodies approval and RIFA can take a formal action at the next meeting. Mr. King asked them to explain the numbers in the documentation, that \$174,300 is the annual cost for utilities, ground maintenance and building maintenance. The revenue that is being generated right now is \$46,850 and that is 15% of the building being occupied, you would have to double or triple that occupancy to get enough revenue to cover just out of pocket expenses that are being incurred. If the Institute backed out of this and RIFA is left with the building, those are the numbers everyone needs to understand.

6C. FINANCIAL REPORT AS OF MARCH 31, 2013

Authority Treasurer Barbara Dameron noted for the month of March, RIFA expended \$17,284 dollars, received \$4,205 in rental income and received a reimbursement for earlier expenditures on the Hawkins' Building of \$33,778. Cane Creek Center shows an expenditure of \$1,130 for contracts under Dewberry for the Wetland Monitoring and also to Power Signs to sandblast GOK International onto the sign.

General Expenses shows a transfer from the Charles Hawkins' Building of the \$33,778 as well as legal expenses, meals and utilities. No change from the previous month for the Mega Park Funding or Berry Hill Mega Park Lot 4 Site Development. Under Funds Available for Appropriation, no change from the previous month; Rent Interest and Other Income receipts for March shows the \$4,205 mentioned earlier. Under Transfers to General Expenditures Budget shows the Hawkins' Building \$33,778. Ms. Connor explained the change in reports showing the current fiscal year receipts and the carry forward figures. Mr. Harville noted that the Osborne Company in North Carolina has been notified that their rent will go up \$200 for this year and the contract will be up in May.

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

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

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)(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. Harville and carried by the following vote:

VOTE: 4-0
AYE: Snead, Barksdale, Saunders, Shanks (4)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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NAY: None (0)

On **Motion** by Mr. Harville and **second** by Mr. Shanks, and by unanimous vote at 1:00 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)

COMMUNICATIONS

Mr. Harville questioned if someone from RIFA would be at the sale of the AVRC to report back to the board and Mr. King noted that Mr. Guanzon has been in communication with the attorney and if they don't have a successful auction, then either the City, County or RIFA may want to make an offer.

Mr. Shanks noted the newspaper article indicated NextGen was the tenant and asked for an update on what they are doing. Mr. Wright noted they have been in the AVRC building for at least two years, maybe longer. Their research is going pretty well and they have been operating on a R&D grant from the Tobacco Commission. Mr. Wright noted he would be meeting with Sara Capps for an update. Mr. Snead asked Ms. Burnett to check with Mr. Guanzon on AVRC about a possible court date on Monday.

MEETING ADJOURNED AT 1:05 P.M.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5A
Meeting Date:	05/13/2013
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. The RIFA Board took this matter under advisement at its April meeting.

BACKGROUND

The Hawkins Center was funded by 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

It is recommended that the RIFA Board determine which option to pursue and direct staff to work with the Institute to implement the selected course of action.

ATTACHMENT

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.

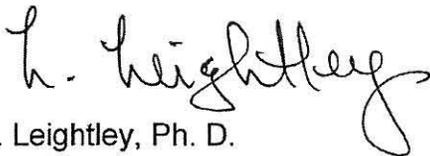
If the Authority could transfer the ownership of the Hawkins building to the Institute, we would be able to dramatically reduce the cost charged to tenants and strengthen the economic development efforts of our community. We would bring the full resources of the Institute to bear on driving economic 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.:	6C
Meeting Date:	05/13/2013
Subject:	The Osborne Company of North Carolina
From:	William D. Sleeper, County Administrator

SUMMARY

RIFA has leased 100 acres at 4380 Berry Hill Road to the Osborne Company of North Carolina in the past for an annual rental fee of \$800. For 2013-2014, the rent shall increase to an annual rental fee of \$1,000. This rental agreement shall incorporate a portion of GPIN 1366-78-4718 and GPIN 1367-70-4519 totaling approximately 100 acres.

RECOMMENDATION

Staff submits this renewal lease to the Board for its review, consideration, and approval.

ATTACHMENTS

Resolution No. 2013-05-13-6C

Resolution No. 2013-05-13-6C

A RESOLUTION TO APPROVE A ONE-YEAR RENEWAL OF THE LEASE TO THE OSBORNE COMPANY OF NORTH CAROLINA, INC., A NORTH CAROLINA CORPORATION, OF APPROXIMATELY 100 ACRES OF PASTURELAND IN THE AUTHORITY'S MEGA PARK SITE (A PORTION OF GPINs 1366-78-4718 AND 1367-70-4519), OWNED BY THE AUTHORITY, COMMONLY KNOWN AS 4380 BERRY HILL ROAD; AND THE LEASE SHALL BE FOR THE USE OF HARVESTING GRASS HAY AND INCIDENTAL USES ACCEPTABLE TO THE AUTHORITY, AT A TOTAL RENTAL FEE OF \$1,000.

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

WHEREAS, The Osborne Company of North Carolina, Inc., a North Carolina corporation, entered into that certain Lease Agreement with the Authority, dated May 9, 2011 (the "Lease"), for the lease of one hundred (100) acres, more or less, of pasture land in the Authority's Mega Park site (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia, for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of Eight Hundred Dollars (\$800), which Lease was subsequently renewed by the parties; and

WHEREAS, the current term of the Lease expires on May 15, 2013; 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 enter into a one-year renewal of the Lease at a total rental fee of One Thousand and 00/100 Dollars (\$1,000); and

WHEREAS, the terms of such proposed renewal are set forth in Exhibit A, attached hereto and incorporated herein by this reference (the "Renewal").

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the Renewal as reviewed at this meeting, together with such amendments, deletions or additions thereto as may be approved by the Chairman or the Vice Chairman of the Authority, and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver the Renewal on behalf of the Authority, such execution of the Renewal 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

Resolution No. 2013-05-13-6C

as are contemplated by the Renewal, 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 Renewal 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 May 13, 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 13th day of May 2013.

(SEAL)

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

Exhibit A

THIS LEASE RENEWAL (this “**Lease Renewal**”), made as of the ____ day of _____ 2013 (the “**Effective Date**”), by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Landlord**”); and **THE OSBORNE COMPANY OF NORTH CAROLINA, INC.**, a North Carolina corporation (“**Tenant**”);

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated as of May 14, 2012 (the “**Lease**”), which has been subsequently renewed, for that certain real property located in Landlord’s Berry Hill Mega Park site in Pittsylvania County, Virginia, containing an aggregate of 100 acres, more or less, commonly known as 4380 Berry Hill Road (a portion of GPINS 1366-78-4718 and 1367-70-4519); and

WHEREAS, Landlord and Tenant desire to renew the Lease for an additional one (1) year term and provide for the payment of additional rent during such renewal term, all as set forth herein.

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

1. The “**Renewal Term**” shall be for a term of one (1) year beginning on May 15, 2013, and ending on May 15, 2014. The “**Term**” (as defined in the Lease) shall include the initial Term and any Renewal Term.

2. Tenant agrees to pay to Landlord as additional rent (“**Additional Rent**”) for the Renewal Term set forth herein the amount of One Thousand and 00/100 Dollars (\$1,000.00), due and payable on the first day of the Renewal Term set forth herein. The “**Base Rent**” (as defined in the Lease) shall include the Base Rent payable for the initial Term and any Additional Rent payable for any Renewal Term.

3. All other terms and conditions of the Lease not specifically changed herein shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS the following signatures to this LEASE RENEWAL:

LANDLORD:

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

By: _____

Printed Name: _____

Title: _____

TENANT:

**THE OSBORNE COMPANY OF NORTH
CAROLINA, INC.**, a North Carolina corporation

By: _____

Printed Name: _____

Title: _____

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6D
Meeting Date:	05/13/2013
Subject:	Guilford Whitetail Management Lease – Berry Hill Mega Park
From:	William D. Sleeper, County Administrator

SUMMARY

RIFA has leased 1,073.94 acres of the Berry Hill Mega Park to Guilford Whitetail Management in the past for \$4,500 annually. The renewal for 2013-2014 would increase by 500 acres to 1,573.92 acres of the Berry Hill Mega Park for a total of \$5,000 annually. This annual renewal will incorporate the following GPIN numbered parcels and acreages:

GPIN 1366-54-5996	563.92 acres
GPIN 1367-42-8434	133.81 acres
GPIN 1377-01-1754	176.21 acres
GPIN 1356-98-0985	<u>700.00</u> acres
Total acreage	1,573.94 acres

RECOMMENDATION

Staff submits this to the Board for review, consideration, and approval.

ATTACHMENTS

Resolution No. 2013-05-13-6D

A RESOLUTION TO APPROVE A ONE-YEAR RENEWAL OF THE HUNTING LEASE WITH GUILFORD WHITETAIL MANAGEMENT, A NORTH CAROLINA CORPORATION, AS TENANT, OF APPROXIMATELY 1,073.94 ACRES AT THE AUTHORITY’S MEGA PARK SITE (GPINs 1366-54-5996, 1367-42-8434, 1377-01-1754 AND A PORTION OF 1356-75-8216), COMMONLY KNOWN AS THE KLUTTZ FARM, FOR THE USES OF HUNTING, FISHING AND RELATED OUTDOOR RECREATIONAL ACTIVITIES, AT A TOTAL RENTAL FEE OF \$5,000.

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

WHEREAS, Guilford Whitetail Management, a North Carolina corporation, entered into that certain Hunting Lease Renewal Agreement with the Authority dated as of May 17, 2011 (the “**Lease**”), which was renewed by that certain Lease Renewal dated May 17, 2012, for that certain real property located in Pittsylvania County, Virginia, containing an aggregate of 1,073.94 acres, more or less, commonly known as the Kluttz Farm (GPIN 1366-54-5996, containing 563.92 acres, more or less; GPIN 1367-42-8434, containing 133.81 acres, more or less; GPIN 1377-01-1754, containing 176.21 acres; and a portion of GPIN 1356-75-8216, containing approximately 200 acres located north of Oak Hill Road), off State Road 863, for the use of hunting, fishing and related outdoor recreational activities, at a total rental fee of Four Thousand Five Hundred Dollars (\$4,500); and

WHEREAS, the current term of the Lease expires on May 16, 2013; 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 renew the Lease for an additional one (1) year term at a total rental fee of Five Thousand and 00/100 Dollars (\$5,000.00) and to increase the property leased under the Lease during such one (1) year renewal term by 500 acres to 1,573.94 acres; and

WHEREAS, the terms of the lease renewal are set forth in Exhibit A, attached hereto and incorporated herein by this reference (the “**Lease Renewal**”).

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the Lease Renewal 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 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 Lease Renewal on behalf of the Authority, such execution of the Lease Renewal 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. 2013-05-13-6D

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 Lease Renewal, 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 Lease Renewal 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 May 13, 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 13th day of May 2013.

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

(SEAL)

Exhibit A

THIS LEASE RENEWAL (this “**Lease Renewal**”), made as of the _____ day of _____ 2013 (the “**Effective Date**”), by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Landlord**”); and **GUILFORD WHITETAIL MANAGEMENT**, a North Carolina corporation (“**Tenant**”);

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Hunting Lease Renewal Agreement dated as of May 17, 2011 (the “**Lease**”) and that certain Lease Renewal dated May 17, 2012, for that certain real property located in Pittsylvania County, Virginia, containing an aggregate of 1,073.94 acres, more or less, commonly known as the Kluttz Farm (GPIN 1366-54-5996, containing 563.92 acres, more or less; GPIN 1367-42-8434, containing 133.81 acres, more or less; GPIN 1377-01-1754, containing 176.21 acres; and a portion of GPIN 1356-75-8216, containing approximately 200 acres located north of Oak Hill Road), off State Road 863;

WHEREAS, Landlord and Tenant desire to renew the Lease for an additional one (1) year term, provide for the payment of additional rent during such renewal term, and amend the property subject to the Lease, all as set forth herein.

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

1. As of the Effective Date, the “**Demised Premises**” (as defined in the Lease) shall be that certain real property located in Pittsylvania County, Virginia, containing an aggregate of 1,573.94 acres, more or less, commonly known as the Kluttz Farm (GPIN 1366-54-5996, containing approximately 563.92 acres, more or less; GPIN 1367-42-8434, containing approximately 133.81 acres, more or less; GPIN 1377-01-1754, containing approximately 176.21 acres, more or less; and GPIN 1356-98-0985, containing approximately 700.00 acres, more or less), off State Road 863.
2. The “**Renewal Term**” shall be for a term of one (1) year beginning on May 17, 2013, and ending on May 16, 2014. The “**Term**” (as defined in the Lease) shall include the initial Term and any Renewal Term.
3. Tenant agrees to pay to Landlord as additional rent (“**Additional Rent**”) for the Renewal Term set forth herein the amount of Five Thousand and 00/100 Dollars (\$5,000.00), payable in advance. The “**Rent**” (as defined in the Lease) shall include the Rent payable for the initial Term and any Additional Rent payable for any Renewal Term.

Resolution No. 2013-05-13-6D

4. All other terms and conditions of the Lease not specifically changed herein shall remain in full force and effect.

WITNESS the following signatures to this **LEASE RENEWAL**:

LANDLORD:

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

By: _____

Printed Name: _____

Title: _____

TENANT:

GUILFORD WHITETAIL MANAGEMENT, a North Carolina corporation

By: _____

Printed Name: _____

Title: _____

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6E
Meeting Date:	05/13/2013
Subject:	Financial Status Reports – April 30, 2013
From:	Barbara A. Dameron, Authority Treasurer

SUMMARY

A review of the financial status reports through April 30, 2013 will be provided at the meeting. The financial status reports as of April 30, 2013 are attached for the RIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of April 30, 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 April 30, 2013

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
Funds from bond issuance	\$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	486,561.73				
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	\$ 7,631,062.15	\$ 4,311,140.12	\$ 6,758,413.18	\$ 58,106.38	<u>\$ 814,542.59</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 SF 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 April 30, 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 ¹	33,777.98				
Contingency					
Miscellaneous contingency items		\$ 47,992.93	\$ 218.50	\$ -	\$ 47,774.43
Total Contingency Budget		47,992.93	218.50	-	47,774.43
Legal					
		108,777.98	66,618.26	-	42,159.72
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	2,276.99	-	523.01
Utilities					
		4,000.00	206.46	-	3,793.54
Insurance					
		6,000.00	-	-	6,000.00
Total	\$ 194,820.91	\$ 194,820.91	\$ 94,725.82	\$ -	<u>\$ 100,095.09</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 April 30, 2013

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
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				
Land					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property ²		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	972,754.29	18,095.71	
Consulting Services - McCallum Sweeney		115,000.00	92,130.18	22,869.82	
Total	\$ 14,231,524.83	\$ 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 April 30, 2013

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / 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 April 30, 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 April 30, 2013

Source of Funds	Funding			Expenditures	Unexpended / Unencumbered
	Carryforward from FY2012	Receipts April 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	\$ 62,086.89	
Institute for Advanced Learning and Research (IALR)	Cyberpark	IALR Building at 150 Slayton Ave.	9.00	9.00	
Securitas	Cyberpark	Gilbert Building at 1260 South Boston Rd.	600.00	3,000.00	
Axxor N.A. LLC ³	Cane Creek	Apartments at 390 Cedar Lane	-	500.00	
Guilford Whitetail 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 Slateline 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>			\$ 4,513.51	\$ 67,795.89	
<u>Interest Received</u> ²			\$ 27.18	\$ 257.78	
<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	\$ 4,540.69	\$ 68,053.67
				\$ 39,461.81	\$ 405,111.17
				Restricted ¹	\$ 353,486.55
				Unrestricted	\$ 51,624.62

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}
April 30, 2013*

	Unaudited FY 2013
Assets	
<i>Current assets</i>	
Cash - checking	\$ 359,488
Cash - money market	1,140,203
Prepays	208
<i>Total current assets</i>	1,499,899
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	917,766
Restricted cash - debt service fund CCC bonds	987,577
Restricted cash - debt service fund Berry Hill bonds	-
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,066
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>	59,443,779
Total assets	60,943,678
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	48,123,779
Unrestricted	1,499,299
Total net assets	\$ 49,623,078

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 April 30, 2013 as of April 26, 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
April 30, 2013*

	Unaudited FY 2013
Operating revenues	
Virginia Tobacco Commission Grants	5,708,878
Rental income	58,701
Total operating revenues	5,767,579
Operating expenses ⁴	
Mega Park expenses ³	70,959
Cane Creek Centre expenses ^{3, 5}	95,825
Cyber Park expenses ³	16,516
Professional fees	46,728
Insurance	5,456
Other operating expenses	2,616
Total operating expenses	238,100
Operating income	5,529,479
Non-operating revenues (expenses)	
Interest income	464
Interest expense	(185,073)
Total non-operating expenses, net	(184,609)
Net income before capital contributions	5,344,870
Capital contributions	
Contribution - City of Danville	396,793
Contribution - Pittsylvania County	396,792
Total capital contributions	793,585
Change in net assets	6,138,455
Net assets at July 1,	43,484,623
Net assets at April 30,	\$ 49,623,078

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
April 30, 2013*

	Unaudited FY 2013
Operating activities	
Receipts from grant reimbursement requests	\$ 5,867,159
Receipts from leases	66,298
Payments to suppliers for goods and services	(313,047)
Net cash provided by operating activities	5,620,410
Capital and related financing activities	
Capital contributions	793,335
Interest paid on bonds	(308,709)
Principal repayments on bonds	(5,825,000)
Net cash used by capital and related financing activities	(5,340,374)
Investing activities	
Interest received	464
Net cash provided by investing activities	464
Net increase in cash and cash equivalents	280,500
Cash and cash equivalents - beginning of year (including restricted cash)	5,124,600
Cash and cash equivalents - through April 30, 2013 (including restricted cash)	\$ 5,405,100
Reconciliation of operating income before capital contributions to net cash provided by operating activities:	
Operating income	\$ 5,529,479
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	\$ 5,620,410

Components of cash and cash equivalents at April 30, 2013:	
American National - Checking	\$ 359,488
American National - General money market	1,140,203
Wachovia - \$7.3M Bonds CCC Debt service fund	987,577
Wachovia - \$7.3M Bonds CCC Project fund	917,766
US Bank - \$11.25M Bonds Berry Hill Debt service fund	-
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,066
	\$ 5,405,100