

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

July 13, 2015

12:00 P.M.

**Danville Regional Airport
Eastern Conference Room
424 Airport Drive, Danville, Virginia**

County of Pittsylvania Members

**Coy E. Harville, Vice Chairman
James H. Snead
Brenda H. Bowman, Alternate**

City of Danville Members

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

Staff

**Joseph C. King, City Manager, Danville
Clarence C. Monday, Pittsylvania County Administrator
Clement Wheatley, Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer**

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

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

4. APPROVAL OF MINUTES OF THE JUNE 8, 2015 MEETING

5. NEW BUSINESS

- A. Financial Status Report as of June 30, 2015 – Michael L. Adkins, CPA, Authority Treasurer, and Patricia K. Conner, CPA, Assistant Finance Director, City of Danville
- B. Consideration of Resolution No. 2015-07-13-5B, approving Fiscal Year 2016 General Expenditures Budget – Mr. Adkins and Ms. Conner *[No separate written resolution.]*
- C. Presentation by Branch Highways, Inc., - Michael Freeman, Project Development Manager, Branch Highways.

6. COMMUNICATIONS FROM:

Brenda H. Bowman
Coy E. Harville
Sherman M. Saunders
Fred O. Shanks, III
James H. Snead
J. Lee Vogler, Jr.

Staff

7. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	07/13/2015
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, June 8, 2015 meeting.

ATTACHMENTS

Meeting Minutes – 06/08/2015

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 8, 2015

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James A. Snead and Alternate Brenda H. Bowman.

City/County staff members attending were: City Manager Joe King, County Administrator Clarence C. Monday, Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Public Works Ric Drazenovich, City of Danville Finance Director/Authority Treasurer Michael Adkins, City of Danville Assistant Finance Director Patricia Connor, City of Danville Senior Accountant Carol Howell, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE MAY 11, 2015 MEETING

Upon **Motion** by Mr. Harville and **second** by Mr. Shanks, Minutes of the May 11, 2015 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. REPORT ON LETTER DATED MAY 7, 2015 FROM U.S. ARMY CORP OF ENGINEERS

City of Danville Director of Public Works Ric Drazenovich noted in the Corp's response they have concluded the information that RIFA has provided has not conclusively demonstrated that RIFA is offering the least damaging, practical alternative, which is what they have been saying all along. They did add in a few additional hurdles including talking about the description of a transformational site, their need of a clear understanding what the benchmarks are for transformational and the options available to proceed. Mr. Drazenovich noted staff is able to cover a lot of this information and the engineers already have responses for this but it still gets back to the least damaging alternative. The Corp received the Jones Lang LaSalle Market Study and concluded they want more information on the availability and likelihood of attracting smaller lots and having the same transformational effect on the County and the City. They feel that in RIFA's application they are unable to demonstrate whether an industry with a smaller footprint could meet the stated need. The Corp talks about the range of alternatives having to be a little better defined, geographical siting, functional alternatives, design modifications, and whether there are other sites in the geographical region that can accomplish the same thing without removing all of the wetlands and streams. They particularly turned their attention to the Burlington Hurt site which is a superfund ground fill cleanup site. The Corp said in looking at Lot 4 they want some clear evidence that Lot 4 is actually the best site of the sites to limit the amount of damage to the streams and wetlands. The last paragraph goes back to the fact that without a user RIFA cannot conclusively say they have the least damaging alternative to present to them.

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Mr. Drazenovich noted staff has a potential solution going forward by applying for an SPGP Permit. This is a permit where if you are below certain standards or targets, the Corp can allow DEQ to issue the permit on its behalf and on the DEQ's behalf. The maximum amount of wetland disturbed can be up to an acre and 1500 feet of stream. Staff is checking to see if it can devise a plan to resubmit for an SPGP permit which will allow RIFA to start grading on Lot 4. It would mean taking some of the wetlands and parceling them out of the overall pad but staff and Dewberry feel like they can get a fairly sizeable, contiguous pad of about 125 acres. It will be called Phase I, so the Corp knows there will be future phases to it and it doesn't limit RIFA from going forward should they get a prospect that will need a larger pad. The City has used this approach before and it has worked, and Mr. Drazenovich noted he thought the Corp would receive it in a positive fashion.

Mr. Vogler noted his frustration with the permitting process, the Corp and noted there is a bill that was put together by Senator Warner and Kaine and Congressman Hurt that would essentially remove the Corp from being able to do what they are doing to RIFA. Mr. Vogler explained every time he has asked about it or try to find out about it, it doesn't seem like it is getting a vote on the floor anytime soon. Mr. Vogler stated he feels RIFA needs to explore other avenues and perhaps coordinate with elected officials and find out what they think RIFA needs to do to get that bill voted on.

Mr. Shanks questioned if it was JLL that had a Corp consultant and Mr. Sides noted it was Dewberry. Mr. Shanks noted it looks like somebody responded in a way that is contrary to the best interests of RIFA which is frustrating. Mr. Drazenovich noted the Corp reiterated some of the same questions again for more information; they haven't turned it down, they are asking for more information. Mr. Shanks questioned the last paragraph in the letter which Mr. Drazenovich stated says there is insufficient information to able to determine the least damaging alternative and Mr. Shanks stated it is unlikely RIFA will be able to do that without end users. Mr. Drazenovich explained that is why staff is looking at the SPGP, that there is still some hope for RIFA to get the permit in time to use the funding it has available for Lot 4. Going forward with legislation is not going to solve it in time to use that funding; the SPGP permit is the best alternative.

Mr. Shanks questioned with regard to going after the SPGP, that permit would be for a lessor acreage, does that jeopardize the RIFA grading money and Mr. Drazenovich stated Lot 4 is a relatively flat site on the top of the hill and Dewberry feels RIFA can get a continuous graded pad and use the funds, grading as much as it can, leaving out some of the wetland areas that are on the top of that hill. Should RIFA get a client that requires it to be modified, RIFA will be able to fill in those areas.

Mr. Sides explained when RIFA's Tobacco application was submitted, it was an estimate at that time for the cost of grading and the cost of mitigation. As RIFA went through this process, the cost of mitigation was probably going to go up, so staff was already looking at scaling back the grading somewhat. Mr. Sides noted staff feels the frustration of the process, that there continues to be questions. When staff read this most recent letter, there does appear to be a crack in the door, that is why staff started with this alternative approach. With regard to one of Mr. Vogler's comments, in staff discussion with Dewberry and their Corp of Engineer General involved in the conversation, he was not particularly encouraging, at least in the short term, of taking the political approach based on the fact that he said these are exactly the Corp comments he would have expected. Going the political route and calling in the elected officials, the Corp has the potential to dig their heels in and draw

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the process out. With a less impactful SPGP permit, it will allow RIFA to get out there and get grading on the site, to utilize these Tobacco commission grants that have sat for quite some time. Mr. Saunders agreed this is very frustrating and agreed with Mr. Sides, the more RIFA complains the more the engineers could drag this thing out. At the same time, RIFA doesn't want to just wait on them to do something if it can do it differently.

In response to Mr. Vogler, Mr. Sides noted if staff responds to the letter, it is potentially a long process. The Corp will take time to review the letter, think about it and make their response. He noted the SPGP was quicker. Mr. Drazenovich stated it will take staff about three weeks to put together additional information; there is a 90 day limit on the SPGP with the DEQ giving the answer. RIFA should get a quick answer.

Mr. Harville noted the Board should look back at Wytheville. The RIFA Board tried to get some expertise and knowledge of these Mega Parks, then Henry County came on board. Both of them got permits and moved forward; RIFA is at ground zero. Mr. Harville noted RIFA needs to respond, but would suggest once the questions have been outlined by Dewberry, the Board authorize the Chairman to send that copy, plus the Corp response, to Senators Warner and Kaine and Congressman Hurt, to let them know where RIFA is. Mr. Harville also suggested inviting them to a RIFA board meeting. Mr. Saunders, Mr. Snead, Ms. Bowman, Mr. Shanks and Mr. Vogler noted their agreement.

Mr. Vogler noted the bill he referred to is Kaine, Warner, Griffith and Hurt, it is HR 2937, Common Sense Permitting for Job Creation Act. Mr. Vogler also questioned if RIFA has ever taken a formal action saying it supports this bill. Mr. Saunders noted the Board discussed it, but was not sure if a formal resolution of support was taken.

Mr. Harville also noted to Mr. Drazenovich and Mr. Sides that at Wytheville, they had some wetlands and some problems, but the Corp let them go around that and that was the last thing they did when they finished the park. Mr. Harville noted with the response from Dewberry, how RIFA can plan and could work around some of the issues that RIFA to get it started and start drawing some of the Tobacco money to show it is making progress. Mr. King noted that is essentially is what is being proposed. Mr. Harville stated that is good for the Board to know, it is good that RIFA do that, because RIFA knows it has worked; that would be the way to go.

Mr. Sides stated he could envision a two pronged approach where as Mr. Drazenovich says, staff looks with Dewberry at what could be done very quickly, and that is grade areas with no impact or work around wetlands like Mr. Harville mentions, but at the same time, fight the bigger battle which is the Corp and the legislature. Mr. Sides noted he thinks RIFA would probably be better served to do both, it can address some of the Tobacco Commission funding issues, it can have equipment out there working hopefully in a short period of time but not drop the bigger picture which is going to impact RIFA at the next project.

Mr. Saunders noted no vote is required for Item 5A.

5B. REPORT ON NEXT STEPS FOR GRANTS – BERRY HILL INDUSTRIAL PARK

City of Danville Director of Economic Development Telly Tucker noted as of May 21, 2015, the full Tobacco Commission met and did approve RIFA's recent application #3011 for Phase II of the water system improvements. The actual dollar value is \$2,241,567. Based

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on earlier communication with Tobacco Commission staff, their preference was to fund the water system improvements rather than the privately owned electrical utility. Additionally, Mr. Tucker noted RIFA's other two previous grants for which staff requested extensions, #2491 and #2264, were also granted two year extensions through January of 2017.

Mr. Shanks questioned if RIFA is going to put the water in anyway if it can't get an environmental permit for grading or the only permit it gets is for the 120 some acres. Is RIFA putting anything at risk with the Tobacco Commission putting in a water system for a site that is not there. Mr. Tucker explained RIFA has three years for the new grant and thinks that is an internal discussion RIFA can have with Dewberry as to the design for where the water line is and what impacts are there. Mr. Shanks noted he was embarrassed on how RIFA stands on a lot of these things and would be embarrassed to be part of this Board and put a water system in the ground and can't get a permit.

Mr. Sides noted RIFA has several applications that have backed up because of the permit. The permit would cover the grading, but also the impacts associated with utilities. If RIFA goes the SPGP route, it is looking at a nationwide permit for the utility impacts. RIFA would need to make sure it has the nationwide permit in place that is going to cover water, sewer and utilities, before RIFA starts with anything like that. Mr. Sides noted he shared Mr. Shanks concern and thinks he can say RIFA will not put in the water unless it has the permit to do the grading. Mr. Harville stated he is very adamant about getting the water and sewer put in coming from Eden. Eden has taken their Tobacco money and tax money and run the line down there and RIFA hasn't touched it. If RIFA gets the water and sewer line to that point, that is a big part of the park; that should mean something to the Corp having the lines there at the site.

Mr. King asked if staff has the Board's blessing to apply for the SPGP permit. Mr. Saunders confirmed with Mr. Guanzon that a vote was not required to give the Board's permission; Mr. Guanzon noted that doesn't require a vote, it is still part of the approval to do RIFA's other applications.

Mr. Harville noted for the record the Board needs a vote and made a ***motion that the Board authorize staff to move forward with the Corp and DEQ to respond to their letter and move forward with the application and answer the questions.*** Mr. Drazenovich confirmed it was the SPGP application and Mr. Harville noted it was.

Mr. King explained it is confusing; essentially staff puts this application on hold and gets the Board a new application which accomplishes the first part of what the original application is intended to; so there are really two separate things. Mr. Harville noted his agreement, there definitely should be a motion and that was his motion.

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

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

Mr. Saunders questioned Mr. King if this conflicts with what he was saying about the confusion; Mr. King noted the larger issue, the policy issue and the bill that is before the House, is another, separate but related piece and is worth pursuing as well.

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Mr. Saunders questioned the motion that just passed, what does that motion do to what Mr. King is saying about his concerns. Mr. King noted it just clarifies it; staff will apply for the SPGP permit.

Mr. Vogler requested between now and the next meeting, staff do research on that bill to see if RIFA formally took some kind of action on it and if not can it be added to the agenda for the next meeting. Mr. Saunders noted it could and Mr. Harville suggested if RIFA has not done a resolution in support of the bill to let Mr. Monday and Mr. King have a joint resolution, the County and the City along with RIFA, instead each doing one, as has been done before. A joint resolution would be appropriate along with RIFA's.

5C. CONSIDERATION OF RESOLUTION NO. 2015-06-08-5C – RENEWAL OF HUNTING LEASE AGREEMENT WITH JAY VANN CLODFELTER AND BRENT CLODFELTER

Mr. Shanks **moved** adoption of a Resolution 2015-06-08-5C *approving the renewal of that certain Hunting Lease Agreement with Jay Vann Clodfelter and Brent Clodfelter as tenants for an aggregate of 561.13 Acres, more or less (GPINS 1366-16-2959 and 1367-01-8739), in the Authority's Berry Hill Industrial Park Project in Pittsylvania County, Virginia, for a One-Year Renewal term at the same rental amount of \$2,000, subject to a 60-Day Early Termination Right by the Authority, a right by the Authority to show the property upon 24-hours notice and the obligation of tenants to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law.*

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

Mr. Harville noted the Chairman, about six months ago, had questions about going on the property when RIFA has a lease and Mr. Guanzon has approached that with the 24 hour notice. Mr. Shanks noted he wanted to commend Mr. Harville for all the work he has done in working these leases through over the years. He didn't think it would make a difference, six or seven or eight years ago, but it has made a difference over time. Mr. Harville noted it was over \$50,000 RIFA has received.

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

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

D. FINANCIAL STATUS REPORT AS OF MAY 31, 2015

Authority Treasurer Michael Adkins noted the financial status reports for the month of May begins with the \$7.3M Bonds for Cane Creek Centre with no activity for this month. Under General Expenditures for the fiscal year as of May 31st, \$31.00 was spent for the monthly utility bill for May; that was the only activity. The Mega Park Funding Other Than Bonds has no activity for May. Berry Hill Mega Park Lot 4 Site Development, RIFA did expend \$325,000 to Dewberry for Amendment No. 8 and \$506 to Wetland Studies and Solutions. For Rent, Interest and Other Income, this month RIFA received \$62,353 in rent from the IALR, DCC is utilizing more square footage; the increase RIFA will see going forward is about \$11,000 more per month. This represents a catch up payment from January through

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the end of May for that extra square footage that DCC is using. In conjunction with that, the amount RIFA pays each month for the Property Management Fee will go up as well, they will still be equal to each other. RIFA also received \$600 from Securitas which represents two months' rent and \$1,000 on the Osborne Lease. Monthly expenditures were \$6,673 paid to the Institute for Hawkins' Property Management; that will increase next month as RIFA remits what it received this past month for the extra rent.

Ms. Harville **moved** to accept the Financial Report as of May 31, 2015 as presented. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

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

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. At 1:05 p.m., Mr. Harville **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting as permitted by Sections 2.2-3711(A)(5) and 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, (i) for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its facilities in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, and (ii) for discussion concerning the disposition of certain publicly held real property in that project, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

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

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

B. On **Motion** by Mr. Snead and **second** by Mr. Harville and by unanimous vote at 1:20 p.m., the Authority returned to open meeting.

C. Mr. Snead **moved** adoption of the following Resolution:

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

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

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the

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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 Harville and carried by the following vote:

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

7. COMMUNICATIONS

There were no communications from Board Members or Staff.

The Meeting adjourned at 1:22 p.m.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:

Meeting Date: 7/13/2015

Subject: Financial Status Reports – June 30, 2015

From: Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through June 30, 2015 will be provided at the meeting. The financial status reports as of June 30, 2015 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of June 30, 2015 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditure for FY 2015
- C. Mega Park – Funding Other than Bond Funds
- D. Berry Hill Mega Park – Lot 4 Site Development
- E. Rent, Interest, and Other Income Realized
- F. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority
\$7,300,000 Bonds for Cane Creek Centre - Issued in August 2005 ⁷
As of June 30, 2015

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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	22,479.12	49,401.88	
Land		-	2,792,945.57	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	55,344.30	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	336,557.70	-	
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,318,069.65	\$ 49,401.88	\$ 211,110.59

notes:

¹ Dewberry Contracts consist of wetland, engineering, surveying and site preparation

² Funds being used to cover City and County matching contributions for a VDOT grant for Swedwood Drive

³ Project completed under budget

⁴ In September 2008 the outstanding principal balance of \$6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.

⁴ These contracts were originally to be paid by the \$1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.

⁵ The budget amount decreased \$71,279.61 from the September 30, 2010 reports. This amount represented the remaining budget amount carried from the \$1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.

⁶ This line item represents the amount of expenditures on the "CCC - Lots 3 & 9" budget sheet that is covered by bond funds. RIFA's local share of 5% of these project costs is being covered by these bond funds. Project finished under original budget.

⁷ The \$7.3 million bonds were refunded on August 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 2015
As of June 30, 2015

	<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 FY2014	114,807.25				
City Contribution - remaining FY2011 Allocation	55,000.00				
County Contribution - remaining FY2011 Allocation	55,000.00				
Contingency					
Miscellaneous contingency items		\$ 31,403.90	\$ 452.29	\$ -	\$ 30,951.61
Jones Lang LaSalle - Berry Hill Market Study Analysis		95,000.00	95,000.00	-	-
Jones Lang LaSalle - Berry Hill Economic Analysis		12,000.00	12,000.00	-	-
Dewberry Engineers, Inc. - Berry Hill		108,603.35	108,603.35	-	-
Total Contingency Budget		<u>247,007.25</u>	<u>216,055.64</u>	-	<u>30,951.61</u>
Legal		100,000.00	40,229.50	-	59,770.50
Accounting		19,600.00	19,100.00	500.00	-
Annual Bank Fees		600.00	550.00	-	50.00
Postage & Shipping		100.00	-	-	100.00
Meals		4,000.00	2,136.60	-	1,863.40
Utilities		500.00	338.11	-	161.89
Insurance		3,000.00	2,207.00	-	793.00
Total	<u>\$ 374,807.25</u>	<u>\$ 374,807.25</u>	<u>\$ 280,616.85</u>	<u>\$ 500.00</u>	<u><u>\$ 93,690.40</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of June 30, 2015

<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>
Funding					
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ^{1,4}	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Tobacco Commission FY10 SSED Allocation - Eng. Portion Deobligated	(244,797.00)				
Local Match for TIC FY10 SSED Allocation - Engineering Portion ⁵	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 ⁶	11,854.39				
Land					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property ²		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	973,629.29	17,220.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 14,231,524.83	\$ 14,231,524.83	\$ 14,214,304.12	\$ 17,220.71	\$ (0.00)

¹ This figure does not include the interest the City lost from the uninvested funds, which was paid to the City 1/3/2012 and totaled \$144,150.41.

² Settlement fees were drawn from bonds issued for the Berry Hill project 12/1/2011.

³ This contract was originally for \$814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. \$740,000 was covered by the FY09 Tobacco Allocation. \$162,928 was covered by the FY10 Tobacco Allocation. \$87,922 will be covered with RIFA Funds.

⁴ RIFA paid the City back for all advances on 1/3/2012.

⁵ The RIFA Board approved to utilize the remaining funds from the Mega Park bond funds and approximately \$65,000 of the 'Funds Available for Appropriation' towards the local match for the engineering portion of Tobacco Commission grant #1916 for the Berry Hill Mega Park.

⁶ Due to the expiration of the Tobacco Commission FY10 SSED Allocation, the RIFA Board approved on 1/14/2013 to utilize \$11,854.39 of the 'Funds Available for Appropriation' to cover the funding shortfall for the budgeted Dewberry & Davis contract.

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
Berry Hill Mega Park - Lot 4 Site Development
As of June 30, 2015

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,593,487.00	967,256.00	626,231.00	
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.		141,996.00	59,927.20	82,068.80	
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	\$ 1,684,719.65	\$ 976,419.85	\$ 708,299.80	\$ 6,215,636.50

¹ \$300,000 of this was received from each locality in June 2014. \$450,000 received in August 2014. \$450,000 received in September 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
 Rent, Interest, and Other Income Realized
 As of June 30, 2015

<i>Source of Funds</i>	<u>Funding Receipts</u>		<u>Expenditures</u> FY2015	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> from FY2014	<u>Current</u> Month		
<u>Carryforward</u>	\$ 429,892.53			
<u>Current Lessees</u>				
Institute for Advanced Learning and Research (IALR) ¹	<u>Park</u>	<u>Property</u>		
Institute for Advanced Learning and Research (IALR)	Cyberpark	Hawkins Research Bldg. at 230 Slayton Ave.	\$ 17,606.47	\$ 146,691.66
Securitas	Cyberpark	IALR Building at 150 Slayton Ave.	-	-
Guilford Whitetail Management	Cyberpark	Gilbert Building at 1260 South Boston Rd.	300.00	3,900.00
Mountain View Farms of Virginia, L.C.	Berry Hill	Klutz Farm off State Rd. 863/U.S. 311	-	5,000.00
Osborne Company of North Carolina, Inc.	Berry Hill	30 acre tract on Stateline Bridge Rd.	-	1,200.00
Clodfelter Hunting Lease	Berry Hill	4380 Berry Hill Road Pastureland	-	1,000.00
	Berry Hill	371.13 acres off State Road 863	2,000.00	4,000.00
<i>Total Rent</i>			\$ 19,906.47	\$ 161,791.66
<u>Interest Received</u> ²			\$ 122.72	\$ 1,199.75
<u>Yorktowne Repayment</u>			\$ -	\$ 14,425.20
<u>Expenditures</u>				
Hawkins Research Bldg. Property Mgmt. Fee				\$ 129,085.19
Totals			\$ 429,892.53	\$ 20,029.19
			\$ 177,416.61	\$ 129,085.19
				\$ 478,223.95

Restricted 1 \$ 374,997.53
Unrestricted \$ 103,226.42

¹ Please note that rent proceeds must be used in accordance with the U.S. Economic Development Administration's (EDA) Standard Terms and Conditions

² Please note that this is only interest received on RIFA's general money market account.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position ^{1, 2}
June 30, 2015*

	Unaudited FY 2015
Assets	
<i>Current assets</i>	
Cash - checking	\$ 939,406
Cash - money market	1,142,830
Prepays	2,437
<i>Total current assets</i>	2,084,673
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	267,012
Restricted cash - debt service fund CCC bonds	1,012,482
Restricted cash - debt service fund Berry Hill bonds	-
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,150
Capital assets not being depreciated	25,055,863
Capital assets being depreciated, net	25,883,079
Construction in progress	3,632,297
<i>Total noncurrent assets</i>	57,850,883
Total assets	59,935,556
Liabilities	
<i>Current liabilities</i>	
Unearned income	7,850
Bonds payable - current portion	1,128,450
<i>Total current liabilities</i>	1,136,300
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	8,058,540
<i>Total noncurrent liabilities</i>	8,058,540
Total liabilities	9,194,840
Net Position	
Net investment in capital assets	45,651,261
Restricted - debt reserves	3,012,632
Unrestricted	2,076,823
Total net position	\$ 50,740,716

¹ Please note this balance sheet does not include the Due to/Due from between the County and the City since it nets out and only changes at fiscal year-end.

² Please note this balance sheet does not include all general accounts receivable or accounts payable at the month-end date. This is because information regarding accrued receivables/payables is not available at the time of statement preparation.

*Please note these statements are for the period ended June 30, 2015 as of June 30, 2015, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
*June 30, 2015**

	Unaudited FY 2015
Operating revenues	
Virginia Tobacco Commission Grants	57,840
Reimbursement of incentive grants	14,425
Rental income	159,492
Total operating revenues	231,757
Operating expenses ⁴	
Mega Park expenses ³	552,667
Cane Creek Centre expenses ³	30,907
Cyber Park expenses ³	130,318
Professional fees	50,101
Insurance	2,416
Other operating expenses	2,516
Total operating expenses	768,925
Operating loss	(537,168)
Non-operating revenues (expenses)	
Interest income	1,302
Interest expense	(212,827)
Total non-operating expenses, net	(211,525)
Net loss before capital contributions	(748,693)
Capital contributions	
Contribution - City of Danville	1,219,775
Contribution - Pittsylvania County	1,219,775
Total capital contributions	2,439,549
Change in net position	1,690,856
Net position at July 1, 2014	49,049,860
Net position at June 30, 2015	\$ 50,740,716

³ A portion or all of these expenses may be capitalized at fiscal year-end.

⁴ Please note that most non-cash items, such as depreciation and amortization, are not included here until year-end entries are made.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
June 30, 2015*

	Unaudited FY 2015
Operating activities	
Receipts from grant reimbursement requests	\$ 57,840
Receipts from reimbursement of incentive grants	14,425
Receipts from leases	155,116
Payments to suppliers for goods and services	(1,143,140)
Net cash used by operating activities	(915,759)
Capital and related financing activities	
Capital contributions	2,439,548
Interest paid on bonds	(290,211)
Principal repayments on bonds	(1,080,000)
Net cash provided by capital and related financing activities	1,069,337
Investing activities	
Interest received	1,303
Net cash provided by investing activities	1,303
Net increase in cash and cash equivalents	154,881
Cash and cash equivalents - beginning of year (including restricted cash)	5,206,999
Cash and cash equivalents - through June 30, 2015 (including restricted cash)	\$ 5,361,880
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating loss	\$ (537,168)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	187
Change in due from other governments	-
Change in other receivables	2,500
Change in accounts payable	(383,278)
Change in unearned income	2,000
Net cash used by operating activities	\$ (915,759)

Components of cash and cash equivalents at June 30, 2015:	
American National - Checking	\$ 939,406
American National - General money market	1,142,830
Wells Fargo - \$7.3M Bonds CCC Debt service fund	1,012,482
Wells Fargo - \$7.3M Bonds CCC Project fund	267,012
US Bank - \$11.25M Bonds Berry Hill Debt service fund	-
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,150
	\$ 5,361,880

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:**Meeting Date:** 07/13/2015**Subject:** Proposed Fiscal Year 2016 General Expenditures Budget**From:** Michael Adkins, Authority Treasurer

SUMMARY

The RIFA Board approves a budget for the general expenditures of RIFA each fiscal year.

BACKGROUND

Attached is the proposed General Expenditures budget for fiscal year 2016. The sheet also displays the fiscal year 2015 General Expenditures data as of May 31, 2015 for comparison purposes.

Staff will review the proposed fiscal year 2016 General Expenditures budget at the meeting.

RECOMMENDATION

Staff recommends the RIFA Board approve the proposed fiscal year 2016 General Expenditures budget.

ATTACHMENTS

Proposed General Expenditures Budget for FY 2016 Compared to FY 2015

Danville-Pittsylvania Regional Industrial Facility Authority
Proposed General Expenditures Budget for Fiscal Year 2016 Compared to Fiscal Year 2015

	<u>FY 2015 (as of 5/31/2015)</u>			<u>FY 2016</u>	
	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Proposed Funding</u>	<u>Proposed Budget</u>
Funding					
City Contribution	\$ 75,000.00			\$ 75,000.00	-
County Contribution	75,000.00			75,000.00	-
Carryforward from prior fiscal year	114,807.25			-	
City Contribution - remaining FY2011 Allocation	55,000.00				
County Contribution - remaining FY2011 Allocation	55,000.00				
Contingency					
Miscellaneous contingency items		\$ 31,403.90	\$ 452.29		\$ 41,500.00
Jones Lang LaSalle - Berry Hill Market Study Analysis		\$ 95,000.00	\$ 95,000.00		
Jones Lang LaSalle - Berry Hill Economic Analysis		\$ 12,000.00	\$ 12,000.00		
Dewberry Engineers, Inc. - Berry Hill		\$ 108,603.35	\$ 108,603.35		
Total Contingency Budget		\$ 247,007.25	\$ 216,055.64		\$ 41,500.00
Legal					
		100,000.00	30,854.50		80,000.00
Accounting					
		19,600.00	19,100.00		20,300.00
Annual Bank Fees					
		600.00	550.00		600.00
Postage & Shipping					
		100.00	-		100.00
Meals					
		4,000.00	1,893.38		4,000.00
Utilities					
		500.00	306.49		500.00
Insurance					
		3,000.00	-		3,000.00
Total	\$ 374,807.25	\$ 374,807.25	\$ 268,760.01	\$ 150,000.00	\$ 150,000.00

¹ If there is a carryforward from the prior fiscal year, the funds will be budgeted toward contingency.

See definitions provided for each budget line item on the following page.

Danville-Pittsylvania Regional Industrial Facility Authority
Proposed General Expenditures Budget for Fiscal Year 2016 Compared to Fiscal Year 2015
Budget Definitions

Funding = Represents sources of incoming funds to support general expenditures of RIFA.

Contingency = Represents a provision for expenditures that cannot be predicted with certainty during the budget process. It includes, but is not limited to, project-specific expenditures necessary as a project develops for which there is no other funding source to cover the expenditure.

Legal = Represents expenditures for general legal services provided to RIFA.

Accounting = Represents expenditures for the required annual audit of the RIFA financial statements.

Annual Bank Fees = Represents the annual fees paid to U.S. Bank related to the Berry Hill bonds.

Postage & Shipping = Represents expenditures for mailing documents for RIFA business.

Meals = Represents expenditures for meals provided while conducting RIFA business.

Utilities = Represents expenditures for electric service at RIFA properties.

Insurance = Represents the annual premium paid for RIFA's insurance coverage, currently with VML Insurance Programs.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	07/13/2015
Subject:	Presentation by Branch Highways, Inc.
From:	Michael Freeman, Project Development Manager

SUMMARY

During the July 13, 2015 meeting, the Authority will receive an presentation from Branch Highways, Inc.

ATTACHMENTS