

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

September 9, 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, LLP, 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 AUGUST 12, 2019 MEETING

5. NEW BUSINESS

- A. Consideration of Resolution No. 2019-09-09-5A, ratifying one-time mowing and clearing services related to the Authority's Southern Virginia Megasite at Berry Hill located in Pittsylvania County and the Cane Creek Centre Industrial Park project located in Pittsylvania County and Danville, Virginia, for a fee of \$7,582, subject to adjustments, but not to exceed \$10,000 -- Matthew D. Rowe, Director of Economic Development, Pittsylvania County
- B. Consideration of Resolution No. 2019-09-09-5B, authorizing the negotiation, execution and delivery of a Contract of Sale with RealtyLink – Tennessee, LLC, a Tennessee limited liability company ("RealtyLink"), for the purchase of new Lot 6A (part of GPIN 2347-03-7452 and part of PIN 77193), in the Authority's Cane Creek Centre project located in Pittsylvania County and Danville, Virginia, under which RealtyLink shall cause to be installed a building of at least 100,000 square feet in area, with installation to begin within 30 days after the Contract of Sale's execution and to be completed within one year thereafter; and the initial purchase price will be for \$30,000 per acre, subject to a post-closing adjustment to a total purchase price of \$125,000 if the Authority executes a Local Performance Agreement with the ultimate operator of the property; and this Contract of Sale is intended to replace the previously contemplated Ground Lease with Option to Purchase and previously executed License Agreement among the Authority and RealtyLink regarding the storage of building materials on the property – Mr. Rowe and Michael C. Guanzon, Esq., Christian & Barton, LLP, Legal Counsel to the Authority
- C. Consideration of Resolution No. 2019-09-09-5C, authorizing the negotiation, execution and delivery of a Contract of Sale with RealtyLink – Tennessee, LLC, a Tennessee limited liability company, for the purchase of Lot 6B (part of GPIN 2347-03-7452), located in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, under which RealtyLink shall cause to be constructed or installed a building of at least 100,000 square feet in area, with installation to begin within 90 days after the Contract of Sale's execution and to be completed within one year thereafter; and the initial purchase price will be for \$30,000 per acre, subject to a post-closing adjustment to a total purchase price of \$125,000 if the Authority executes a Local Performance Agreement with the ultimate operator

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of the property; and this Contract of Sale is intended to replace the previously contemplated Option to Ground Lease – Mr. Rowe and Mr. Guanzon

- D. Consideration of Resolution No. 2019-09-09-5D, approving that certain Contract for Purchase of certain real property containing approximately 0.74 acre, commonly known as 1809 South Boston Road, Danville, Virginia, to be added to the Authority's Cane Creek Centre Industrial Park, located in the City of Danville and Pittsylvania County, Virginia, at a purchase price of \$150,000 with a refundable deposit of \$5,000 – Telly D. Tucker, Director, Office of Economic Development, City of Danville, and Mr. Guanzon
- E. Consideration of Resolution No. 2019-09-09-5E, authorizing the negotiation, execution and delivery of a Contract of Sale for certain real property containing approximately 13.29 acres and 30.38 acres, located in Pittsylvania County, Virginia, commonly known as Lots 3A and 3B, fronting on Cane Creek Parkway, located in the City of Danville and Pittsylvania County, Virginia, in support of the development of the Authority's Cane Creek Centre Industrial Park, and contingent on the execution of a Local Performance Agreement with the ultimate operator of the property, at a purchase price of \$125,000 – Mr. Rowe and Mr. Guanzon
- F. Financial Status Reports as of August 31, 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

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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); 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:	09/09/2019
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, August 12, 2019 meeting.

ATTACHMENTS

Meeting Minutes – 08/12/2019

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 12, 2019

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:10 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 Ronald S. Scarce and alternate Elton Blackstock. Vice Chairman Robert W. Warren was absent. *Mr. Vogler entered the meeting at 12:12 p.m.*

City/County staff members attending were: City Manager Ken Larking, County Administrator David Smitherman, Assistant Director of Economic Development Corrie Bobe, Project Manager Kelvin Perry, Assistant County Administrator for Planning & Development Gregory Sides, Project Manager Susan McCullough, City Accountant Henrietta Weaver, Christian & Barton Attorney Michael Guanzon, 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 JULY 8, 2019 MEETING AND CORRECTED MINUTES OF THE JUNE 10, 2019 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Scarce, Minutes of the July 8, 2019 Meeting were approved as presented.

Upon **Motion** by Mr. Blackstock and **second** by Mr. Saunders, Corrected Minutes of the June 10, 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. 2019-08-12-5A APPROVING A PROPOSAL FOR SURVEYING SERVICES WITH DEWBERRY ENGINEERS FOR LOT 6 IN CANE CREEK CENTRE.

Mr. Harden explained this was to subdivide Lot 6 in the Cane Creek Centre into 6A and 6B, and the remainder in support of the RealtyLink construction. Mr. Guanzon noted both of those were approved at last month's meeting.

Mr. Scarce **moved** for adoption of *Resolution No. 2019-08-12-5A, approving that certain Proposal for Surveying Services dated July 15, 2019, with Dewberry Engineers Inc., a New York corporation, for Lot 6 in the Authority's Cane Creek Centre industrial park, located in Pittsylvania County and Danville, Virginia, for a lump sum fee of \$7,500.*

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

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

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Minutes

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5B. SEE AGENDA ITEM 7A.

5C. CONSIDERATION OF RESOLUTION 2019-08-12-5C AUTHORIZING AN AMENDMENT TO THE LOCAL PERFORMANCE AGREEMENT WITH BGF INDUSTRIES, INC.

Pittsylvania County Director of Economic Development Matt Rowe explained BGF was building their new corporate headquarters and research center in the Cyber Park. In the original agreement, it was proposed that RIFA would do a ground lease with Samet Corporation and then a sublease to BGF Industries. Financing for Samet has come back and has directed Samet to purchase the property in lieu of the ground lease; that was what was being proposed, and the changes that need to be made. BGF was working with Dewberry, finalizing their designs and Dewberry was moving on to actual site engineering, speculations and work. They have a group of people coming down next week to begin the kickoff for construction for that project.

Mr. Guanzon noted in the second part of the Resolution, where the BGF site was going to be located, was beside where the Centers for Advanced Manufacturing will be located. RIFA has not yet entered into the ground lease for the Institute, but had a resolution over a year ago about the support of that new center. The land in between the CAM and the BGF properties will be a service road. This Resolution will also authorize negotiating the terms under which RIFA will have a cross easement, and who will take care of the maintenance of the road. The State has agreed to pay for the construction of the road and for the road to be located on the Institute portion of the property that was being ground leased. Negotiations and discussions are needed because BGF will be in their building before the Institute would be in theirs, and for issues such as who will be the one to initiate the maintenance and repairs, and will they split the costs between them. This was more of a clean up to make sure this transaction moves forward. Mr. Guanzon explained a ground lease was needed because of the EDA grant. The Institute will likely do it because they are already doing it for the other buildings under a ground lease. The road will have a road replacement schedule, and staff needs to get the parties together and make sure they come up with a workable plan for both of them.

Mr. Saunders **moved** for adoption of *Resolution No. No. 2019-08-12-5C, authorizing the negotiation, execution and delivery of an Amendment to that certain Local Performance Agreement dated October 16, 2018, with BGF Industries, Inc., a Delaware corporation, and others, along with Ancillary Agreements, in order (i) to sell to Samet Corporation, a North Carolina corporation, the Project Site (a portion of Tax PIN 76441) to be located in the Authority's Cyber Park project, in Danville, Virginia, for construction of the New Corporation HQ and the Research Center, in lieu of a New Facility Ground Sublease to BGF Industries, Inc. for those purposes and (ii) to set forth the terms and conditions of the construction and use of an entrance/service road on the future site of the Center for Manufacturing Advancement, to serve the Project Site.*

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

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

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5D. CONSIDERATION OF RESOLUTION 2019-08-12-5D APPROVING A CONTRACT OF SALE WITH ANDREW DEAN MILLS AND CAROL MILLS FOR 30 ACRES IN PITTSYLVANIA COUNTY

Mr. Guanzon noted there was a correction that needed to be made, the purchase price was listed as \$189,000, that should be \$180,000. This was a contract to purchase property owned by Andrew Dean Mills and Carol Mills for about thirty acres on Off State Road 1055. This property will help support the entrance way to Berry Hill, or for other purposes to support the project. The money was coming from a Tobacco Commission Grant, and the purchase price will be \$180,000. Staff was still negotiating, there are closing costs the sellers want to have included and so staff would like to increase the purchase price by \$200, to \$180,200.

Mr. Scarce **moved** for adoption of *Resolution No. 2019-08-12-5D, approving that certain Contract of Sale with Andrew Dean Mills and Carol Mills, as sellers, for the purchase of certain real property containing approximately 30 acres (tax GPIN 1387-01-2186), located in Pittsylvania County, Virginia, commonly known as Off State Road 1055, Part of Tract 6, in support of the Authority's Southern Virginia Megasite at Berry Hill, at a purchase price of \$180,200, the funding of which shall derive from TIC grant #2264 from the Virginia Tobacco Region Revitalization Commission and a grant from the Virginia Economic Development Partnership.*

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

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

5E. CONSIDERATION OF RESOLUTION 2019-08-12-5E APPROVING CHANGE ORDER NO. 7 FOR SITE DEVELOPMENT WORK BY HAYMES BROTHERS ON LOT 4.

Mr. Harden explained staff has spent the last few months preparing plans to expand the pads at Berry Hill. They are getting the wetland permit amended with the Corp, and they have talked with Haymes to get a price to do the work to fill in some of the voids that were left. Also, because the pads are already existing, they will use Lot 5 for borrow, which will actually grade additional pad acreage in the park. In response to Mr. Blackstock, Mr. Harden explained a lot of the cost was in Stormwater management; the dirt cost was about half of that.

Mr. Saunders **moved** for adoption of *Resolution No. 2019-08-12-5E, approving Change Order 7 to the site development work by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2017-02-24-4A, including construction of a Phase 1 Pad Expansion for Pad A on Lot 4, increasing the contract price by \$1,578,000.*

The motion was **seconded** by Mr. Scarce and carried by the following vote:

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

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5F. CONSIDERATION OF RESOLUTION NO. 2019-08-12-5F APPROVING AMENDMENT NO. 26 WITH DEWBERRY ENGINEERS FOR PHASE 1 ENVIRONMENTAL SITE ASSESSMENT OF LOT 7.

Mr. Bradner explained this was to conduct a Phase I ESA on Lot 7 at Berry Hill in support of ongoing project activities.

Mr. Blackstock **moved** for adoption of *Resolution No. 2019-08-12-5F, approving Amendment No. 26, dated July 15, 2019, to Contract dated February 9, 2009, with Dewberry Engineers Inc., a New York corporation, Engineering Services related to the Mega Park Master Plan, to conduct a Phase 1 Environmental Site Assessment of Lot 7 in the Authority's Southern Virginia Megasite at Berry Hill project located in Pittsylvania County, Virginia, for a lump sum fee of \$4,200.*

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

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

5G. CONSIDERATION OF RESOLUTION NO. 2019-08-12-5G APPROVING AMENDMENT NO. 27 WITH DEWBERRY TO CONDUCT SITE CERTIFICATION DUE DILIGENCE AT BERRY HILL.

Mr. Bradner noted these items are related to the third party Quest Site Certification that staff was starting for the Mega Site. RIFA has made it through the preliminary stage and were now in the final stage. These were due diligence items that are required for the certification, a few related to issues with the Corp, and others related to an updated Phase I ESA for the certification area. Mr. Guanzon stated money was available for this through the VEDP grant the City has received. City Council will need to appropriate that and transfer it to RIFA to make those payments. The Resolution was contingent upon the City making that appropriation.

Mr. Scarce **moved** for adoption of *Resolution No. 2019-08-12-5G, approving Amendment No. 27, dated July 15, 2019, to contract dated February 9, 2009, with Dewberry Engineers Inc., a New York corporation, Engineering Services related to the Mega Park Master Plan, to conduct site certification due diligence of the Authority's Southern Virginia Megasite at Berry Hill project located in Pittsylvania County, Virginia, for a lump sum fee of \$74,750*

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

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

5H. FINANCIAL STATUS REPORTS AS OF JULY 31, 2019

City Accountant Henrietta Weaver gave the Financial Status report as of July 31, 2019. The \$7.3M Cane Creek Bonds show an expenditure of \$10,000 to Kutak Rock for Bond Refinance

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Legal Fees, \$8,244 to Clement Wheatley for legal fees and \$820 to Dewberry Engineers for Wetland Monitoring. FY 2019 General Expenditures show RIFA paid \$15,405 to Clement & Wheatley for Legal Fees, \$277 for meals, and \$61 for Utilities, and FY 2020 General Expenditures show RIFA paid \$2,337 for Insurance. The Berry Hill Funding Other than Bonds show expenditures of \$243,083 to the Clement & Wheatley Real Estate Trust for the property purchase. Lot 4 Site Development shows \$12,000 to Dewberry Engineers and \$1,560 to DEQ for a Wetland Permit and Lot 8 Site Development shows no expenditures for July. Water and Sewer expenditures were paid by the County through Tobacco Commission Grant #2641, which the County is administering, but was being recorded, and shows \$9,750 to Dewberry Engineers and \$417,904 to Haymes Brothers for Sanitary Sewer Construction. FY 2019 Rent, Interest and Other Income shows \$427 Interest received and \$50,825 was paid to the Institute for the Hawkins' Building Property Management for May and June. FY2020 Rent, Interest and Other Income shows RIFA received rent of \$25,412 from the Institute and \$2,000 from Capital Outdoor for their billboard lease.

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

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

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 12:31 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

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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

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

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

- D. On **Motion** by Mr. Searce and **second** by Mr. Blackstock and by unanimous vote at 1:11 p.m., the Authority returned to open meeting.

- E. Mr. Searce **moved** for adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

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

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

7. ADDITIONAL NEW BUSINESS

7A. CONSIDERATION OF RESOLUTION 2019-08-12-7A APPROVING A LOCAL PERFORMANCE AGREEMENT WITH GEFERTEC.

Assistant Director of Economic Development Corrie Bobe explained this project will have \$1.9M capital investment in equipment, and eight jobs with an average wage of \$60,000. The

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package was with the Tobacco Commission which will help cover up to two years of rent. The Tobacco Commission grant was in the amount of \$45,000 and the remaining amount will be split between the City and the County. The project was anticipated to break even within the first year. The Tobacco Commission has sent out its press release.

Mr. Saunders **moved** for approval of Resolution 2019-08-12-7A, *a Resolution Approving that Certain Local Performance Agreement with Gefertec LLC, a Virginia Limited Liability Company, and Others, Under Which the Authority Would Provide Payment of the First 24 Months of Base Rent, up to \$50,752, Under a Lease with the Institute for Advanced Learning and Research, a Political Subdivision of the Commonwealth of Virginia, of which \$45,000 would be Deemed as an Advance to be Reimbursed Under a Tobacco Regional Opportunity Fund Grant, for Which the Authority Would Apply for and Disburse, in Exchange for Capital Investments of at Least \$1,900,000 and Creation of 8 Full-Time Jobs with an Average Yearly Base Wage of at Least \$60,000 and Other Capital Investments in the Cyber Park Project.*

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

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

COMMUNICATIONS

Mr. Blackstock questioned the status of Unison and Mr. Guanzon explained staff was still working with them to put in some replacement collateral because they want to use some stock equipment pieces to leave the facility. Whether they have to put more machines there to make sure that value was there, do a personal guarantee or some other item, staff was looking into that. Mr. Scarce questioned the time line for an agreement and Mr. Guanzon noted they still have to come up with a plan on what RIFA was going to get from them.

City Manager Ken Larking noted he wanted to get consensus from the RIFA Board that staff can bring back later for consideration. This was related to when the City and the County have disparate ideas of how much they would like to incentivize a project, and when that occurs, how was that handled going forward when the revenue comes in. SR RIFA has put a mechanism in place which will account for that; he would recommend RIFA amend their by-laws to have that included in the Danville Pittsylvania RIFA, and that it apply to any previous occurrences that may be in place at the time.

Mr. Guanzon explained with the Staunton River RIFA, there were more member localities than in this RIFA. For any transaction here, the City and the County have to agree, and the investment and the contribution was 50/50; that was how the initial cost sharing agreement worked. Without amending the cost sharing agreement and the by-laws to say, if one locality wants to recruit more than the other and that member locality wants to put more money into a project because they feel strongly about it, there isn't a mechanism right now to have that happen. Either it was 50/50 for the City and the County, or the project was not done; in SR RIFA, there was a procedure. Mr. Shanks questioned if that included the revenue side as well and Mr. Guanzon noted it did and Mr. Shanks stated it would be pro rata. Mr. Guanzon noted that was part of it or staff could work out some other deal. Mr. Larking noted as long as there was some way to get to a balance.

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Mr. Guanzon stated if the Board was agreeable to entertain this, staff will come up with recommendations in the upcoming meetings, to handle such a situation. Mr. Shanks noted as long as it handled both on the revenue and expense sides as far as percentages, he does not have any problems with it. Mr. Blackstock noted RIFA needed to get something on the books, if they need to negotiate at some point, they can. Right now they are fixed at 50/50 and if they don't agree, they don't move forward. Mr. Guanzon explained this was just so staff can move forward and will bring it back to the RIFA Board for official approval. It will have to be worked out at staff level and get opinions from both localities to see what will work better; staff will have to be very thoughtful on how to get it done.

Meeting adjourned at 1:26 p.m.

APPROVED:

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	09/09/2019
Subject:	Resolution No. 2019-09-09-5A
From:	Matthew D. Rowe, Director of Economic Development Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2019-09-09-5A ratifying one-time mowing and clearing services at Berry Hill and Cane Creek Industrial Parks.

ATTACHMENTS

Resolution 2019-09-09-5A

A RESOLUTION RATIFYING ONE-TIME MOWING AND CLEARING SERVICES RELATED TO THE AUTHORITY’S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL LOCATED IN PITTSYLVANIA COUNTY AND THE CANE CREEK CENTRE INDUSTRIAL PARK PROJECT LOCATED IN PITTSYLVANIA COUNTY AND DANVILLE, VIRGINIA, FOR A FEE OF \$7,582, SUBJECT TO ADJUSTMENTS, BUT NOT TO EXCEED \$10,000

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

WHEREAS, as part of the Authority’s Southern Virginia Megasite at Berry Hill project (“**SVM**”) located in Pittsylvania County, Virginia, and Cane Creek Centre Industrial Park project (“**Cane Creek**”) located in Pittsylvania County and the City of Danville, Virginia, the Authority requires mowing and clearing services (the “**Mowing Services**”) for certain portions of SVM and Cane Creek; and

WHEREAS, the Authority’s Bylaws Article IV, Section 2, provides

Without limiting the provisions of the [Agreement For Cost Sharing and Revenue Sharing between the City of Danville, Virginia, and Pittsylvania County, Virginia, dated October 2, 2001], each Member Locality, through its city manager, county administrator or respective designee, is authorized to incur, on behalf of the Authority, up to an aggregate amount of Ten Thousand Dollars (\$10,000.00) in reasonable expenses, related to, or arising out of, (i) developing or testing the Authority’s projects for a particular business prospect or (ii) marketing to a particular business prospect. Prior to incurring any such expense under this paragraph, the Member Locality shall consult with the other Member Locality on such business prospect. Such expenses shall be reported to the Board at its next regular meeting for consideration and ratification.

; and

WHEREAS, Kenneth F. Larking, the City of Danville, Virginia city manager, and David M. Smitherman, the Pittsylvania County, Virginia county administrator, have consulted with each other and engaged a contractor to provide the Mowing Services at SVM and Cane Creek in order for the continued development and marketing of SVM and Cane Creek for particular business prospects; and

WHEREAS, the fiscal agent of the Authority has determined that funding up to \$10,000.00 for the Mowing Services is within “General Contingency Fund”, a funding sheet under the budget previously approved by the Authority for these projects for this purpose; and

Resolution No. 2019-09-09-5A

WHEREAS, the Board of Directors of the Authority has determined that a \$7,582 fee for the Mowing Services is reasonable.

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

1. The Authority hereby finds that the \$7,582 fee for the Mowing Services is reasonable.
2. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the purchase of the Mowing Services and the matters contemplated in this Resolution.
3. 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 meeting duly called and held on September 9, 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 9th day of September 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: 09/09/2019
Subject: Resolution No. 2019-09-09-5B
Matthew D. Rowe, Director of Economic Development
From: Pittsylvania County, and
Michael C. Guanzon, Esq., Christian & Barton

SUMMARY

The Board will be asked to approve Resolution 2019-09-09-5B authorizing the negotiation, execution and delivery of a Contract of Sale with RealtyLink, for the purchase of new Lot 6A at Cane Creek Centre.

ATTACHMENTS

Resolution 2019-09-09-5B

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A CONTRACT OF SALE WITH REALTYLINK – TENNESSEE, LLC, A TENNESSEE LIMITED LIABILITY COMPANY (“REALTYLINK”), FOR THE PURCHASE OF NEW LOT 6A (PART OF GPIN 2347-03-7452 AND PART OF PIN 77193), IN THE AUTHORITY’S CANE CREEK CENTRE PROJECT LOCATED IN PITTSYLVANIA COUNTY AND DANVILLE, VIRGINIA, UNDER WHICH REALTYLINK SHALL CAUSE TO BE INSTALLED A BUILDING OF AT LEAST 100,000 SQUARE FEET IN AREA, WITH INSTALLATION TO BEGIN WITHIN 30 DAYS AFTER THE CONTRACT OF SALE’S EXECUTION AND TO BE COMPLETED WITHIN ONE YEAR THEREAFTER; AND THE INITIAL PURCHASE PRICE WILL BE FOR \$30,000 PER ACRE, SUBJECT TO A POST-CLOSING ADJUSTMENT TO A TOTAL PURCHASE PRICE OF \$125,000 IF THE AUTHORITY EXECUTES A LOCAL PERFORMANCE AGREEMENT WITH THE ULTIMATE OPERATOR OF THE PROPERTY; AND THIS CONTRACT OF SALE IS INTENDED TO REPLACE THE PREVIOUSLY CONTEMPLATED GROUND LEASE WITH OPTION TO PURCHASE AND PREVIOUSLY EXECUTED LICENSE AGREEMENT AMONG THE AUTHORITY AND REALTYLINK REGARDING THE STORAGE OF BUILDING MATERIALS ON THE PROPERTY

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, in connection with Resolution 2019-07-08-5CD, the Authority and RealtyLink – Tennessee, LLC, a Tennessee limited liability company (“**RealtyLink**”) previously contemplated a Ground Lease with Option to Purchase (the “**Ground Lease**”) and executed a License Agreement dated August 9, 2019 (the “**License Agreement**”) for new Lot 6A (part of GPIN 2347-03-7452 and part of PIN 77193), containing approximately 19.41 acres (the “**Property**”), in the Authority’s Cane Creek Centre project (“**Cane Creek**”) located in Pittsylvania County and Danville, Virginia, in order to accommodate the construction or installation of a 100,000 square foot building on the Property; and

WHEREAS, the Authority and RealtyLink now desire to forgo the Ground Lease and terminate the License Agreement, and instead to enter into a contract of sale for the purchase of the Property by Realtylink, on terms and conditions as may be agreed upon by the Authority and RealtyLink and approved by the Authority; and

WHEREAS, the Authority desires to sell the Property to RealtyLink, under the following minimum business terms:

- (i) the purchase price of \$30,000 per acre, which the Authority has determined to be fair market value, subject to a post-closing adjustment to a total purchase price of \$125,000 in contemplation of the construction or installation of a 100,000 square foot facility suitable for light industrial use (the “**Building**”), if the Authority executes a Local Performance Agreement with the ultimate operator of the Property; and

Resolution No. 2019-09-09-5B

- (ii) a minimum study period of 30 days in which RealtyLink may conduct due diligence investigations to determine the feasibility of the Property for the further development of Cane Creek; and
- (iii) if the Building is not constructed or installed within one (1) year after the 30-day review period, the Authority may repurchase the Property at the prevailing tax-assessed value; and
- (iv) if the Authority acquires ownership of certain real property containing approximately 0.74 acre, adjacent to the southern border of Lot 6, such real property shall be added to the Property, and the purchase price shall be adjusted accordingly; and
- (v) the Authority shall have the option to repurchase the land of the Property, if the ultimate operator of the Property defaults on performance under a Local Performance Agreement, at a purchase price of \$125,000, and the Authority shall have the option to purchase any buildings, structures, improvements and fixtures on the Property at fair market value;

and

WHEREAS, the fiscal agent of the Authority has determined that the funding for the costs associated with the transaction under a contract of sale, as contemplated herein, is available within a line item previously approved by the Authority as "\$7.3 Million Bond for Cane Creek Centre"; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County, Virginia, and the City of Danville, Virginia, and in furtherance of the development of the Authority's Cane Creek Centre Industrial Park project, for the Authority to approve, to negotiate, to execute and to deliver a contract of sale, as applicable, consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of a contract of sale, as applicable, 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 contract of sale, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the contract of sale, 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 contract of sale, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

Resolution No. 2019-09-09-5B

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the contract of sale and the matters contemplated therein or related thereto on or 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 meeting duly called and held on September 9, 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 this 9th day of September 2019.

(SEAL)

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

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5C
Meeting Date: 09/09/2019
Subject: Resolution No. 2019-09-09-5C
Matthew D. Rowe, Director of Economic Development
From: Pittsylvania County, and
Michael C. Guanzon, Esq., Christian & Barton

SUMMARY

The Board will be asked to approve Resolution 2019-09-09-5C authorizing the negotiation, execution and delivery of a Contract of Sale with RealtyLink, for the purchase of Lot 6B at Cane Creek Centre.

ATTACHMENTS

Resolution 2019-09-09-5C

Resolution No. 2019-09-09-5C

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A CONTRACT OF SALE WITH REALTYLINK – TENNESSEE, LLC, A TENNESSEE LIMITED LIABILITY COMPANY, FOR THE PURCHASE OF LOT 6B (PART OF GPIN 2347-03-7452), LOCATED IN THE AUTHORITY’S CANE CREEK CENTRE PROJECT LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, UNDER WHICH REALTYLINK SHALL CAUSE TO BE CONSTRUCTED OR INSTALLED A BUILDING OF AT LEAST 100,000 SQUARE FEET IN AREA, WITH INSTALLATION TO BEGIN WITHIN 90 DAYS AFTER THE CONTRACT OF SALE’S EXECUTION AND TO BE COMPLETED WITHIN ONE YEAR THEREAFTER; AND THE INITIAL PURCHASE PRICE WILL BE FOR \$30,000 PER ACRE, SUBJECT TO A POST-CLOSING ADJUSTMENT TO A TOTAL PURCHASE PRICE OF \$125,000 IF THE AUTHORITY EXECUTES A LOCAL PERFORMANCE AGREEMENT WITH THE ULTIMATE OPERATOR OF THE PROPERTY; AND THIS CONTRACT OF SALE IS INTENDED TO REPLACE THE PREVIOUSLY CONTEMPLATED OPTION TO GROUND LEASE

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, in connection with Resolution 2019-07-08-5C, the Authority and RealtyLink – Tennessee, LLC, a Tennessee limited liability company (“**RealtyLink**”) were previously in negotiations to enter into an Option to Ground Lease certain real property (part of Pittsylvania County GPIN 2347-03-7452) located in Pittsylvania County, Virginia, commonly known as Lot 6B of the Authority’s Cane Creek Centre Industrial Park project (the “**Property**”), located in the City of Danville and Pittsylvania County, Virginia; and

WHEREAS, the Authority and RealtyLink now desire instead to enter into a contract of sale for the purchase of the Property by Realtylink, on terms and conditions as may be agreed upon by the Authority and RealtyLink and approved by the Authority; and

WHEREAS, the Authority desires to sell the Property to RealtyLink, under the following minimum business terms:

- (i) the purchase price of \$30,000 per acre, which the Authority has determined to be fair market value, subject to a post-closing adjustment to a total purchase price of \$125,000 in contemplation of the construction of a 100,000 square foot facility suitable for light industrial use (the “**Building**”), if the Authority executes a Local Performance Agreement with the ultimate operator of the Property; and
- (ii) a minimum study period of 90 days in which the RealtyLink may conduct due diligence investigations to determine the feasibility of the Property for

Resolution No. 2019-09-09-5C

the further development of the Cane Creek Centre Industrial Park project;
and

- (iii) if the Building is not constructed or installed within one (1) year after the 90-day study period, the Authority may repurchase the Property at the prevailing tax-assessed value; and
- (iv) the Authority shall the option to repurchase the land of the Property, if the ultimate operator of the Property defaults on performance under a Local Performance Agreement, at a purchase price of \$125,000, and the Authority shall have the option to purchase any buildings, structures, improvements and fixtures on the Property at fair market value;

and

WHEREAS, the fiscal agent of the Authority has determined that the funding for the costs associated with the transaction under a contract of sale, as contemplated herein, is available within a line item previously approved by the Authority as "\$7.3 Million Bond for Cane Creek Centre"; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County, Virginia, and the City of Danville, Virginia, and in furtherance of the development of the Authority's Cane Creek Centre Industrial Park project, for the Authority to approve, to negotiate, to execute and to deliver a contract of sale, as applicable, consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of a contract of sale, as applicable, 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 contract of sale, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the contract of sale, 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 contract of sale, 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 contract

Resolution No. 2019-09-09-5C

of sale and the matters contemplated therein or related thereto on or 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 meeting duly called and held on September 9, 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 this 9th day of September 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: 09/09/2019
Subject: Resolution No. 2019-09-09-5D
Telly D. Tucker, Director of Economic Development
From: City of Danville, and
Michael C. Guanzon, Esq., Christian & Barton

SUMMARY

The Board will be asked to approve Resolution 2019-09-09-5D authorizing the purchase of property known as 1809 South Boston Road.

ATTACHMENTS

Resolution 2019-09-09-5D
Exhibit A

Resolution No. 2019-09-09-5D

A RESOLUTION APPROVING THAT CERTAIN CONTRACT FOR PURCHASE OF CERTAIN REAL PROPERTY CONTAINING APPROXIMATELY 0.74 ACRE, COMMONLY KNOWN AS 1809 SOUTH BOSTON ROAD, DANVILLE, VIRGINIA, TO BE ADDED TO THE AUTHORITY'S CANE CREEK CENTRE INDUSTRIAL PARK, LOCATED IN THE CITY OF DANVILLE AND PITTSYLVANIA COUNTY, VIRGINIA, AT A PURCHASE PRICE OF \$150,000, WITH A REFUNDABLE DEPOSIT OF \$5,000

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

WHEREAS, Resolution 2019-07-08-5C provides for the development and expansion of Lot 6A in the Authority's Cane Creek Centre project ("**Cane Creek**") located in Danville and Pittsylvania County, Virginia; and

WHEREAS, in support of Resolutions 2019-07-08-5C and 2019-07-08-5D, the Authority has identified certain real property, containing approximately 0.74 acre located in the City of Danville, Virginia, commonly known as 1809 South Boston Road, Danville, Virginia (the "**Property**"), for part of its continued development of Cane Creek; and

WHEREAS, the Authority desires to purchase the Property owned by ARG Properties, LLC, a Virginia limited liability company ("**ARG**"), under the following minimum business terms:

- (i) the purchase price of \$150,000.00, which the Authority has determined to be reasonable given its value as an addition to Cane Creek; and
- (ii) a minimum study period of 60 days in which the Authority may conduct due diligence investigations to determine the feasibility of the Property for the further development of Cane Creek; and
- (iii) a deposit of \$5,000.00, which shall be refundable if the Authority terminates the purchase before the end of the study period;

and

WHEREAS, the Authority has reviewed and desires to enter into that certain Contract of Sale of real property (the "**Contract of Sale**") with ARG as seller, for the acquisition of the Property, in substantially the form shown on **Exhibit A**, attached hereto and incorporated herein by this reference; and

WHEREAS, the fiscal agent of the Authority has determined that the funding for the purchase under the Contract of Sale is available within a line item previously approved by the Authority as "\$7.3 Million Bond for Cane Creek Centre"; and

Resolution No. 2019-09-09-5D

WHEREAS, the Authority, in connection with the development of Lot 6A of Cane Creek, desires to rezone the Property and to consolidate the Property into the new Lot 6A in Cane Creek as contemplated in Resolution 2019-07-08-5C; and

WHEREAS, the Authority made that certain Declaration of Protective Covenants, dated July 12, 2000 (the “**Original Declaration**”), and recorded in the Clerk’s Office of the Circuit Court of the County of Pittsylvania, Virginia (the “**County Clerk’s Office**”), as Instrument No. 05-06158, in Deed Book 1505, at page 237, as recorded in the Clerk’s Office of the Circuit Court of the City of Danville, Virginia (the “**City Clerk’s Office**”), as Instrument No. 05-4233, at page 189, and desires to amend the Original Declaration, as amended, to include the Property; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County, Virginia, and the City of Danville, Virginia, and the improvement of the Authority’s Cane Creek project for the Authority to execute the Contract of Sale, to rezone the Property, to consolidate the Property into the new Lot 6A in Cane Creek, and to add the expanded Lot 6A to Cane Creek.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the Contract of Sale as set forth in **Exhibit A** and as reviewed at this meeting, together with such amendments, deletions or additions thereto as may be approved by the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, and hereby authorizes the Chairman or Vice Chairman of the Authority, either of whom may act independently of the other, to execute and deliver the Contract of Sale on behalf of the Authority, such execution of the Contract of Sale by the Chairman and/or Vice Chairman, as the case may be, to conclusively establish his approval of any amendments, deletions or additions thereto.

2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority, after acquisition of the Property to consolidate the Property into Lot 6A and to apply for rezoning of the Property to match Lot 6A.

3. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to make supplements and other amendments to the Original Declaration, as amended, to add the Property to Cane Creek, and to make all necessary recordings of the same in the County Clerk’s Office and the City Clerk’s Office.

4. 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

Resolution No. 2019-09-09-5D

things as are contemplated by the Contract of Sale, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

5. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Contract of Sale and the matters contemplated therein.

6. 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 meeting duly called and held on September 9, 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 this 9th day of September 2019.

(SEAL)

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

Resolution No. 2019-09-09-5D

Exhibit A
(The Contract of Sale)

THIS CONTRACT OF SALE (this “**Contract**”) is made as of September 10, 2019, by and between **ARG PROPERTIES, LLC** (“**Seller**”), a Virginia limited liability company; and **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Purchaser**”).

AGREEMENT:

In consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I **The Property**

Section 1.1. **Agreement to Sell and Purchase the Property.** Subject to the terms and conditions of this Contract, Seller agrees to sell, assign and transfer, or cause to be sold, assigned and transferred, to Purchaser, and Purchaser agrees to purchase, acquire, and accept from Seller, (a) all that certain lot, piece or parcel of land situated in City of Danville, Virginia, consisting of approximately 0.74 acre, commonly known as parcel identification number 77194, 1809 South Boston Road, together with all easements, rights-of-way and appurtenances thereunto belonging (the “**Land**”), (b) the buildings, structures, improvements and fixtures on the Land (the “**Improvements**”), and (c) all rights to use, for ingress and egress, any private road or right-of-way adjacent to or contiguous to the Land, if any, to the extent assignable. The Land, Improvements and any other rights appurtenant or related thereto, as described in this Section 1.1, are collectively referred to herein as the “**Property**”.

ARTICLE II **Purchase Price**

Section 2.1. **Payment of Purchase Price.** The purchase price of the Property is **ONE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$150,000.00)** (the “**Purchase Price**”). The Purchase Price is subject to prorations and adjustments as set forth herein, payable by Purchaser to Seller at the closing of the transactions contemplated hereunder (the “**Closing**”). The Purchase Price shall be payable in cash, by certified check, or by federal wire transfer, or other immediately available funds at Closing.

ARTICLE III **Review Period**

Section 3.1. **Access to Property.** Beginning on the Effective Date (as hereafter defined), and ending on a date that is sixty (60) days after the Effective Date (as hereafter defined), at 11:59 P.M. (the “**Review Period**”), unless this Contract is terminated prior to the end of the Review Period, at all times reasonably approved by Seller during the Review Period, with Purchaser having notified Seller at least twenty-four (24) hours prior thereto, Purchaser, its agents, employees, representatives and contractors, at Purchaser’s sole cost and expense, shall have the right, after the execution of this Contract, to enter upon the Property to perform such tests, inspections and examinations of the Property as Purchaser deems advisable (collectively, the “**Investigations**”), including all matters of survey, flood plain of the Property, the availability of utilities, zoning and building code and other applicable governmental regulation compliance in connection with the Property and the use thereof. Without limiting the foregoing, Purchaser shall have the right to conduct any environmental testing and inspection of the Property that Purchaser deems advisable during the Review Period, including without limitation any testing or examination for the presence in, on, or under the Property of any Hazardous Materials (as hereafter defined) or any underground

storage tanks or facilities, which tests and inspections shall be included within the definition of “**Investigations**”. For such purposes, Purchaser, its agents, employees, representatives and contractors, may enter upon the Property and do all things necessary in connection therewith, provided they do not materially damage the Property and provided the Property is restored to the substantially the same condition that existed prior to such Investigations. All Investigations of the Property will be conducted so as to not materially interfere with the current lessee’s business operations.

“**Effective Date**” shall mean the date first above written.

“**Hazardous Materials**” shall mean and include, but shall not be limited to, any oil, petroleum product and any hazardous or toxic wastes or substances, any substances which because of their quantitative concentration, chemical, radioactive, flammable, explosive, infectious or other characteristics, constitute or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or to the environment, including without limitation, asbestos (whether or not friable) and any asbestos containing materials, lead paint, waste oils, solvents and chlorinated oils, polychlorinated biphenals (PCB’s), toxic metals, pickling and plating wastes, explosives, reactive metals and compounds, pesticides, herbicides, radon gas, urea formaldehyde foam insulation, and chemical, biological and radioactive wastes, or any other similar materials which are included under or regulated by any applicable federal, state, or local law, rule or regulation (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) pertaining to environmental regulations or laws.

In consideration of the grant of the Review Period, Purchaser shall pay to Seller a Deposit in the sum of **FIVE THOUSAND AND 00/100 DOLLARS** (\$5,000.00) (the “**Deposit**”). If Purchaser proceeds to Closing, the parties agree that the Deposit shall be applied to the Purchase Price at Closing.

Section 3.2. Right to Terminate During Review Period. If Purchaser is not satisfied in its sole discretion with the condition of the Property, Purchaser shall have the right, upon written notice to Seller given prior to the end of the Review Period, time being of the essence, to terminate this Contract, in which event both Seller and Purchaser shall thereafter be relieved from any and all liability under this Contract except as otherwise provided in this Contract.

Section 3.3. Application of the Deposit. The Deposit shall be applied to the Purchase Price at Closing. Except for a termination by Purchaser prior to the expiration of the Review Period or a Noncompliance Termination (as hereafter defined), the parties agree that the Deposit shall be nonrefundable as consideration for the grant to Purchaser of the Review Period. If a termination by Purchaser prior to the expiration of the Review Period or a Noncompliance Termination occurs, Seller shall promptly return the Deposit to Purchaser upon such termination. Moreover, if a Noncompliance Termination occurs after the Review Period, Seller shall promptly return the Deposit to Purchaser upon such termination. “**Noncompliance Termination**” shall mean any termination by Purchaser which results from (a) any material breach of this Contract by Seller and all applicable cure periods have expired; (b) Seller’s inability to convey to Purchaser good, insurable and marketable title to the Property, subject only to the Permitted Exceptions (as hereafter defined); (c) Purchaser’s inability to obtain an owner’s title insurance policy at standard rates, subject to the Permitted Exceptions (as hereafter defined), after good faith efforts to obtain such a policy; or (d) the presence of any Hazardous Materials on or in the Property in violation of any applicable federal, state, or local laws or regulations, which violation(s) is not cured by Seller, at Seller’s option, within ninety (90) days after receipt by Seller of written notice from Purchaser of the nature and location of such Hazardous Materials on or in the Property.

ARTICLE IV
Conditions to the Parties' Obligations

Section 4.1. In General. If any one or more of the conditions to a party's obligations listed in this Article are not satisfied within the period of time specified, such party may (i) waive the condition and proceed to the Closing, subject to any other conditions which may be required to be satisfied thereafter, (ii) terminate this Contract by written notice to the other party, or (iii) if the condition relates to the failure of the other party to perform its obligations hereunder, pursue its legal rights and remedies available on account of such nonperformance. If a party terminates this Contract, neither party thereafter shall have any further liability hereunder except as otherwise provided in this Contract. Unless the parties otherwise agree in writing, the satisfaction or waiver of a condition to a party's obligations shall not affect the liability of the other party with respect to any of its representations or warranties relating to the same subject matter.

Section 4.2. Conditions to Purchaser's Obligations. Purchaser's obligation to proceed to Closing under this Contract is subject to the satisfaction of the following conditions on or before the Closing:

(a) Seller's Representations and Warranties. Except as otherwise stated in the representations and warranties, all of the representations and warranties of Seller set forth in this Contract shall be true and correct in all material respects as of the Closing.

(b) Closing Documents. All of the documents required under this Contract to be executed and/or delivered by Seller on or before Closing shall have been so executed and delivered.

(c) Performance by Seller. Seller shall have performed in all material respects all of its other obligations required to have been performed hereunder on or before the Closing.

(d) Title. Purchaser at its expense shall be able to obtain, from a title insurance company doing business in the Commonwealth of Virginia, a commitment for an owner's policy of title insurance for the property (the "**Title Commitment**"). The Title Commitment shall contain, as exceptions to title, only those exceptions (a) any utility easements located on the Property which do not materially adversely affect the use of the Property for Purchaser's Use, (b) any other exceptions that do not materially affect the use of, or marketability of title to, the Property as reasonably determined by Purchaser, and (c) any other exceptions agreed by the parties (collectively, the "**Permitted Exceptions**"). If Purchaser fails to object to any exception to title (other than the Permitted Exceptions) before the end of the Review Period, all exceptions shall be deemed to be satisfied. If Purchaser objects to any exception (other than the Permitted Exceptions), Seller shall be under no obligation to cause such exception to be removed. If, in such case, Seller is unable or unwilling to cause such exception to be removed, Purchaser may either terminate this Contract prior to the end of the Review Period, or accept the exception and proceed to Closing.

(e) Monetary Liens. Seller shall pay or otherwise discharge as a monetary lien against the Property all mortgages, deeds of trust and other consensual monetary liens against the Property, which can be satisfied by payment of a fixed amount prior to or at the Closing. In the event of such a payment at Closing, payment may be evidenced by a payment from the sale proceeds shown on the settlement statement signed by the parties on or before Closing.

Section 4.3. Conditions to Seller's Obligations. Seller's obligation to proceed to Closing under this Contract is subject to the satisfaction of the following conditions on or before the Closing:

(a) Closing Obligation. Purchaser shall have delivered the Purchase Price at Closing in accordance with this Contract.

(b) Performance by Purchaser. Purchaser shall have performed in all material respects all of its obligations required to have been performed hereunder on or before the Closing.

ARTICLE V Representations and Warranties

Section 5.1. Representations and Warranties of Seller. Seller represents and warrants to Purchaser as follows:

(a) Seller is the sole fee simple owner of the Property, and Seller has good, marketable and insurable title in the Property, free and clear of all liens and encumbrances except Permitted Exceptions. No other party has any right, title or interest in the Property or to occupy the Property, except for Max Kendall Lumber under a lease terminable on 30 days' notice (the "**Kendall Lease**"). Except for the Kendall Lease, there are no oral or written leases affecting or relating to the Property. Between the date Seller executes this Contract and Closing, Seller shall not subject the Property to or consent to any leases, liens, encumbrances, covenants, conditions, restrictions, easements, rights of way, or agreements, or take any other action affecting or modifying the status of title or otherwise affecting the Property, without the written consent of the Purchaser. As of Closing, Purchaser shall have exclusive possession of the Property.

(b) As of Closing, there will be no parties, other than Seller, in possession of any portion of the Property as lessees, and as of Closing, there will be no leases applicable to or affecting the Property. There are no mortgages or other liens on or affecting the Property.

(c) As of Closing, there are no unpaid charges, debts, liabilities, claims or obligations arising from the construction, occupancy, ownership, use or operation of the Property, which could give rise to any mechanics' or materialmen's or other statutory lien against the Property, or any part thereof, or for which Purchaser will be responsible.

(d) To its knowledge, Seller has neither caused nor does Seller have any knowledge of any Hazardous Materials having been placed, generated, manufactured, processed, treated, held, stored, located, spilled, released, dumped or disposed of on the Property in a manner which violates applicable law. If such knowledge becomes available, Seller shall immediately notify Purchaser in writing. Seller has not received written notice from any authority, agency, department, court, commission, board, bureau or instrumentality of any of the foregoing asserting jurisdiction over the Property, that the Property is or may be in violation of any applicable federal, state or municipal law, ordinance or regulation regarding Hazardous Materials.

(e) Seller is not a "**foreign person**" within the meaning of Section 1445 of the Internal Revenue Code of 1954, as amended.

(f) To the best of Seller's knowledge, there are no unrecorded easements or claims of lien affecting the Property.

(g) Seller is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "**Specially Designated National and Blocked Person**" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and Seller is not engaged in this

transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

(h) Except for underground storage tanks that were removed under the supervision of the Virginia Department of Environmental Quality, Seller has not received any notice from any governmental authority inquiring about, seeking to investigate, or claiming the existence of, any Hazardous Materials on, under or about the Property. As of the date hereof, to the best of Seller's knowledge, Seller has made all filings of an environmental nature required for this transaction with all federal, state and local regulatory agencies.

(i) All storage tanks on the Property, have been removed during Seller's ownership of the Property in strict compliance with all laws, ordinances, and regulations regarding such removal.

(j) Seller has provided any and all documentation to Purchaser pertaining to the removal of any underground storage tanks, including without limitation, any correspondence from the Virginia Department of Environmental Quality.

(k) Seller is a limited liability company duly formed and in good standing under the laws of the Commonwealth of Virginia, and has the requisite power and authority to enter into and to perform the terms of this Contract. Seller is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by this Contract or the consummation of the transactions contemplated hereby. The execution and delivery of this Contract and the consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Seller. This Contract constitutes, and each document and instrument contemplated hereby to be created and delivered by Seller, when executed and delivered, shall constitute the legal, valid, and binding obligation by Seller, enforceable against Seller in accordance with its respective terms.

(l) Seller has full right, power and authority to enter into and perform all the obligations required of Seller under this Contract, including, without limitation, transferring the Property to Purchaser without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties.

(m) Seller has fee simple title to the canopy and all other fixtures and to all personal property located on the Property as of Closing, free and clear of all liens or encumbrances.

ARTICLE VI **Special Provisions**

Section 6.1. Default by Purchaser. In the event the Closing does not take place as set forth in this Contract, on account of a default by Purchaser in the performance of its obligations under this Contract or the failure of Purchaser to close as set forth herein, Seller shall be entitled to retain the Deposit as liquidated damages for such breach by Purchaser, the parties asserting that damages would be difficult of determination and that the Deposit is a reasonable pre-estimate of the probable loss to Seller, and the parties agree that, thereafter, the Contract shall be terminated and of no further force and effect.

Section 6.2. Default by Seller. In the event the Closing does not take place on account of a default by Seller in the performance of its obligations under this Contract, Purchaser shall be entitled to the return of the Deposit by Seller and to pursue all legal and equitable remedies available to it, including, without limitation, specific performance.

Section 6.3. Assignment of Contract. Purchaser may assign this Contract and/or its interest hereunder. Seller may not assign this Contract and/or its interest hereunder without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6.4. Real Estate Commissions. No commissions are due and owing any real estate broker or salesperson in connection with this transaction. Seller and Purchaser (to extent allowed by law) hereby each indemnify, save and hold harmless the other from and against any claim for any other real estate or sales commission or similar fee, which claim results from an allegation that the indemnifying party employed any broker or agent or agreed to compensate such broker or agent in connection with this transaction.

Section 6.5. Fire or Casualty. The risk of loss prior to Closing shall be borne by Seller. If, prior to the Closing, any of the Improvements on the Property are destroyed or damaged by fire or other casualty, Purchaser, at Purchaser's option may, by notice to Seller on or before the earlier of (i) the Closing Date or (ii) the date which is within twenty (20) days after the date of the casualty, elect to: (1) terminate this Contract, in which case Purchaser will be entitled to a refund of the Deposit, and upon such termination neither party shall be under any further obligation to the other, except as otherwise provided in this Contract; or (2) accept the Property in its damaged condition and proceed to Closing. If Purchaser does not exercise Purchaser's right, if any, to terminate this Contract, Seller shall assign or credit to Purchaser at Closing the net proceeds of all applicable insurance payable with respect to any insured casualty affecting the Improvements on the Property which occurs prior to the Closing.

ARTICLE VII

Closing

Section 7.1. Date and Place of Closing. The Closing shall take place within fifteen (15) days after the expiration of the Review Period, **TIME BEING OF THE ESSENCE**, at the office of Clement & Wheatley, 549 Main Street, Danville, VA 24541, or on such other date as Seller and Purchaser shall mutually agree.

Section 7.2. (a) Deliveries by Seller. Seller, or Seller's duly authorized representative, shall execute as appropriate and deliver to Purchaser the following documents:

(i) A general warranty deed (the "**Deed**") conveying title to the Property to Purchaser. If Purchaser surveys the Property, the property description shall be based upon such survey. However, to the extent there is a discrepancy between Seller's source deed description and such survey, Seller shall also convey such discrepancy in description to Purchaser by quitclaim;

(ii) Seller's affidavit or lien waiver satisfactory for the purpose of removing any mechanics' lien exception from any title insurance policy to be issued in connection with the purchase;

(iii) A certificate to the effect that it is not a foreign entity subject to the withholding requirements of the Foreign Investment in Real Property Tax Act;

(iv) Bill of sale conveying good and marketable title to all personal property located on the Property as of Closing, free and clear of any liens or encumbrances;

(v) Seller's affidavit stating that there are currently no underground storage tanks located on the Property and any underground storage tanks have been removed in compliance with all applicable laws;

(vi) A clearance letter, or other applicable certifications, from the Virginia Department of Environment Quality regarding the removal of any storage tanks that were previously located on or in the Property; and

(vii) Such other documents as may be reasonably required by a title company to insure good and marketable title, but in any case, subject to the Permitted Exceptions.

(b) Deliveries by Purchaser. At the Closing, Purchaser shall deliver the following:

(i) The Purchase Price by certified check or by federal wire transfer, or other immediately available funds; and

(ii) Any other certificate, document, or statement as may be reasonably necessary in order to consummate the transactions contemplated.

Section 7.3. Prorations. Rents, real estate taxes and assessments, and such other matters as are customarily apportioned in transactions similar to the transaction contemplated by this Contract shall be prorated between Seller and Purchaser on a per diem basis as of the Closing.

Section 7.4. Closing Costs. Purchaser shall pay all costs incurred in consummating the transactions contemplated hereunder, including, without limitation, the cost of Purchaser's title insurance policy, the cost of the Investigations, the cost of any surveys and all recording taxes and fees for the Deed and all other recorded documents, other than any grantor's tax on recordation of the Deed which shall be paid by Seller. Each party shall pay its respective attorneys' fees. Seller shall be responsible for the cost of preparation of the Deed.

ARTICLE VIII Miscellaneous

Section 8.1. Survival. The provisions of Contract shall survive the Closing or earlier termination of this Contract, and the representations and warranties of Seller set forth herein shall not be merged into the Deed.

Section 8.2. Successors and Assigns. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

Section 8.3. Notices. Any notice required or contemplated to be given to a party by the other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

- (i) To Seller: ARG Properties, LLC
Attn: Frank Thomas Grogan, III
142 Newbury Way
Danville, VA 24541
- (ii) To Purchaser: Danville-Pittsylvania Regional Industrial Facility Authority
Attn: Director of Finance, City of Danville
Post Office Box 3300
Danville, VA 24541 (for mailing)

or

427 Patton Street
Danville, VA 24541 (for hand-delivery or courier service)

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not invalidate the effectiveness of any notice, demand, request, or other communication.

Section 8.4. Consents and Approvals. All consents and approvals required or permitted by this Contract shall be in writing, shall be signed by the party from whom the consent or approval is sought and, unless otherwise provided herein, may be withheld by such party in its sole discretion.

Section 8.5. Amendments. This Contract may only be amended, supplemented or terminated in writing, signed by the parties hereto.

Section 8.6. Counterparts. This Contract may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument. A facsimile or scanned copy (*.pdf) signature to this Contract shall have the same effect as an original for all purposes.

Section 8.7. Governing Law. This Contract shall be governed by the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Contract, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Contract shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Contract.

Section 8.8. Further Assurances. After the Closing, each party to this Contract shall, upon the request of the other party, execute and deliver such other documents and take such further action as may be necessary or proper to carry out the purposes of this Contract.

Section 8.9. Interpretation. For purposes of construing this Contract, unless the context otherwise indicates, words in the singular number shall include words in the plural number, and vice versa, and words in one gender shall be deemed to include words in the other genders. The titles to articles and headings for sections and paragraphs in this Contract are for convenience only and neither limit nor amplify the provisions of this Contract.

Section 8.10. Subject to Annual Appropriations. Seller understands that Purchaser is a political subdivision of the Commonwealth of Virginia. Accordingly, notwithstanding anything to the contrary set forth herein, as provided under Virginia law, the obligations of Purchaser under this Contract are subject to and dependent upon annual and other appropriations being made from time to time by the governing body of Purchaser, for such purpose.

[Remainder Intentionally Left Blank]

Date: **WITNESS** the following signatures to this **CONTRACT OF SALE** as of the Effective

SELLER:

ARG PROPERTIES, LLC

Signature

Frank Thomas Grogan, III
Managing Member

PURCHASER:

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

By:_____

Fred O. Shanks, III
Chairmen

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5E
Meeting Date: 09/09/2019
Subject: Resolution No. 2019-09-09-5E
Matthew Rowe, Director of Economic Development
From: Pittsylvania County, and
Michael C. Guanzon, Esq., Christian & Barton

SUMMARY

The Board will be asked to approve Resolution 2019-09-09-5E, authorizing the negotiation, execution and delivery of a Contract of Sale, for Lots 3A and 3B, fronting on Cane Creek Parkway.

ATTACHMENTS

Resolution 2019-09-09-5E

Resolution No. 2019-09-09-5E

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A CONTRACT OF SALE FOR CERTAIN REAL PROPERTY CONTAINING APPROXIMATELY 13.29 ACRES AND 30.38 ACRES, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, COMMONLY KNOWN AS LOTS 3A AND 3B, FRONTING ON CANE CREEK PARKWAY, LOCATED IN THE CITY OF DANVILLE AND PITTSYLVANIA COUNTY, VIRGINIA, IN SUPPORT OF THE DEVELOPMENT OF THE AUTHORITY'S CANE CREEK CENTRE INDUSTRIAL PARK, AND CONTINGENT ON THE EXECUTION OF A LOCAL PERFORMANCE AGREEMENT WITH THE ULTIMATE OPERATOR OF THE PROPERTY, AT A PURCHASE PRICE OF \$125,000

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

WHEREAS, the Authority desires to have shell building(s) constructed, suitable for light industrial use (the "**Building(s)**"), on certain real property, containing approximately 13.29 and 30.38 acres located in Pittsylvania County, Virginia, commonly known as Lots 3A and 3B (collectively, the "**Property**") of its Cane Creek Centre Industrial Park project ("**Cane Creek**"), located in Pittsylvania County, Virginia; and

WHEREAS, RealtyLink – Tennessee, LLC, a Tennessee limited liability company ("**RealtyLink**") is agreeable to construct the Building(s) after the purchase of the Property by RealtyLink subject to the terms of a contract of sale for the purchase of the Property, as may be agreed upon by the Authority and RealtyLink and approved by the Authority; and

WHEREAS, the Authority desires to sell the Property to RealtyLink, under the following minimum business terms:

- (i) the purchase price of \$125,000.00, in contemplation of the construction of a building(s) suitable for light industrial use; and
- (ii) a minimum study period of 90 days in which the RealtyLink may conduct due diligence investigations to determine the feasibility of this Property for the further development of the Cane Creek project; and
- (iii) a condition precedent to closing that the Authority execute a local performance agreement, on such terms and conditions as the Authority determines, with the ultimate operator of the Property; and
- (iv) the Authority shall have the option to repurchase the Property, if the ultimate operator of the Property defaults on performance under a local performance agreement, at the same purchase price, and the Authority shall have the option to purchase any buildings, structures, improvements and fixtures on the Property at fair market value;

Resolution No. 2019-09-09-5E

and

WHEREAS, the fiscal agent of the Authority has determined that the funding for the costs associated with the transaction under the contract of sale is available within a line item previously approved by the Authority as "\$7.3 Million Bond for Cane Creek Centre"; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County, Virginia, and the City of Danville, Virginia, and in furtherance of the development of Cane Creek, for the Authority to approve, to negotiate, to execute and to deliver a contract of sale, as applicable, consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of a contract of sale, as applicable, 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 contract of sale, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the contract of sale, 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 contract of sale, 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 contract of sale and the matters contemplated therein or related thereto on or 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 meeting duly called and held on September 9, 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 this 9th day of September 2019.

(SEAL)

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

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5F
Meeting Date:	September 9, 2019
Subject:	Financial Status Reports – August 31, 2019
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through August 31, 2019 will be provided at the meeting. The financial status reports as of August 31, 2019 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of August 31, 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. General Expenditures for FY2020
- D. Mega Park – Funding Other than Bond Funds
- E. Berry Hill Mega Park – Lot 4 Site Development
- F. Berry Hill Mega Park – Lot 8 Site Development
- G. Berry Hill Mega Park – Water & Sewer
- H. Rent, Interest, and Other Income Realized FY2019
- I. Rent, Interest, and Other Income Realized FY2020
- J. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of August 31, 2019

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract</u> <u>Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended /</u> <u>Unencumbered</u>
Funds from bond issuance	\$7,300,000.00				
Issuance cost	(155,401.33)				
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	39,576.62		32,304.38
Land		-	2,792,945.57		-
Demolition services		71,261.62	71,261.62		-
Legal fees		-	187,164.23		-
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	\$ 7,475,623.68	\$ 32,304.38	\$ 70,654.06

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 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 August 31, 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				
Transfer from Unrestricted Fund Balance	28,182.52				
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>-</u>	<u>410.17</u>
Legal		194,182.52	194,182.52	-	-
Accounting		21,525.00	21,525.00	-	-
Annual Bank Fees		605.00	605.00	-	-
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	3,207.54	-	792.46
Utilities		500.00	368.40	-	131.60
Insurance		3,000.00		-	3,000.00
Total		<u>\$ 235,281.73</u>	<u>\$ 230,847.50</u>	<u>\$ -</u>	<u>\$ 4,434.23</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

General Expenditures for Fiscal Year 2020

As of August 31, 2019

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 25,000.00				
County Contribution	25,000.00				
Carryforward from FY2019	4,434.23				
Transfer from Unrestricted Fund Balance	200,000.00				
Contingency					
Miscellaneous contingency items		\$ 24,154.23		\$ -	\$ 24,154.23
				\$	-
Total Contingency Budget		<u>24,154.23</u>	-	-	<u>24,154.23</u>
Legal		200,000.00		-	200,000.00
Accounting		22,175.00		-	22,175.00
Annual Bank Fees		605.00		-	605.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	277.04	-	3,722.96
Utilities		400.00		-	400.00
Insurance		3,000.00	2,337.00	-	663.00
Total		<u>\$ 254,434.23</u>	<u>\$ 2,614.04</u>	<u>\$ -</u>	<u><u>\$ 251,820.19</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of August 31, 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		246,082.96	246,082.96	-	
Off State Road 1055		180,200.00		180,200.00	
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)		784,500.00	4,500.00	780,000.00	
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	\$ 17,097,307.79	\$ 14,659,137.08	\$ 2,438,170.71	\$ 334,217.04

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 August 31, 2019

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,707,562.81	1,581,512.81	126,050.00	
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		11,160.00	11,160.00	-	
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		1,578,000.00	-	1,578,000.00	
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	\$ 7,696,430.21	\$ 5,985,056.31	\$ 1,711,373.90	<u>\$ 203,925.94</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 August 31, 2019

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
<i>TIC #3358 Site Improvements for Project Lignum</i>					
Tobacco Commission Grant	\$ 2,624,800.00				
Expenditures					
Dewberry Engineers Inc.		89,300.00	82,800.00	6,500.00	
Total	\$ 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 August 31, 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	202,794.32	195,489.68	
Haymes Brothers, Inc. - Phase I Sanitary Sewer Project		4,883,720.10	3,759,801.66	1,123,918.44	
C.W. Cauley & Son - Phase 1 Water Project		1,843,540.00	109,649.00	1,733,891.00	
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	\$ 4,109,815.98	\$ 3,053,299.12	\$ <u>556,211.90</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Rent, Interest, and Other Income Realized for Fiscal Year 2019
As of August 31, 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		\$ 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		
<u>Total Rent</u>		\$ -	\$ 255,770.42		
<u>Interest Received</u> ²		\$ -	\$ 5,184.93		
<u>Miscellaneous Income</u>			\$ 1,814,745.00		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee			\$ 253,560.42		
Disbursement to Unision Tube (Enhancement Grant and DRF Grant)			\$ 1,242,500.00		
Disbursements for Harlow Fastech incentives			\$ 563,539.00		
Transfer to General Expenditures budget			\$ 28,182.52		
Totals	\$ 738,132.03	\$ -	\$ 2,075,700.35	\$ 2,087,781.94	\$ 726,050.44
				Restricted ¹	\$ 313,695.06
				Unrestricted	\$ 412,355.38

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
Rent, Interest, and Other Income Realized for Fiscal Year 2020
As of August 31, 2019

<i>Source of Funds</i>	<u>Funding</u>		<u>Expenditures</u> <u>FY2020</u>	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2019</u>	<u>Receipts</u> <u>Current</u> <u>Month</u>		
<u>Carryforward</u>	\$ 726,050.44			
<u>Current Lessees</u>				
	<u>Park</u>			
Institute for Advanced Learning and Research (IALR) ¹		\$ 25,412.50	\$ 50,825.00	
Capital Outdoor, Inc.			2,000.00	
<u>Total Rent</u>		\$ 25,412.50	\$ 52,825.00	
<u>Interest Received</u> ²		\$ 441.91	\$ 441.91	
<u>Miscellaneous Income</u>		\$ 362.50	\$ 362.50	
<u>Expenditures</u>				
Hawkins Research Bldg. Property Mgmt. Fee			\$ 25,412.50	
Transfer to General Expenditures budget			\$ 200,000.00	
Disbursements for Gerfertec incentives			\$ 25,376.00	
<u>Totals</u>	\$ 726,050.44	\$ 26,216.91	\$ 53,629.41	\$ 250,788.50
				\$ 528,891.35
				Restricted¹ \$ 339,107.56
				Unrestricted \$ 189,783.79

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}
August 31, 2019*

	Unaudited FY 2020
Assets	
<i>Current assets</i>	
Cash - checking	\$ 761,268
Cash - money market	800,934
Prepays	254
<i>Total current assets</i>	1,562,456
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	109,458
Restricted cash - debt service fund CCC bonds	505,237
Restricted cash - debt service fund Berry Hill bonds	31
Restricted cash - debt service reserve fund Berry Hill bonds	1,001,781
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>	59,212,654
Total assets	60,775,110
Liabilities	
<i>Current liabilities</i>	
Unearned income	3,892
Bonds payable - current portion	1,348,450
<i>Total current liabilities</i>	1,352,342
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	2,119,740
<i>Total noncurrent liabilities</i>	2,119,740
Total liabilities	3,472,082
Net Position	
Net investment in capital assets	54,237,415
Restricted - debt reserves	1,507,049
Unrestricted	1,558,564
Total net position	\$ 57,303,028

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 August 31, 2019 as of August 29, 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
August 31, 2019*

	Unaudited FY 2020
Operating revenues	
Rental income	50,825
Other Income	362
Total operating revenues	51,187
Operating expenses ⁴	
Mega Park expenses ³	376,520
Cane Creek Centre expenses ³	40,903
Cyber Park expenses ³	105,146
Professional fees	14,071
Other operating expenses	3,047
Total operating expenses	539,687
Operating income (loss)	(488,500)
Non-operating revenues (expenses)	
Interest income	2,295
Interest expense	(4,333)
Total non-operating expenses, net	(2,038)
Net income (loss) before capital contributions	(490,538)
Capital contributions	
Contribution - City of Danville	277,260
Contribution - Pittsylvania County	277,260
Total capital contributions	554,520
Change in net position	63,982
Net position at July 1, 2019	57,239,046
Net position at August 31, 2019	\$ 57,303,028

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 statement will change once all FY2019 entries are made and may also change depending on audit adjustments, if any, for FY2019 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*August 31, 2019**

	Unaudited FY 2020
Operating activities	
Receipts from leases	\$ 50,825
Other receipts	362
Payments to suppliers for goods and services	(539,687)
Net cash used by operating activities	(488,500)
Capital and related financing activities	
Capital contributions	554,519
Interest paid on bonds	(4,333)
Net cash provided by capital and related financing activities	550,186
Investing activities	
Interest received	2,295
Net cash provided by investing activities	2,295
Net increase (decrease) in cash and cash equivalents	63,981
Cash and cash equivalents - beginning of year (including restricted cash)	3,114,728
Cash and cash equivalents - through August 31, 2019 (including restricted cash)	\$ 3,178,709
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (488,500)
Net cash used by operating activities	\$ (488,500)

Components of cash and cash equivalents at August 31, 2019:

American National - Checking	\$ 761,268
American National - General money market	800,934
Wells Fargo - \$7.3M Bonds CCC Debt service fund	505,237
Wells Fargo - \$7.3M Bonds CCC Project fund	109,458
US Bank - \$11.25M Bonds Berry Hill Debt service fund	31
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	1,001,781
	\$ 3,178,709