

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

July 8, 2019

12:00 P.M.

**Institute for Advanced Learning and Research
150 Slayton Avenue, Room 206
Danville, Virginia**

County of Pittsylvania Members

**Robert W. Warren, Vice Chairman
Ronald S. Scarce
Elton W. Blackstock, Alternate**

City of Danville Members

**Fred O. Shanks, III, Chairman
Sherman M. Saunders
J. Lee Vogler, Jr., Alternate**

Staff

**Ken Larking, City Manager, Danville
David M. Smitherman, Pittsylvania County Administrator
Christian & Barton, LLC, Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer**

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

Members of the public who desire to comment on a specific agenda item will be heard during this period. The Chairman/Vice Chairman of the Authority may restrict the number of speakers. Each speaker shall be limited to a total of three minutes for comments. *[Please note that the public comment period is not a question-and-answer session between the public and the Authority.]*

4. APPROVAL OF MINUTES OF THE JUNE 10, 2019 MEETING

5. NEW BUSINESS

- A. Consideration of Resolution No. 2019-07-08-5A, authorizing the execution and delivery of an amendment to that certain Purchase and Sale Agreement dated June 12, 2017, with Enviva Development Holdings, LLC, a Delaware limited liability company, under which the definition of the Property would be revised to describe other real property of comparable acreage within the Authority's Southern Virginia Megasite at Berry Hill project located in Pittsylvania County, Virginia, as may be mutually agreed by the parties, in exchange for a refund of the Extension Fee paid, and in support of the Authority's application for Megasite certification – Telly D. Tucker, Director, and Corrie M. Teague-Bobe, Assistant Director, Office of Economic Development, City of Danville
- B. Consideration of Resolution No. 2019-07-08-5B, authorizing the execution and recordation of one or more amendments to those certain Declaration of Protective Covenants dated August 14, 2017, and Supplemental Declaration of Protective Covenants dated October 1, 2017, covering the Authority's Southern Virginia Megasite at Berry Hill project located in Pittsylvania County, Virginia, in support of Resolution No. 2019-06-10-5C, and to allow the construction and operation of a power substation by Appalachian Power Company, a Virginia corporation – Michael C. Guanzon, Esq., Christian & Barton, Legal Counsel to the Authority, and Brian K. Bradner, P.E., Vice President, Dewberry Engineers Inc.
- C. Consideration of Resolution No. 2019-07-08-5C, authorizing the execution and delivery of a Ground Lease with RealtyLink – Tennessee, LLC, a Tennessee limited liability company, for the 10-year lease of a new Lot 6A (part of GPIN 2347-03-7452 and part of PIN 77193), to be created in the Authority's Cane Creek Centre project located in Pittsylvania County and Danville, Virginia, under which the lessee, at its expense, would cause to be installed a building of at least 100,000 square feet in area, with installation to begin within 60 days after the lease's execution and to be completed within one year thereafter; and the lessee would have the right to purchase the demised premises at a price of \$100,000.00 should the Authority, in its sole discretion, enter into a Local Performance Agreement with the ultimate operator of the demised premises on such terms and conditions as the Authority should then determine, or otherwise at a price of \$30,000.00 per acre,

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at a total rent of \$5,000.00 - Matthew D. Rowe, Director of Economic Development, Pittsylvania County

- D. Consideration of Resolution No. 2019-07-08-5D, authorizing the execution and delivery of a one-year option to enter into a Ground Lease with RealtyLink – Tennessee, LLC, a Tennessee limited liability company, for the 10-year lease of a new Lot 6B (part of GPIN 2347-03-7452), to be created in the Authority’s Cane Creek Centre project located in Pittsylvania County, Virginia, under which the lessee, at its expense, would cause to be installed at least one building of at least 100,000 square feet in area, with installation to begin within 60 days after the option is exercised and to be completed within one year thereafter; the lessee would have the right to purchase the demised premises at a price of \$100,000.00 should the Authority, in its sole discretion, enter into a Local Performance Agreement with the ultimate operator of the demised premises on such terms and conditions as the Authority should then determine, or otherwise at a price of \$30,000.00 per acre, at a total rent of \$5,000.00; and the option fee would be equal to \$5,000.00. - Mr. Rowe
- E. Financial Status Reports as of June 30, 2019 – Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia

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)(5) of the Code of Virginia, 1950, as amended (“Virginia Code”), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business’s interest in locating its facilities in one or more of the Authority’s projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;
- B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority’s Southern Virginia Megasite at Berry Hill project, Cyber Park project and/or Cane Creek Centre project, where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in one or more of the

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Authority's projects subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and

- C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

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

E. Motion to Certify Closed Meeting

7. COMMUNICATIONS FROM:

- Authority Board Members
- Staff

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	07/08/2019
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's review and approval are the Meeting Minutes from the Monday, June 10, 2019 Meeting.

ATTACHMENTS

Meeting Minutes – 06/10/2019

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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June 10, 2019

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:14 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, Room 206, Danville, Virginia. Present were City of Danville Members Chairman Fred O. Shanks, III, Sherman M. Saunders, and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Robert W. Warren, Ronald S. Searce and alternate Elton Blackstock.

City/County staff members attending were: City Manager Ken Larking, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Bobe, City of Danville Project Manager Kelvin Perry, County Director of Economic Development Matt Rowe, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Finance Michael Adkins, City Accountant Henrietta Weaver, Clement Wheatley Attorneys Michael Guanzon and Jennifer Burnette, and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE MAY 13, 2019 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Searce, Minutes of the May 13, 2019 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2019-06-10-5A AUTHORIZING THE ISSUANCE OF REVENUE REFUNDING BOND – CANE CREEK PROJECT

Authority Treasurer Michael Adkins explained at the last meeting, the RIFA Board passed the Financing Agreement with Wells Fargo to proceed with the refunding and refinancing of the Cane Creek Bonds. This Resolution allows RIFA to go to closing and permits the Chairman of the Authority to sign the closing documents along with others. City Council and the Board of Supervisors next Tuesday at their respective meetings, will vote to renew the Support Agreements to pay the debt service. Mr. Adkins noted this will be the final refinancing of this debt. The interest rate fluctuates a little day to day; on May 31st, the rate was just over three and half percent, at 3.45%, it should not move substantially from that point. Staff needs permission of the Board to continue with this refinancing.

Mr. Saunders **moved** for adoption of *Resolution No. 2019-06-10-5A, authorizing the issuance of its Revenue Refunding Bond (Cane Creek Project), Series 2019, in a principal amount not to exceed \$2,545,000; authorizing the execution and delivery of all bond documents in connection therewith including without limitation the Financing Agreement, the Bond and the Support Agreements; and authorizing other matters in connection therewith, in order to refinance the prior \$3,700,000 Revenue Refunding Bond (Cane Creek Project), Series 2016*

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

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VOTE: 4-0
AYE: Warren, Scearce, Shanks, Saunders (4)
NAY: None (0)

5B. CONSIDERATION OF RESOLUTION 2019-06-10-5B APPROVING DEED OF COMMUNICATIONS SITE EASEMENT AGREEMENT TO MID-ATLANTIC BROADBAND

Pittsylvania County Director of Economic Development Matt Rowe explained staff was contacted by Mid-Atlantic Broadband about setting up a new cabinet mode on RIFA property, just off of Cain Street. Dewberry has looked at the site and confirmed that the proposed location does not interfere with anything RIFA was doing in the Park. What they are doing will be beneficial to Cane Creek Centre and to the Megasite enabling terabyte plus speeds to be served there. The next step was to email Mid-Atlantic Broadband to inform them that RIFA was ready for them to submit their plan showing the final location, and they will submit a final easement plat with a deed of easement; that will be reviewed by the Authority Attorney.

Staff was requesting the Board to pass a Resolution approving the deed and site agreement. Mr. Shanks questioned the location of Cain Street and Shawn Harden from Dewberry explained it was the strip of land in the front of the park on the inside as it was entered. Because of the divided entrance, they had to gain access from Cain Street and not Cane Creek Parkway.

Mr. Scearce **moved** for adoption of *Resolution No. 2019-06-10-5B, approving the execution and delivery of a Deed of Communications Site Easement Agreement to Mid-Atlantic Broadband Communities Corporation, a Virginia non-stock corporation, over that certain real property fronting on Cain Street, commonly known as Tax PIN 78380, located in Danville, Virginia.*

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

VOTE: 4-0
AYE: Warren, Scearce, Shanks, Saunders (4)
NAY: None (0)

5C. CONSIDERATION OF RESOLUTION 2019-06-10-5C AUTHORIZING EXECUTION AND DELIVERY OF AN OPTION FOR REAL ESTATE TO APPALACHIAN POWER

Mr. Rowe explained staff was working with AEP to get the right of way for the new 138kv Redundant Transmission Line; part of that process was to establish a substation in the park itself. AEP has identified 17.5 acres off of Oak Hill Road, which was Lot 6 in the Park. Staff was able to work with AEP where they would purchase the property for \$30,000 per acre, \$1 per acre for a transmission easement and \$1 per acre for a distribution easement. RIFA would enter into a performance agreement with AEP and refund that money back to them once a substation was established in the park, prior to 2023. All the work for the right of ways was being paid for by the Tobacco Commission grants. Mr. Guanzon has provided the final draft comments to AEP's counsel and everybody seems to be in agreement with the documents.

Mr. Warren **moved** for adoption of *Resolution No. 2019-06-10-5C, authorizing the execution and delivery of an Option for the Sale and Purchase of Real Estate to Appalachian Power Company, a Virginia corporation, for that certain real property containing approximately 17.5*

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acres situated off Oak Hill Road, located in the Authority's Southern Virginia Megasite at Berry Hill, at a purchase price of \$30,000 per acre, \$1 per acre for a transmission easement, and \$1 per acre for a distribution easement; the option term would be for an initial 6-month term with an option fee of \$5,000 to be applied against the purchase price at closing, with an additional 6-month extension for a \$5,000 fee; and authorizing a Local Performance Agreement to include a land grant of up to the purchase price under such option, in exchange for the purchaser to construct a power substation.

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

VOTE: 4-0
AYE: Warren, Scearce, Shanks, Saunders (4)
NAY: None (0)

5D. CONSIDERATION OF RESOLUTION 2019-06-10-5D AUTHORIZING THE SALE TO IKEA OF LOT 7A

Mr. Guanzon explained there was a Ground Lease with RIFA and IKEA in 2006 that has since expired. IKEA had the ability under the Ground Lease to purchase all of 7A, 7B, and 7C; they did not do so, which was an inadvertent failure. They have requested to purchase 7A, which was their current footprint, for the same price. Staff has reviewed it, IKEA has substantially complied with their Performance Agreement and have been paying taxes since the time they were supposed to, had they exercised that option. Staff met with Dewberry, there are some issues with the public road that had been abandoned by the County and taken off the VDOT registers. If the Board approves this, it would be to transfer the property, limited to where IKEA was located now, provide them with a temporary easement because there was a driveway that goes through part of 7B, and then negotiate a road maintenance agreement. The recommendation will come back at another time, to recut Lot 7A so that instead of having an easement, just add that property to them. The amendment to the Ground Lease would have allowed them to purchase it for \$1, not only 7A, but 7B and 7C. RIFA was not going to give them all that, and will be keeping another 125 acres that it wouldn't have otherwise had.

Mr. Shanks noted that strip of 7B that lies between the plant site and the road right of way was not useful, and Mr. Guanzon noted his agreement, it was actually a "U" shaped lot. When he spoke with the legal counsel for IKEA, they will have to work out where to draw the line to add that other property. It was pretty serious for them to get this because if they don't have an insurable interest, legally, then if they do have a catastrophic loss right now, it was arguable whether their insurance policy would actually cover them. That was the reason for the stop gap measure, because RIFA does not have the new line drawn yet, it would be to just do a deed, a temporary easement, until they can work out the details of the rest of it. Mr. Guanzon stated IKEA drive, which ends in a cul-de-sac was abandoned by the County, but the map that would have added 7C to the right of that road was never recorded. By operation of law, when the County had abandoned that road, half of it got added to 7B, the other half got added to 7C; there was some cleaning up to do.

Mr. Shanks noted they talked about the expense RIFA incurred on the rail spur, trying to recover that, did staff decide that was not worth the effort. Mr. Guanzon explained when staff looked at that price, it was about \$350,000 to \$400,000. Given that RIFA was getting other property back, and they got the sense IKEA was not interested in expanding, staff didn't want to tip things over by making such a demand. The issue staff was also looking at was based

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on where that line comes in, and that RIFA would get that other property, and could actually extend that line, it was not without value.

Mr. Scarce asked for clarification and Mr. Rowe noted it was 125 acres and what staff discussed was the real value was being able to get additional rail access in that park. As a swap to adding on the additional 7B so they can have their drive going into the plant, RIFA would turn the property outline a little bit closer to the plant and cross the rails so RIFA would be able to get another rail spur in there if they needed. It would be staff's recommendation that the County petition VDOT to take that road back into the system because it would be serving three parcels again, which is the minimum VDOT would like to see; right now there was no road maintenance agreement.

Mr. Saunders **moved** to approve *Resolution No. 2019-06-10-5D, authorizing the sale to IKEA Industry Danville, LLC, a Delaware limited liability company, of Lot 7A, commonly known as Tax GPIN 2347-06-3528, in the Authority's Cane Creek Centre project in Pittsylvania County, Virginia, for a purchase price of \$1, consistent with that certain Ground Lease dated October 25, 2006, as amended, along with an easement of ingress and egress across Lot 7B owned by the Authority, from IKEA Drive to the existing parking area on Lot 7A subject to a road maintenance agreement to be negotiated, and in exchange for a quitclaim, release and waiver by IKEA Industry Danville, LLC, of any and all options or rights of first refusal to all real property owned by the Authority in its Cane Creek Centre project*

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

VOTE: 4-0
AYE: Warren, Scarce, Shanks, Saunders (4)
NAY: None (0)

5E. FINANCIAL STATUS REPORTS AS OF MAY 31, 2019

Authority Treasurer Michael Adkins gave the Financial Status report as of May 31, 2019 beginning with the \$7.3M Cane Creek Bonds which show an expenditure of \$598 to Clement Wheatley for legal fees. General Expenditures show RIFA paid \$15,584 to Clement Wheatley for legal services, \$429 for meals and \$61 for two months of Utilities. The Mega Site Funding Other than Bonds shows \$4,500 expended to Dewberry for Amendment #22 and \$3,000 to Clement Wheatley for legal fees; Lot 4 Site Development shows \$39,450 to Dewberry for Amendments #19 and #23; Lot 8 Site Development shows no activity, and Water and Sewer shows \$2,700 was paid to the Treasurer of Virginia for a DEQ Land Disturbance permit. Rent, Interest and Other Income shows RIFA received \$10 in rent from IKEA, which represents rent for 2006 through 2016, \$500 was received from Axxor, their annual fee for the entrance sign and \$25,412 was paid to the Institute for the maintenance of the Hawkins' Building.

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

VOTE: 4-0
AYE: Warren, Scarce, Shanks, Saunders (4)
NAY: None (0)

5F. CONSIDERATION OF RESOLUTION 2019-06-10-5F APPROVING A BUDGET TRANSFER OF \$68,500

Authority Treasurer Michael Adkins explained it was difficult to forecast what legal fees will be. Staff was asking that \$68,500 be transferred from the contingency line item to the Legal Fees for this current fiscal year, and was also asking permission to pull from the Unrestricted Fund balance, if needed, to cover additional fees through the remaining few weeks of this fiscal year.

Mr. Searce **moved** for adoption of *Resolution No. 2019-06-10-5F, approving the FY 2019 General Expenditures Budget Transfer of \$68,500 from Contingency Budget to Legal Budget and of excess from Unrestricted Funds.*

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

VOTE: 4-0
AYE: Warren, Searce, Shanks, Saunders (4)
NAY: None (0)

5G. CONSIDERATION OF RESOLUTION 2019-06-10-5G APPROVING THE FY2020 GENERAL EXPENDITURES BUDGET

Authority Treasurer Michael Adkins explained the proposed budget for the administrative expenses for RIFA for FY 2020 was fairly flat; staff did try to increase the legal budget as has been appropriate for the past few years. In the past, the City and the County have both contributed \$75,000 each toward admin expenses; because RIFA does have a sizeable Unrestricted Fund Balance, each locality this year proposed contributing \$25,000. Staff will pull the difference to balance the budget from the Unrestricted Fund Balance; they have budgeted \$200,000 there. If that was not needed, it will stay in the Unrestricted Fund Balance.

Mr. Saunders **moved** for adoption of *Resolution No. 2019-06-10-5G, approving the FY 2020 General Expenditures Budget.*

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

VOTE: 4-0
AYE: Warren, Searce, Shanks, Saunders (4)
NAY: None (0)

5H. REPORT ON MOVE OF MICHAEL C. GUANZON, ESQ. FROM CLEMENT WHEATLEY LAW FIRM TO CHRISTIAN & BARTON

Mr. Guanzon explained he has accepted an offer to be a partner at the law firm of Christian & Barton in Richmond. He has been at Clement Wheatley for twenty years and it was an opportunity he felt he needed to make. The question for the Board was moving forward, what their options might be. They could continue with him in his new law firm, they have authorized him to keep the exact same rate structure and there would be no travel expenses to make the meetings, as before. Another option would be to remain with Clement Wheatley in which case Jennifer Burnette and Ted Hodges would be the contact people. Another option would be some type of hybrid situation, RIFA has had a situation in the past where they had Troutman

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Sanders hired as special counsel for one of RIFA's projects. The other option would be to choose another law firm. The Board can deliberate in closed session as permitted by FOIA; he and Ms. Burnette will step out of the room during the discussion and there was a provision when the Board comes out of closed session to make a Resolution.

Mr. Shanks noted they have enjoyed working with Mr. Guanzon, does not know what the outcome of this will be, but Mr. Guanzon has given RIFA 100% and the Board really appreciates everything he has done. Mr. Guanzon stated it has been a pleasure and a honor.

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.]

At 12:37 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;
- B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Southern Virginia Megasite at Berry Hill project, Cyber Park project and/or Cane Creek Centre project, where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in one or more of the Authority's projects subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease);
- C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and

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- D. As permitted by Virginia Code §§ 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE: 4-0
AYE: Warren, Searce, Shanks, Saunders (4)
NAY: None (0)

7. NEW BUSINESS – CONTINUED

A. CONTINUATION OF AGENDA ITEM 5H; CONSIDERATION OF RESOLUTION 2019-06-10-7A [NO WRITTEN RESOLUTION]

Mr. Warren **moved** for adoption of a **Resolution** that *Danville Pittsylvania Regional Industrial Facility Authority enter into a service contract with Christian & Barton, more particularly the Attorney Michael Guanzon, effective July 1, 2019 running until June 30, 2020. Said contract will be negotiated and assigned and agreed to at the July board meeting and Mr. Guanzon will work in conjunction with Ken Larking, David Smitherman and their respective staffs to complete that transaction.*

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

VOTE: 4-0
AYE: Warren, Searce, Shanks, Saunders (4)
NAY: None (0)

Mr. Shanks noted to Ms. Burnette, it was a very difficult decision and one that had more in response to Michael's past experience with RIFA than anything else. The Board appreciates the representation by Clement Wheatley, and her over the years, and certainly welcome her to come back in with a proposal for the following year. Mr. Saunders and Mr. Warren noted their agreement, it was no reflection other than the long tenure and history of having that prior knowledge was very beneficial. Mr. Guanzon has done an outstanding job, but Clement & Wheatley has always represented RIFA well.

Meeting adjourned at 1:57 p.m.

APPROVED:

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	07/08/2019
Subject:	Resolution No. 2019-07-08-5A
From:	Telly D. Tucker, Director, and Corrie Bobe, Assistant Director Office of Economic Development, City of Danville

SUMMARY

The Board will be asked to approve Resolution 2019-07-08-5A, authorizing the execution of an amendment to the Purchase and Sale Agreement with Enviva.

ATTACHMENTS

Resolution 2019-07-08-5A

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THAT CERTAIN PURCHASE AND SALE AGREEMENT DATED JUNE 12, 2017, WITH ENVIVA DEVELOPMENT HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, UNDER WHICH THE DEFINITION OF THE PROPERTY WOULD BE REVISED TO DESCRIBE OTHER REAL PROPERTY OF COMPARABLE ACREAGE WITHIN THE AUTHORITY’S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, AS MAY BE MUTUALLY AGREED BY THE PARTIES, IN EXCHANGE FOR A REFUND OF THE EXTENSION FEE PAID, AND IN SUPPORT OF THE AUTHORITY’S APPLICATION FOR MEGASITE CERTIFICATION

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

WHEREAS, the Authority, by Resolution No. 2017-06-12-6F, entered into that certain Purchase and Sale Agreement dated June 12, 2017 (the “**PSA**”), with Enviva Development Holdings, LLC (“**Enviva**”), a Delaware limited liability company, for the purchase of a new Lot 8 (also defined in the PSA as the “**Property**”) to be created from Tract FG, to contain approximately 166 acres in the Authority’s Southern Virginia Megasite at Berry Hill (the “**SVM**”), at a purchase price of \$30,000.00 per acre and \$10.00 per acre for Non-Buildable Acreage (as defined therein); and

WHEREAS, as part of its economic development strategy, the Authority is applying for Megasite certification of the SVM, which would require a contiguous acreage tract that includes new Lot 8; and

WHEREAS, the parties are amenable to consider other land of comparable acreage in the SVM to substitute for new Lot 8, for which Enviva would have the option to purchase as the same purchase price rate or the right of first refusal for a period not to exceed one-year after the execution of an amendment to the PSA (the “**Amendment**”); and

WHEREAS, the Amendment also would include a refund of the Extension Fee (as defined in the PSA) paid by Enviva and other provisions mutually agreed by the parties, in support of the Authority’s application for Megasite certification; and

WHEREAS, the Board of Directors of the Authority has determined that it is in the best interests of the Authority and the citizens of Pittsylvania County and Danville for the Authority to approve, to negotiate, to execute and to deliver the Amendment as set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of the Amendment as described in this Resolution, together with such amendments,

Resolution No. 2019-07-08-5A

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 Amendment, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the Amendment and related documents by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any amendments, deletions or additions thereto.

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by the Amendment, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Amendment and the matters contemplated therein or related thereto on before the date of this Resolution is adopted.

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 regular meeting duly called and held on July 8, 2019, 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 as of the 8th day of July 2019.

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

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5B
Meeting Date: 07/08/2019
Subject: Resolution No. 2019-07-08-5B
Michael C. Guanzon, Esq.,
From: Christian & Barton, Legal Counsel to the Authority
Brian K. Bradner, Vice President, Dewberry Engineers

SUMMARY

The Board will be asked to approve Resolution 2019-07-08-5B, authorizing the execution and recordation of amendments to Protective Covenants at SVM Berry Hill.

ATTACHMENTS

Resolution 2019-07-08-5B

A RESOLUTION AUTHORIZING THE EXECUTION AND RECORDATION OF ONE OR MORE AMENDMENTS TO THOSE CERTAIN DECLARATION OF PROTECTIVE COVENANTS DATED AUGUST 14, 2017, AND SUPPLEMENTAL DECLARATION OF PROTECTIVE COVENANTS DATED OCTOBER 1, 2017, COVERING THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, IN SUPPORT OF RESOLUTION NO. 2019-06-10-5C, AND TO ALLOW THE CONSTRUCTION AND OPERATION OF A POWER SUBSTATION BY APPALACHIAN POWER COMPANY, A VIRGINIA CORPORATION

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

WHEREAS, the Authority executed and recorded that certain Declaration of Protective Covenants dated August 14, 2017, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia (the "**Clerk's Office**"), as Instrument No. 17-05098 at page 9 (the "**Declaration**"), and that certain Supplemental Declaration of Protective Covenants dated October 1, 2017, and recorded in the Clerk's Office as Instrument No. 17-05662 at page 268 (the "**Supplemental Declaration**"), covering the Authority's Southern Virginia Megasite at Berry Hill project (the "**SVM**"); and

WHEREAS, by Resolution No. 2019-06-10-5C, entered into that certain Option for the Sale and Purchase of Real Estate to Appalachian Power Company, a Virginia corporation ("**APCo**"), under which APCo would purchase certain land in the SVM (the "**Option Property**") for the construction and operation of a power substation and the use of a related transmission and distribution easement (collectively, the "**APCo Intended Use**"); and

WHEREAS, APCo has determined that the APCo Intended Use on the Option Property might be in conflict with or otherwise prohibited under the Declaration, the Supplemental Declaration or both, and has requested from the Authority one or more amendments to the same in order to allow the APCo Intended Use (the "**Covenant Amendments**", whether one or more) on the Option Property; and

WHEREAS, the Board of Directors of the Authority finds that the APCo Intended Use on the Option Property is in accordance with and required by the Authority's development plan for the SVM; and

WHEREAS, the Board of Directors of the Authority has determined that it is in the best interests of the Authority and the citizens of Pittsylvania County and Danville for the Authority to approve, to negotiate, to execute and to deliver the Covenant Amendments as set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:

Resolution No. 2019-07-08-5B

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of the Covenant Amendments as described in this Resolution, 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 Covenant Amendments, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the Covenant Amendments and related documents by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any amendments, deletions or additions thereto.

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by the Covenant Amendments, 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 Covenant Amendments and the matters contemplated therein or related thereto on before the date of this Resolution is adopted.

4. This Resolution shall take effect immediately upon its adoption.

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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 regular meeting duly called and held on July 8, 2019, 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 as of the 8th day of July 2019.

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

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	07/08/2019
Subject:	Resolution No. 2019-07-08-5C
From:	Matthew D. Rowe, Director of Economic Development Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2019-07-08-5C, authorizing the execution and delivery of a Ground Lease with RealtyLink, Lot 6A Cane Creek Centre.

ATTACHMENTS

Resolution 2019-07-08-5C

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE WITH REALTYLINK – TENNESSEE, LLC, A TENNESSEE LIMITED LIABILITY COMPANY, FOR THE 10-YEAR LEASE OF A NEW LOT 6A (PART OF GPIN 2347-03-7452 AND PART OF PIN 77193), TO BE CREATED IN THE AUTHORITY’S CANE CREEK CENTRE PROJECT LOCATED IN PITTSYLVANIA COUNTY AND DANVILLE, VIRGINIA, UNDER WHICH THE LESSEE, AT ITS EXPENSE, WOULD CAUSE TO BE INSTALLED A BUILDING OF AT LEAST 100,000 SQUARE FEET IN AREA, WITH INSTALLATION TO BEGIN WITHIN 60 DAYS AFTER THE LEASE’S EXECUTION AND TO BE COMPLETED WITHIN ONE YEAR THEREAFTER; AND THE LESSEE WOULD HAVE THE RIGHT TO PURCHASE THE DEMISED PREMISES AT A PRICE OF \$100,000.00 SHOULD THE AUTHORITY, IN ITS SOLE DISCRETION, ENTER INTO A LOCAL PERFORMANCE AGREEMENT WITH THE ULTIMATE OPERATOR OF THE DEMISED PREMISES ON SUCH TERMS AND CONDITIONS AS THE AUTHORITY SHOULD THEN DETERMINE, OR OTHERWISE AT A PRICE OF \$30,000.00 PER ACRE, AT A TOTAL RENT OF \$5,000.00

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

WHEREAS, the Authority, in further development of its Cane Creek Centre project (“**Cane Creek**”) located in Danville and Pittsylvania County, Virginia, desires to have certain shell buildings for light industrial use made available to business and industry recruits for operation; and

WHEREAS, RealtyLink–Tennessee, LLC (“**RealtyLink**”), a Tennessee limited liability company, is a developer that wishes to enter into a 10-year ground lease with the Authority for certain property in Cane Creek to be configured and known as new Lot 6A (part of Pittsylvania County GPIN 2347-03-7452 and part of Danville PIN 77193), to contain approximately 13.69 acres or such other acreage to accommodate the construction or installation of a 100,000 square foot building (the “**Ground Lease**”); and

WHEREAS, the Ground Lease also would provide, at a minimum, (i) that RealtyLink, at its expense, would cause to be installed a building suitable for light industrial use, of at least 100,000 square feet in area, with installation to begin within 60 days after the execution of the Ground Lease; (ii) that installation would be completed within one year after commencement; (iii) that RealtyLink would have the right to purchase new Lot 6A at a price of \$100,000.00 should the Authority, in its sole discretion, enter into a Local Performance Agreement with the ultimate operator of new Lot 6A on such terms and conditions as the Authority should then determine, or otherwise at a price of \$30,000.00 per acre, which the Authority has determined to be fair market value; and (iv) that total rent under the Ground Lease shall be equal to \$5,000.00, which would be applied against the purchase price should RealtyLink timely exercise its right to purchase new Lot 6A before the end of the Ground Lease’s term; and

Resolution No. 2019-07-08-5C

WHEREAS, the Board of Directors of the Authority has determined that it is in the best interests of the Authority and the citizens of Pittsylvania County and Danville and in furtherance of the development of Cane Creek, for the Authority to approve, to negotiate, to execute and to deliver the Ground Lease as set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of the Ground Lease as described in this Resolution, 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 Ground Lease, and all other related documents to consummate the transaction (including without limitation the execution and delivery of a deed to new Lot 6A, a settlement statement, property owner's affidavit and other reasonably necessary closing documents, pursuant to a right of purchase by ground lessee), on behalf of the Authority, such execution of the Ground Lease and related documents by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any amendments, deletions or additions thereto.

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by the Ground Lease, 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 Ground Lease and the matters contemplated therein or related thereto on before the date of this Resolution is adopted.

4. This Resolution shall take effect immediately upon its adoption.

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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 regular meeting duly called and held on July 8, 2019, 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 as of the 8th day of July 2019.

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

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5D
Meeting Date:	07/08/2019
Subject:	Resolution No. 2019-07-08-5D
From:	Matthew D. Rowe, Director of Economic Development Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2019-07-08-5D, authorizing the execution and delivery of a one-year option to enter into a Ground Lease with RealtyLink, Lot 6B Cane Creek Centre.

ATTACHMENTS

Resolution 2019-07-08-5D

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A ONE-YEAR OPTION TO ENTER INTO A GROUND LEASE WITH REALTYLINK – TENNESSEE, LLC, A TENNESSEE LIMITED LIABILITY COMPANY, FOR THE 10-YEAR LEASE OF A NEW LOT 6B (PART OF GPIN 2347-03-7452), TO BE CREATED IN THE AUTHORITY’S CANE CREEK CENTRE PROJECT LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, UNDER WHICH THE LESSEE, AT ITS EXPENSE, WOULD CAUSE TO BE INSTALLED AT LEAST ONE BUILDING OF AT LEAST 100,000 SQUARE FEET IN AREA, WITH INSTALLATION TO BEGIN WITHIN 60 DAYS AFTER THE OPTION IS EXERCISED AND TO BE COMPLETED WITHIN ONE YEAR THEREAFTER; THE LESSEE WOULD HAVE THE RIGHT TO PURCHASE THE DEMISED PREMISES AT A PRICE OF \$100,000.00 SHOULD THE AUTHORITY, IN ITS SOLE DISCRETION, ENTER INTO A LOCAL PERFORMANCE AGREEMENT WITH THE ULTIMATE OPERATOR OF THE DEMISED PREMISES ON SUCH TERMS AND CONDITIONS AS THE AUTHORITY SHOULD THEN DETERMINE, OR OTHERWISE AT A PRICE OF \$30,000.00 PER ACRE, AT A TOTAL RENT OF \$5,000.00; AND THE OPTION FEE WOULD BE EQUAL TO \$5,000.00

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

WHEREAS, the Authority, in further development of its Cane Creek Centre project (“**Cane Creek**”) located in Danville and Pittsylvania County, Virginia, desires to have certain shell buildings for light industrial use made available to business and industry recruits for operation; and

WHEREAS, RealtyLink–Tennessee, LLC (“**RealtyLink**”), a Tennessee limited liability company, is a developer that wishes to enter into a one-year option (the “**Option to Ground Lease**”), for an option fee of \$5,000.00, to enter into a 10-year ground lease with the Authority for certain property in Cane Creek to be configured and known as new Lot 6B (part of Pittsylvania County GPIN 2347-03-7452), to contain sufficient acreage to accommodate the construction or installation of at least a 100,000 square foot building with the optional expansion of an additional 100,000 square feet of space (the “**Ground Lease**”); and

WHEREAS, the Ground Lease also would provide, at a minimum, (i) that RealtyLink, at its expense, would cause to be installed a building suitable for light industrial use, of at least 100,000 square feet in area, with installation to begin within 60 days after the execution of the Ground Lease; (ii) that installation would be completed within one year after commencement; (iii) that RealtyLink would have the right to purchase new Lot 6B at a price of \$100,000.00 should the Authority, in its sole discretion, enter into a Local Performance Agreement with the ultimate operator of new Lot 6B on such terms and conditions as the Authority should then determine, or otherwise at a price of \$30,000.00 per acre, which the Authority has determined to be fair market value; and (iv) that total rent under the Ground Lease would be equal to \$5,000.00, which, along with the \$5,000.00 option fee paid by RealtyLink, would be applied against the

Resolution No. 2019-07-08-5D

purchase price should RealtyLink timely exercise its right to purchase new Lot 6B before the end of the Ground Lease's term; and

WHEREAS, the Board of Directors of the Authority has determined that it is in the best interests of the Authority and the citizens of Pittsylvania County and Danville and in furtherance of the development of Cane Creek, for the Authority to approve, to negotiate, to execute and to deliver the Option to Ground Lease (and the Ground Lease as the case may be) as set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of the Option to Ground Lease and the Ground Lease as described in this Resolution, 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 Option to Ground Lease, the Ground Lease and all other related documents to consummate the transaction (including without limitation the execution and delivery of a deed to new Lot 6B, a settlement statement, property owner's affidavit and other reasonably necessary closing documents, pursuant to a right of purchase by ground lessee), on behalf of the Authority, such execution of the Option to Ground lease, the Ground Lease and related documents by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any amendments, deletions or additions thereto.

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by the Option to Ground Lease and the Ground Lease (as the case may be), 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 Option to Ground Lease, the Ground Lease and the matters contemplated therein or related thereto on before the date of this Resolution is adopted.

4. This Resolution shall take effect immediately upon its adoption.

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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 regular meeting duly called and held on July 8, 2019, 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 as of the 8th day of July 2019.

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

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5E
Meeting Date:	July 8, 2019
Subject:	Financial Status Reports – June 30, 2019
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through June 30, 2019 will be provided at the meeting. The financial status reports as of June 30, 2019 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of June 30, 2019 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2019
- C. SVMS at Berry Hill – Funding Other than Bond Funds
- D. SVMS at Berry Hill – Lot 4 Site Development
- E. SVMS at Berry Hill – Lot 8 Site Development
- F. SVMS at Berry Hill – Water & Sewer
- G. Rent, Interest, and Other Income Realized
- H. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

\$7,300,000 Bonds for Cane Creek Centre - Issued in August 2005 ⁷

As of June 30, 2019

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funds from bond issuance	\$7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost ⁷	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
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	38,756.62	33,124.38	
Land		-	2,792,945.57		-
Demolition services		71,261.62	71,261.62		-
Legal fees		-	147,081.23		-
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98		-
Other expenditures		-	345,194.30		-
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,434,720.68	\$ 33,124.38	<u>\$ 110,737.06</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 9/30/2010 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.

⁷ The \$7.3 million bonds were refunded on 8/1/2013 with the issuance of refunding bonds in the amount of \$5,595,000.

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 2019

As of June 30, 2019

	<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 FY2018	37,099.21				
Transfer to Mega Park Funding-Other Than Bonds ¹	20,000.00				
Contingency					
Miscellaneous contingency items		\$ 7,017.94	\$ 6,607.77	\$ -	\$ 410.17
Southern Virginia Mega Site at Berry Hill helipad		4,351.27	4,351.27		-
Total Contingency Budget		<u>11,369.21</u>	<u>10,959.04</u>	-	<u>410.17</u>
Legal		166,351.27	166,351.27	-	-
Accounting		21,525.00	21,525.00	-	-
Annual Bank Fees		605.00	605.00	-	-
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	2,930.50	-	1,069.50
Utilities		500.00	307.00	-	193.00
Insurance		3,000.00		-	3,000.00
Total		<u>\$ 207,099.21</u>	<u>\$ 207,450.48</u>	<u>\$ -</u>	<u>\$ 4,772.67</u>

¹ - Transfer back from Mega Park Fund-Other Funds for \$20,000 that was allocated to cover contingent liability due to Appalachian Power Company if RIFA cancels the development of Lot 8 at Berry Hill Industrial Park or delays completion of the project beyond January 31, 2019.

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of June 30, 2019

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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 Comm. 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				
TIC #2264 - Phase II Land and Engineering	3,200,000.00				
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	-	
401 Buford Road		259,000.00	3,000.00	256,000.00	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	987,879.29	2,970.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Dewberry Engineers (related to #2264)		4,500.00	4,500.00	-	
Appalachian Power Company		1,655,000.00	180,000.00	1,475,000.00	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 17,431,524.83	\$ 16,150,024.83	\$ 14,416,054.12	\$ 1,733,970.71	\$ 1,281,500.00

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.

⁷ Unencumbered the remaining \$11,203.15 due to termination of contract.

⁸ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Lot 4 Site Development
As of June 30, 2019

Funding	Funding	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
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				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,707,562.81	1,569,512.81	138,050.00	
Jones Lang LaSalle		95,000.00	95,000.00	-	
Jones Lang LaSalle - Economic Analysis		12,000.00	12,000.00	-	
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Wetlands Studies and Solutions, Inc.		77,027.64	77,027.64	-	
Banister Bend Farm, LLC - Wetland and Stream Credits		122,968.00	122,968.00	-	
DEQ - Construction Activity General Permit		11,000.00	9,600.00	1,400.00	
Haymes Brothers, Inc. - Construction on Phase 1 Graded Pad		4,250,475.11	4,243,151.21	7,323.90	
Haymes Brothers, Inc. - Phase 1 Pad A Extension/Expansion		-	-	-	
Transfers to "General Expenditures Fiscal Year 2015" Contingency ³					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)	-	
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	(12,000.00)	-	
Total	\$ 7,900,356.15	\$ 6,118,270.21	\$ 5,971,496.31	\$ 146,773.90	<u>\$ 1,782,085.94</u>

¹ \$300,000 of this was received from each locality 6-2014. \$450,000 received 8-2014. \$450,000 received 9-2014.

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.

³ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Lot 8 Site Development

As of June 30, 2019

	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
<i>Funding</i>					
<i>TIC #3358 Site Improvements for Project Lignum</i>					
Tobacco Commission Grant	\$ 2,624,800.00				
<i>Expenditures</i>					
Dewberry Engineers Inc.		89,300.00	82,800.00	6,500.00	
<i>Total</i>	\$ 2,624,800.00	\$ 89,300.00	\$ 82,800.00	\$ 6,500.00	\$ 2,535,500.00

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of June 30, 2019

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
TIC #2641 Phase I Sanitary Sewer					
Tobacco Commission Grant 2641	\$ 4,908,240.00				
Local Match for Contractual Services	282,400.00				
Local Match for Property & Improvements	262,960.00				
TIC #3011 Water System Improvements Phase II					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Improvements	24,160.00				
Expenditures					
Dewberry Engineers Inc.		398,284.00	193,044.32	205,239.68	
Haymes Brothers, Inc. - Phase I Sanitary Sewer Project		4,883,720.10	3,341,897.56	1,541,822.54	
C.W. Cauley & Son - Phase 1 Water Project		1,843,540.00	-	1,843,540.00	
Norfolk Southern Railway Company		22,300.00	22,300.00	-	
Pittsylvania County Service Authority		1,475.00	1,475.00	-	
Treasurer of Virginia		7,900.00	7,900.00	-	
AECOM		5,000.00	5,000.00	-	
BH Media Group, Inc.		296.00	296.00	-	
Danville Register & Bee		600.00	600.00	-	
Total	\$ 7,719,327.00	\$ 7,163,115.10	\$ 3,572,512.88	\$ 3,590,602.22	\$ <u>556,211.90</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Rent, Interest, and Other Income Realized for Fiscal Year 2019
As of June 30, 2019

Source of Funds	Funding			Expenditures FY2019	Unexpended / Unencumbered
	Carryforward from FY2018	Current Month	Receipts FY2019		
<u>Carryforward</u>	\$ 738,132.03				
<u>Current Lessees</u>					
	<u>Park</u>				
Institute for Advanced Learning and Research (IALR) ¹	Cyberpark	\$ 50,825.00	\$ 253,560.42		
IKEA (Swedwood)	Cane Creek		10.00		
Mountain View Farms of Virginia, L.C.	Berry Hill		1,200.00		
Osborne Company of North Carolina, Inc.	Berry Hill		1,000.00		
Total Rent		\$ 50,825.00	\$ 255,770.42		
<u>Interest Received</u> ²		\$ 441.44	\$ 4,757.50		
<u>Miscellaneous Income</u>			\$ 1,814,745.00		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 202,735.42	
Disbursement to Unision Tube (Enhancement Grant and DRF Grant)				\$ 1,242,500.00	
Disbursements for Harlow Fastech incentives				\$ 563,539.00	
Totals		\$ 738,132.03	\$ 51,266.44	\$ 2,075,272.92	\$ 2,008,774.42
				Restricted ¹	\$ 364,520.06
				Unrestricted	\$ 440,110.47

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 Position^{1,2}
June 30, 2019*

	Unaudited FY 2019
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,156,769
Cash - money market	800,065
Prepays	254
<i>Total current assets</i>	1,957,088
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	150,361
Restricted cash - debt service fund CCC bonds	5,280
Restricted cash - debt service fund Berry Hill bonds	30
Restricted cash - debt service reserve fund Berry Hill bonds	997,992
Capital assets not being depreciated	24,781,371
Capital assets being depreciated, net	22,987,025
Construction in progress	9,827,751
<i>Total noncurrent assets</i>	58,749,810
Total assets	60,706,898
Liabilities	
<i>Current liabilities</i>	
Unearned income	1,892
Bonds payable - current portion	1,348,450
<i>Total current liabilities</i>	1,350,342
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	2,119,740
<i>Total noncurrent liabilities</i>	2,119,740
Total liabilities	3,470,082
Net Position	
Net investment in capital assets	54,278,318
Restricted - debt reserves	1,003,302
Unrestricted	1,955,196
Total net position	\$ 57,236,816

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 June 30, 2019 as of June 26, 2019, 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 Position
June 30, 2019*

	Unaudited FY 2019
Operating revenues	
Virginia Tobacco Commission Grants	153,970
Rental income	257,570
Other Income	1,814,328
Total operating revenues	2,225,868
Operating expenses⁴	
Mega Park expenses ³	422,980
Cane Creek Centre expenses ³	1,263,734
Cyber Park expenses ³	828,411
Professional fees	85,354
Other operating expenses	11,623
Total operating expenses	2,612,102
Operating income (loss)	(386,234)
Non-operating revenues (expenses)	
Interest income	27,947
Interest expense	(93,508)
Total non-operating expenses, net	(65,561)
Net income (loss) before capital contributions	(451,795)
Capital contributions	
Contribution - City of Danville	320,764
Contribution - Pittsylvania County	820,764
Total capital contributions	1,141,528
Change in net position	689,733
Net position at July 1, 2018	56,547,083
Net position at June 30, 2019	\$ 57,236,816

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.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
June 30, 2019*

	Unaudited FY 2019
Operating activities	
Receipts from grant reimbursement requests	\$ 359,617
Receipts from leases	276,422
Other receipts	1,814,746
Payments to suppliers for goods and services	(2,721,312)
Net cash used by operating activities	(270,527)
Capital and related financing activities	
Capital contributions	907,843
Interest paid on bonds	(127,007)
Principal repayments on bonds	(1,290,000)
Net cash provided by capital and related financing activities	(509,164)
Investing activities	
Interest received	27,947
Net cash provided by investing activities	27,947
Net increase (decrease) in cash and cash equivalents	(751,744)
Cash and cash equivalents - beginning of year (including restricted cash)	3,862,241
Cash and cash equivalents - through June 30, 2019 (including restricted cash)	\$ 3,110,497
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (386,234)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	2,171
Change in other receivables	226,300
Change in accounts payable	(111,381)
Change in unearned income	(1,383)
Net cash used by operating activities	\$ (270,527)

Components of cash and cash equivalents at June 30, 2019:	
American National - Checking	\$ 1,156,769
American National - General money market	800,065
Wells Fargo - \$7.3M Bonds CCC Debt service fund	5,280
Wells Fargo - \$7.3M Bonds CCC Project fund	150,361
US Bank - \$11.25M Bonds Berry Hill Debt service fund	30
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	997,992
	\$ 3,110,497