

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

Monday, August 12, 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 JULY 8, 2013 MEETING

5. NEW BUSINESS

- A. Discussion of Fiscal Year 2014 Tobacco Commission Mega Site Grant Application – Gregory L. Sides, Assistant County Administrator, Pittsylvania County
- B. Update on Development of the Authority's Mega Park Project Located in Pittsylvania County, Virginia – Richard Drazenovich, P.E., Director of Public Works, City of Danville
- C. Financial Status Report as of July 31, 2013 – Barbara A. Dameron, CPA, Authority Treasurer; and Patricia K. Conner, CPA, City of Danville Senior Accountant

6. CLOSED SESSION

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

- A. As permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion or consideration of the acquisition of real property for a public purpose to develop one of the Authority's projects, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.
- B. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning two prospective businesses or industries where no previous announcement has been made of their interest in locating or expanding their respective facilities into one of the Authority's projects.

RETURN TO OPEN SESSION

- C. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- D. Motion to Certify Closed Meeting.

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7. COMMUNICATIONS FROM:

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

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	4
Meeting Date:	08/12/2013
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, July 8, 2013 meeting.

ATTACHMENTS

Meeting Minutes – 07/08/13

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 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, Danville Finance Director/Authority Treasurer Barbara Dameron, City of Danville Director of Economic Development Jeremy Stratton, City of Danville Director of Public Works Ric Drazenovich, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Senior Accountant Patricia Conner and Clement & Wheatley Attorney Michael Guanzon. Also present was Dewberry Project Manager Shawn Harden.

Chairman Saunders called the Meeting to order and called for a moment of silence for RIFA's Secretary whose mother passed away.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE JUNE 10, 2013 MEETING

Upon **Motion** by Mr. Harville and **second** by Mr. Snead, Minutes of the June 10, 2013 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

Chairman Saunders thanked all the RIFA members for their work on behalf of the region and extended his thanks to the staff as well.

OLD BUSINESS

5A. CONSIDERATION – RESOLUTION 2013-07-08-5 – APPROVING AMENDMENT AND ADDENDUM TO LEASE AGREEMENT WITH IALR – CHARLES HAWKINS BUILDING

Authority Attorney Michael Guanzon noted this is a follow up matter. This item had previously been approved, staff had a meeting with the Institute and they wanted some clarifications on the business points. Staff had been under the impression none of the Charles Hawkins Building was being occupied, but there are a few smaller tenants.

Mr. Harville **moved** adoption of *Resolution No. 2013-07-08-5 approving (i) Amendment to Lease Agreement between the Authority (as landlord) and The Institute of Advanced Learning and Research (the "Institute"), a political subdivision of the Commonwealth of Virginia (as tenant), pertaining to the Charles Hawkins Building, located in the Authority's Cyber Park, under which the term would renew for successive periods of one year each unless either party gives the other party notice of its intention not to renew at least 90 days prior to the expiration of the then current Term; the consumer price index would be removed and replaced as the mechanism for determining rent increases; Rent would be \$10.00 per year, per square foot of space for that portion of the Charles Hawkins Building physically occupied by Tenant or any assignee or subtenants of Tenant; and Landlord would be*

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responsible for certain maintenance and repairs to the Charles Hawkins Building; and (ii) Addendum to Lease Agreement for the same lease under which the Institute would be contracted to perform certain maintenance and repairs to the Charles Hawkins Building at an annual rate of compensation equal to the current Rent payable, subject to annual consideration and adjustment. [Resolution No. 2013-07-08-5 to supersede Resolution No. 2013-06-10-5]

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

In response to Mr. Snead's question, Mr. Guanzon explained that for the actual portion of the building that they are occupying they will be paying \$10 per square foot, per year. As soon as RIFA receives that payment, RIFA will pay it back to them and they will take care of maintenance and repairs.

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

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

NEW BUSINESS

6A. CONSIDERATION - RESOLUTION NO. 2013-07-08-6A - APPROVING PROFESSIONAL SERVICES AGREEMENT DATED JUNE 13, 2013 WITH WETLAND STUDIES AND SOLUTIONS

Mr. Snead **moved** adoption of Resolution No. 2013-07-08-6A, *approving that certain Professional Services Agreement dated June 13, 2013, with Wetland Studies and Solutions, Inc., a Virginia corporation, as an independent contractor, for specialized consultant assistance with the Authority's applications for permits from the U.S. Army Corps of Engineers and Virginia Department of Environmental Quality for impacts to Waters of the U.S., associated with the development of the Authority's Mega Park project located in Pittsylvania County, Virginia; with fees charged not to exceed an aggregate of \$150,000, according to a task schedule.*

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

Director of Public Works Ric Drazenovich noted RIFA had 3500 acres of land that had to have delineation and confirmation of all the wetlands, streams and historical properties. That was worked on for well over a year with Dewberry and RIFA's permit was submitted on October 17th. The Corps and EPA had multiple questions back and forth, but they finally responded to RIFA in May, and their response leads staff to believe that they may deny the permit because of lack of an end user. Staff believes they need better guidance and some higher connections into the Corps and EPA. This consultant has those connections and has a lot of experience in Northern Virginia where they have been going through this longer than the Southside. Mr. Drazenovich noted he believed they would be a good addition and help guide RIFA through the negotiations with the Corps.

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

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

6B. UPDATE ON CBN SECURE TECHNOLOGIES

Director of Economic Development Jeremy Stratton noted that Jason Arends at Canadian Bank Note was unavailable this week and hoped to move the update to another month. Mr. Stratton noted CBN may be willing to let the Board tour parts of the facility and he is going to try to set that up in the next 30-60 days.

6C. UPDATE ON COMPANIES OPERATING IN THE AUTHORITIES PROJECTS AND STATUS OF PERFORMANCE AGREEMENTS

Director of Economic Development Jeremy Stratton noted that all the companies are compliant and up to date with the Tobacco Commission agreements. EIT just submitted their information, they are holding steady on their employment and have made most of their capital investment. Swedwood has a new plant manager and hopefully she will keep things where they are or improve them. New job numbers are in from Elkay, they are where they need to be and have actually exceeded them. US Green Energy has just closed on their \$50M loan; the money should be flowing here in the next week or two and they can purchase equipment. Once the money comes in, they will start re-hiring people, probably in the next 90 days or sooner. GOK International is doing well, in the process of trying to hire people and are on good footing.

6D. FINANCIAL STATUS REPORT AS OF MAY 31, 2013

Authority Treasurer Barbara Dameron noted RIFA expended \$13,639 in the month of June and received \$3,900 in revenue. Under Expenditures, \$1,650 was for the Dewberry Wetland Monitoring Contract. General Expenses total \$11,989, approximately \$6,500 for legal and \$5,244 for Insurance. The reports also show Rental Income of \$3,900 from the Institute.

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

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

COMMUNICATIONS

Mr. Harville and Mr. Sides discussed Route 863 and the by-pass and that the new VDOT resident engineer in Lynchburg has offered to come down and meet with RIFA.

Mr. Harville also discussed a problem at the Mega Park some time ago, a group went out in the cornfield, rode out in the field and caused damage. It is a private individual that owns a little corner of the woods. Dewberry has staked it off and Mr. Hawker has gone out, marked the property line clearly and all this has been settled.

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Mayor Saunders noted his special thanks to Ms. Thibodeau for her reporting and keeping the community informed. People in Richmond and Washington read her work, she makes the community look good and that is appreciated. Mr. Saunders again noted this thanks to the RIFA board and staff.

MEETING ADJOURNED AT 12:46 P.M.

Chairman

Secretary to the Authority

DRAFT

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-A
Meeting Date:	08/12/2013
Subject:	FY 2014 Tobacco Commission Mega Site Application
From:	Greg Sides, Assistant County Administrator – Pittsylvania County

SUMMARY

The Virginia Tobacco Commission created a Megasite Grant Program in FY 2011 to help fund large scale industrial projects such as the Berry Hill Mega Park. New applications for FY 2014 are due October 18, 2013.

BACKGROUND

This grant program was created in FY 2011 and will end in FY 2014. Only those applicants that were funded in FY 2011 are eligible for funding in the subsequent years. A total of \$12.5 million is available in FY 2014 for all projects in the tobacco region. RIFA has applied for and received funding in each year of this program.

FY11	Engineering – Road, Gas and Electric	\$2,700,000
FY12	Site Development – Lot 4	\$6,208,153
FY13	Phase I – Sanitary Sewer	\$4,908,240

RECOMMENDATION

We need to discuss potential project applications for the final year of this program. The Berry Hill project has encountered unforeseen issues relating to required environmental and cultural permits, resulting in higher than anticipated permitting costs. We may propose a new application to help cover these additional costs. We hope to have a cost estimate for discussion, including the required local matching contribution. This is a discussion item; no action is required at this time. An application resolution will need to be approved at the September meeting.

ATTACHMENTS

None

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	5-B
Meeting Date:	08/12/2013
Subject:	Update on Status of the Joint Permit Application (JPA) for the Berry Hill Mega Park Project
From:	Rick Drazenovich, Public Works Director

SUMMARY

The Joint Permit Application (JPA) for the Berry Hill Mega Park Project was submitted on October 17, 2012. Comments on the permit application were received back from the Army Corps of Engineers (COE) in May and their responses led us to believe that the COE will ultimately deny the application based on the lack of an unidentified end user for the project. In June, in an effort to address this concern, Wetlands Studies and Solutions, INC. (WSSI) was engaged to talk with regulatory staff at several levels to determine a path forward to allow for a permissible application.

BACKGROUND

WSSI has completed initial discussions with the regulatory agencies (COE, EPA, USFWS, VDEQ, and VDCR) and they have found that the agencies do not believe that the permit application, as submitted, reflects a development plan with reasonable assurances that the proffered plan is the Least Environmentally Damaging Practicable Alternative (LEPDA). The agencies believe that a “speculative development” is not approvable. Because of the agencies perceived lack of definition of targeted users for this industrial park; uncertainty regarding the demand for this site by such users; and the belief that other sites exist in the market place that can serve such users with less impacts to the aquatic environment; the project is not likely in its present form to be permitted because it would not comply with the individual permit requirements under the Clean Water Act.

The CEO has suggested a Letter of Intent from an end user would allow a LEPDA conclusion, however, since Economic Development Officials all realize that ready to go sites are crucial to attracting businesses, the project is currently at an impasse.

Discussions with the agencies have led to more flexibility in their position regarding approval of a speculative industrial development. The COE indicated that a quantitative market analysis for this project, would likely support approval of an infrastructure permit and depending on the strength of the analysis the COE might consider “pad fill” approval as well.

On Friday, July 12, 2013, representatives from the City, County, Wetland Studies & Solutions, and Dewberry met with five state and federal regulatory agencies at the Berry Hill Mega Park site. The meeting, which was requested by the Corps and EPA, was held to provide EPA with a more detailed look at the conditions of lot four.

The Danville area received approximately 3.5 inches of rain in a couple hours after midnight the morning of the visit. Much of the wetlands, streams, and vernal pools, which were to be inspected, were inundated with flood waters. The visit went ahead as planned and the team was able to access all of the sites and get a good look at the conditions of lot four.

There was a great deal of discussion and interaction with the regulatory agencies, both at the site, at a pre-visit breakfast, and a post-visit meeting at the Municipal Building.

WSSI recommends that prior to developing a complete JPA addendum response to the comments, RIFA should start with an in-depth quantified market analysis developed to address the speculative development objection.

It should include:

1. Purpose and need
2. Market area
3. Target market users and their needs
4. Demand level of target market
5. Alternative site supply
6. Employment base verses jobs expected

The reaction of the agencies to this market analysis will determine how the JPA addendum should be structured to obtain a permit that meets the needs of RIFA.

Staff is moving forward with a selection process for a consultant to undertake the in-depth quantified market analysis.

This request for professional services for the market analysis is only one step of an ongoing permit process, which has become more and more complex and costly as a result of enforcement agencies interpretation of federal requirements. Additional engineering costs will be incurred for modifications to the permit application and to proceed forward with the necessary archeological phase two report and mitigation plans. In addition, the amount of wetlands and streams which were necessary to be delineated and confirmed far exceeded the estimated amount in the original engineering proposal for the Mega Park and will require additional engineering funds.

It is anticipated that the market study will take until the end of 2013 to complete and several months for the agencies to review. After the agencies review the market study and depending on the level of their acceptance, it will be necessary to tailor the permit responses to meet their requirements.

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Executive Summary

Agenda Item No.:	5-C
Meeting Date:	08/12/2013
Subject:	Financial Status Reports – July 31, 2013
From:	Barbara A. Dameron, Authority Treasurer

SUMMARY

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

RECOMMENDATION

Staff recommends approving the financial status reports as of July 31, 2013 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY 2013
- C. General Expenditures for FY 2014
- D. Mega Park – Funding Other than Bond Funds
- E. Berry Hill Mega Park – Lot 4 Site Development
- 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 July 31, 2013

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funds from bond issuance	\$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	486,578.92				
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	15,424.62	56,456.38	
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	\$ 7,631,079.34	\$ 4,311,140.12	\$ 6,760,063.18	\$ 56,456.38	\$ <u><u>814,559.78</u></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

^{*} 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 July 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 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	73,228.08	-	35,549.90
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	2,974.10	-	(174.10)
Utilities		4,000.00	275.28	-	3,724.72
Insurance		6,000.00	2,241.00	-	3,759.00
Total	\$ 194,820.91	\$ 194,820.91	\$ 104,342.57	\$ -	<u>\$ 90,478.34</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

General Expenditures for Fiscal Year 2014

As of July 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 FY2013	TBD				
Contingency					
Miscellaneous contingency items		\$ 16,900.00	\$ -	\$ -	\$ 16,900.00
Total Contingency Budget		<u>16,900.00</u>	<u>-</u>	<u>-</u>	<u>16,900.00</u>
Legal		100,000.00	-	-	100,000.00
Accounting		18,900.00	-	18,900.00	-
Annual Bank Fees		4,600.00	-	-	4,600.00
Postage & Shipping		100.00	-	-	100.00
Meals		3,000.00	-	-	3,000.00
Utilities		500.00	-	-	500.00
Insurance		6,000.00	-	-	6,000.00
Total	\$ 150,000.00	\$ 150,000.00	\$ -	\$ 18,900.00	<u>\$ 131,100.00</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of July 31, 2013

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ¹⁻⁴	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	\$ 14,190,559.30	\$ 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 July 31, 2013

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

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

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

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized

As of July 31, 2013

<i>Source of Funds</i>	<u>Funding</u>				
	<u>Carryforward from FY2013</u>	<u>Receipts July 2013</u>	<u>Receipts FY2014</u>	<u>Expenditures FY2014</u>	<u>Unexpended / Unencumbered</u>
<u>Carryforward</u>	\$ 419,258.30				
<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.	\$ 3,782.07	\$ 3,782.07
Institute for Advanced Learning and Research (IALR)		Cyberpark	IALR Building at 150 Slayton Ave.	-	-
Securitas		Cyberpark	Gilbert Building at 1260 South Boston Rd.	600.00	600.00
Guilford Whitetail Management		Berry Hill	Klutz Farm off State Rd. 863	-	-
Mountain View Farms of Virginia, L.C.		Berry Hill	30 acre tract on Stateline Bridge Rd.	-	-
Osborne Company of North Carolina, Inc.		Berry Hill	4380 Berry Hill Road Pastureland	-	-
Clodfelter Hunting Lease		Berry Hill	371.13 acres off State Road 863	2,000.00	2,000.00
<i>Total Rent</i>				<u>\$ 6,382.07</u>	<u>\$ 6,382.07</u>
<u>Interest Received</u> ²				\$ 18.74	\$ 18.74
<u>Expenditures</u>					\$ 3,904.51
Hawkins Research Bldg. Property Mgmt. Fee					\$ 3,904.51
Totals	<u>\$ 419,258.30</u>	<u>\$ 6,400.81</u>	<u>\$ 6,400.81</u>	<u>\$ 3,904.51</u>	<u>\$ 421,754.60</u>

Restricted ¹	\$ 361,173.13
Unrestricted	\$ 60,581.47

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.

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

	Unaudited FY 2014
Assets	
<i>Current assets</i>	
Cash - checking	\$ 411,576
Cash - money market	1,140,260
<i>Total current assets</i>	1,551,836
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	871,016
Restricted cash - debt service fund CCC bonds	1,504,173
Restricted cash - debt service fund Berry Hill bonds	-
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,117
Capital assets not being depreciated	24,839,271
Capital assets being depreciated, net	27,794,063
Construction in progress	2,387,344
Unamortized bond issuance costs	627,906
<i>Total noncurrent assets</i>	60,023,890
Total assets	61,575,726
Liabilities	
<i>Current liabilities</i>	
Accounts payable	1,395
Accrued interest	76,544
Bonds payable - current portion	1,045,000
<i>Total current liabilities</i>	1,122,939
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	10,275,000
<i>Total noncurrent liabilities</i>	10,275,000
Total liabilities	11,397,939
Net Assets	
Invested in capital assets - net of related debt	48,703,890
Unrestricted	1,473,897
Total net assets	\$ 50,177,787

¹ Please note 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 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 July 31, 2013 as of July 30, 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
*July 31, 2013**

	Unaudited FY 2014
Operating revenues	
Virginia Tobacco Commission Grants	-
Rental income	11,932
Total operating revenues	11,932
Operating expenses ⁴	
Mega Park expenses ³	208
Cane Creek Centre expenses ³	3,814
Cyber Park expenses ³	-
Professional fees	-
Insurance	2,241
Other operating expenses	-
Total operating expenses	6,263
Operating income	5,669
Non-operating revenues (expenses)	
Interest income	-
Interest expense	-
Total non-operating expenses, net	-
Net income before capital contributions	5,669
Capital contributions	
Contribution - City of Danville	341,043
Contribution - Pittsylvania County	341,043
Total capital contributions	682,086
Change in net assets	687,755
⁵ Net assets at July 1,	49,490,032
Net assets at July 31,	\$ 50,177,787

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 this will change once all FY2013 entries are made and may also change depending on audit adjustments, if any, for FY2013 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*July 31, 2013**

	Unaudited FY 2014
Operating activities	
Receipts from grant reimbursement requests	\$ -
Receipts from leases	6,082
Payments to suppliers for goods and services	(1,157)
Net cash provided by operating activities	4,925
Capital and related financing activities	
Capital contributions	682,086
Interest paid on bonds	(858)
Principal repayments on bonds	-
Net cash provided by capital and related financing activities	681,228
Investing activities	
Interest received	-
Net cash provided by investing activities	-
Net increase in cash and cash equivalents	686,153
Cash and cash equivalents - beginning of year (including restricted cash)	5,240,989
Cash and cash equivalents - through July 31, 2013 (including restricted cash)	\$ 5,927,142
Reconciliation of operating income before capital contributions to net cash provided by operating activities:	
Operating income	\$ 5,669
Adjustments to reconcile operating income to net cash provided by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	6,264
Change in due from other governments	-
Change in other receivables	3,002
Change in accounts payable	(4,160)
Change in unearned income	(5,850)
Change in security deposit	-
Net cash provided by operating activities	\$ 4,925

Components of cash and cash equivalents at July 31, 2013:	
American National - Checking	\$ 411,576
American National - General money market	1,140,260
Wachovia - \$7.3M Bonds CCC Debt service fund	1,504,173
Wachovia - \$7.3M Bonds CCC Project fund	871,016
US Bank - \$11.25M Bonds Berry Hill Debt service fund	-
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,117
	\$ 5,927,142