

# **Danville-Pittsylvania Regional Industrial Facility Authority**

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

## **AGENDA**

**April 8, 2019**

**12:00 P.M.**

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

### **County of Pittsylvania Members**

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

### **City of Danville Members**

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

### **Staff**

**Ken Larking, City Manager, Danville  
David M. Smitherman, Pittsylvania County Administrator  
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 MARCH 11, 2019 MEETING AND THE MARCH 18, 2019 SPECIAL MEETING**

### **5. NEW BUSINESS**

- A. Consideration of Resolution No. 2019-04-08-5A, approving a one-year renewal of the Lease to The Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Southern Virginia Megasite at Berry Hill Project (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia; the Lease Term shall be subject to a right of Landlord to show the demised premises upon 24-hours notice and the obligation of Tenant 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 Authority shall have the right to early terminate the Lease with at least 30-days notice; and the Lease shall be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$1,000. – Michael C. Guanzon, Esq., Clement Wheatley, Legal Counsel to the Authority
- B. Consideration of Resolution No. 2019-04-08-5B, authorizing a one-year license agreement for Axxor N.A., LLC, a Virginia limited liability company, to have its name added to the entrance sign of the Authority's Cane Creek Centre Industrial Park in Pittsylvania County, Virginia, for an annual fee of \$500, subject to early termination by the Authority upon 30-days written notice – Matthew D. Rowe, Director of Economic Development, Pittsylvania County
- C. Financial Status Reports as of March 31, 2019 – Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia
- D. Presentation of Virginia Code § 15.2-6407 (Revenue sharing agreements) and that certain Agreement for Cost Sharing and Revenue Sharing Between the City of Danville, Virginia and Pittsylvania County, Virginia, dated October 2, 2001, as amended – Mr. Guanzon

## **Danville-Pittsylvania Regional Industrial Facility Authority**

### **6. CLOSED SESSION**

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

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

---

<b>Agenda Item No.:</b>	Item 4
<b>Meeting Date:</b>	04/08/2019
<b>Subject:</b>	Meeting Minutes
<b>From:</b>	Susan M. DeMasi, Authority Secretary

---

### **SUMMARY**

Attached for the Board's review and approval are the Meeting Minutes from the Monday, March 11, 2019 Meeting and the March 18, 2019 Special Meeting.

### **ATTACHMENTS**

Meeting Minutes – 03/11/2019 and 03/18/2019

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:18 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, Room 206, Danville, Virginia. Present were City of Danville Members Chairman Fred O. Shanks, III, Sherman M. Saunders, and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Robert W. Warren and Ronald S. Searce. Alternate Elton W. Blackstock was absent.

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

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES OF THE FEBRUARY 11, 2019 MEETING**

Upon **Motion** by Mr. Saunders and **second** by Mr. Searce, Minutes of the February 11, 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. 2019-03-11-5A APPROVING THE CALLING OF A SPECIAL JOINT MEETING WITH THE CITY COUNCIL AND COUNTY BOARD OF SUPERVISORS**

Authority Attorney Michael Guanzon explained there was a meeting of City Council and the Board of Supervisors at the Institute scheduled for March 18, 2019; this is for RIFA to officially join that meeting. Even though there are members of both governing bodies attending, the agenda that will be sent separately will allow better dialogue; this is just to call the meeting as a part of the joint meeting. Mr. Saunders questioned at the joint meeting, will there be a closed meeting to update Council Members; in RIFA, what is discussed in closed session, cannot be discussed outside the closed session. Mr. Guanzon explained it was planned to have a closed session; as far as the subject matter of the closed session, it will be consistent with what was at the RIFA meetings. The process will be the same; the City and County members who are not members of RIFA, will have to sign the same confidentiality agreements.

Mr. Warren **moved** for adoption of *Resolution No. 2019-03-11-5A, approving the calling of a special joint meeting with the City Council of Danville and the Board of Supervisors of Pittsylvania County on March 18, 2019 at 5:30 p.m. at the Institute for Advanced Learning and Research. [No Written Resolution]*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

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

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

**5B. CONSIDERATION OF RESOLUTION 2019-03-11-5B APPROVING AMENDMENT #24 WITH DEWBERRY**

Brian Bradner of Dewberry explained this Amendment covers the completion of the NEPA study that was discussed for the realignment of US 311 for the connector road. Staff met recently with the district leadership from VDOT in Lynchburg to scope out in detail what the process looks like. When it was complete, it is actually a VDOT product; in essence, they are preparing this on behalf of VDOT, VDOT okays it and it gets submitted to FHWA as a VDOT product. Mr. Bradner noted that based on the momentum they have been experiencing, VDOT was very engaged in this meeting; it was very evident that they are going to be eager to move this along. As part of the scoping, staff had originally budgeted about \$1.5M for this process as it is very in depth. Thanks to VDOT and the efforts last year on behalf of the MPO to update the transportation plan, they are just going to require that RIFA do the detailed analysis of Option One; that was the option that was selected as the preferred alternative. Due to that, RIFA is able to substantially reduce the amount of work and cost associated with it. Mr. Shanks questioned the funding source, and Mr. Bradner noted it was Tobacco Grant #2264 which has a local match contingent. That Tobacco Grant also includes the monies that are going toward AEP, with respect to the engineering and planning on the transmission line. Mr. Guanzon noted the local match had already been appropriated a year ago.

Mr. Shanks stated he was surprised to see curb and gutter on that and Mr. Bradner noted some of that detail on the final road design was still subject to change. The one thing they did talk about at the scoping meeting was how they actually plan to deliver on some of the details; those things will be worked out later. Mr. Harden noted part of that was to do four lane divided, if there isn't the curb and gutter on the inside, which is fifteen feet wide, it ends up looking like the bypass which is a 100 foot wide strip in the middle.

Mr. Shanks asked if the transportation board will approve the Smart Scale funding before or after and Mr. Bradner noted right now it was in the draft funding resolution which was scheduled to be approved at their June meeting. What they are hearing was there are efforts to advance it beyond the Smart Scale funding. Smart Scale funding money wouldn't be available until year 2024, but there are efforts to find other sources of money. Nothing is known for certain, but he thinks the observation from the comments from VDOT district staff was they have been told to prepare to have full funding by July of this year for that road; right now the plan is to have the study completed this calendar year.

Mr. Saunders **moved** for adoption of Resolution No. 2019-03-11-5B, approving Amendment No. 24, dated March 4, 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 complete required environmental work under the National Environmental Policy Act (NEPA) for a new connector road (connecting Berry Hill Road to the existing Oak Ridge Farms Road interchange) that would serve and benefit the Authority's Southern Virginia Megaproject at Berry Hill project in Pittsylvania County, Virginia, at a lump sum fee of \$780,000.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

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

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

**5C. FINANCIAL STATUS REPORTS AS OF FEBRUARY 28, 2019**

Authority Treasurer Michael Adkins gave the Financial Status report as of February 28, 2019 beginning with the Cane Creek Bonds showing an expenditure of \$4,922 to Dewberry for Wetland Monitoring. General Expenditures for FY 2019 show RIFA paid \$252 in meals and \$31 for monthly utilities. The Mega Site Other Than Bonds, Lot 4 Site Development, and Lot 8 Site Development show no activity for February. Water and Sewer at Berry Hills shows \$1,544,407 expended to Haymes Brothers for Phase 1 Sanitary Sewer Connection and \$37,816 to Dewberry for Amendment #17. Rent, Interest and Other Income shows RIFA received the rent from the Institute for the Hawkins Building of \$22,400, received the County's local share of funding for Harlow and Unison incentives in the amount \$29,030 for Harlow and \$134,750 for Unison; the City's share was received in the prior month. RIFA earned \$440 in interest and paid \$22,400 for the Hawkins' Building maintenance, \$478,362 for Unison as part of their grant and \$58,060 to the Institute for payment of the Harlow Lease. Mr. Adkins explained the Cane Creek Bonds have a five year maturity coming up; the current debt schedule payment allows for a balloon payment of \$2,545,000, however, the intention is to refinance that for another four or five years which will be the final refinancing of that bond. Mr. Adkins noted he was working with Wells Fargo and wants to get a fixed rate. With interest rates being a little higher now than they were five years ago, they are looking at between 4% and 4.25%. He will report back to the Board as they progress through those talks; there will need to be Board action and that will need to be done by August.

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

VOTE: 4-0  
AYE: Warren, Searce, 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 12:32 p.m. Mr. Warren **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;

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

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 Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority's Berry Hill Mega Site project 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.

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

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

D. On **Motion** by Mr. Warren and **second** by Mr. Saunders and by unanimous vote at 2:18 p.m., the Authority returned to open meeting.

E. Mr. Saunders **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. Scarce and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Scarce, Shanks, Saunders (4)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

NAY: None (0)

**7. COMMUNICATIONS**

Mr. Saunders thanked staff for all they do. Mr. Shanks thanked staff for everything they put together for this meeting, the answers that were provided, appreciated the Board members and their views on how they move forward and looks forward to what is next.

Mr. Perry noted staff had received an offer from someone who was interested in purchasing the former Securitas Building on South Boston Road. The staff discussed this and thought it was not in RIFA's best interest to do that. He received a quote from Public Works about what it would take to demolish the building; the cost would be about \$6,000, they would also have to do Phase 1 to make sure there was no asbestos in the building, with a total cost of about \$10,000. Once that was done, there was talk about developing a master plan and this becoming a possible additional entrance into the Cyber Park as properties continue to be developed. He will let the person who had the interest in purchasing the building and some of the land surrounding it, that it wasn't for sale. Mr. Shanks questioned if they agreed it was not for sale and Mr. Warren stated if staff thinks RIFA can use it, he does not want to sell. Mr. Vogler noted he did not see the need to hurry and tear it down. Mr. Perry explained the discussion on selling the building had led to a discussion of other possible uses for the building. If RIFA was going to create another entrance into the Cyber Park, at some point that building will need to be demolished. Mr. Perry noted he just wanted to give the Board an idea of what it would take to do that when that time comes.

Mr. Tucker stated that Harlow has hired a UK architecture firm to design their new building, ultimately it will have to come back to the Board to be approved on the design. They have also made their second offer to a graduate of the third year program. Their first employee lives in Gretna, a graduate of the third year program who was working in the BWXT; he was their first hire. They are moving forward, and David Gordon-Smith will be in town next week as well to do some follow up. They have two machines in their temporary space in the high bay and things seem to be moving in the right direction.

Meeting adjourned at 2:27 p.m.

---

Chairman

---

Secretary to the Authority

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 18, 2019

Special Joint Meeting

A Special Joint Work Session of the Danville Pittsylvania Regional Industrial Facility Authority and the Danville City Council convened on March 18, 2019 at 6:13 p.m. in the Institute for Advanced Learning and Research, 150 Slayton Avenue, Danville, Virginia.

RIFA Members present were: Chairman Fred O. Shanks, III, Sherman M. Saunders and Alternate J. Lee Vogler Jr. County Members Present were: Vice Chairman Robert W. Warren and Ronald S. Scarce; Alternate Elton W. Blackstock was absent. Also present were Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Danville City Council Members present were: L. G. "Larry" Campbell Jr., Mayor Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, Vice Mayor J. Lee Vogler, Jr., and Madison J.R. Whittle (7). James B. Buckner and Adam J. Tomer and were absent (2). Staff Members present were: City Manager Ken Larking, Deputy City Manager Earl B. Reynolds, Jr., City Attorney W. Clarke Whitfield Jr., and City Clerk Susan M. DeMasi.

Members of the Pittsylvania County Board of Supervisors present were Chairman Joe B. Davis, Robert W. Warren and Ronald S. Scarce.

**UPDATE FROM THE INSTITUTE FOR ADVANCED LEARNING AND RESEARCH**

Mr. Gignac introduced Don Merricks, Chairman of the Institute Board, and Institute Employees Tim Kruggel, Manager of IT, Allison Moore, Manager of Public Relations and Communications, and Daniel Dalton, Communications Specialist. Mr. Gignac noted tonight was to bring people up to speed on what the Institute is doing. Each director will give a brief overview of their departments and the new things going on. Mr. Gignac noted the Institute's mission is Economic Transformation and believes they have refocused on that, to try to transform the economy through their five divisions to impact the region: Advanced Learning, Applied Research Division, Advanced Manufacturing, Economic Development and Institute Conference Center & Facilities.

Mayor Jones called the City Council meeting to order. County Administrator David Smitherman noted the County Board of Supervisors did not have a quorum so would not call a meeting into session. Supervisors Warren, Scarce and Chairman Davis were in attendance. Chairman Fred Shanks called the Danville Pittsylvania Regional Industrial Facility Authority to order.

**Advanced Learning**

Ms. Julie Brown, Director of Advanced Learning reviewed her programmatic activities including STEM Capacity, where their research areas focus; aligning Talent Development and Career Readiness, how do they look at what is going in their system and align those things toward greater impact; and Organizational Capacity Leadership where they fill the role as an intermediary or sector liaison, fiscal agent for a project or a convener. STEM includes summer internships, scholarships, partnering with the City's IT department to sponsor GIS Day, hosting STEM Summits, the Inspiration Lab, partnering with Code Virginia, and providing summer camps for Elementary through High School students. They also support two high school programs, the Governors School and the Academy for Engineering and Technology and they offer the Excite Program, an externship for teachers. GoTech, Great Opportunities in

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 18, 2019

Special Joint Meeting

Technology and Engineering Careers is a way to build off of the Precision Machining Model. Ms. Brown invited Council and Board Members to attend one of their career expo events; this year it will be September 24-26 with about four thousand students that attend. They also champion Virginia's Work Ready Community Initiative and both Danville and Pittsylvania County have been recognized as work ready communities in the Commonwealth of Virginia. They have studied apprenticeships and have eighty employers ready to start apprenticeship programs in the near term. Ms. Brown also discussed Organizational Leadership and Capacity Building, partnerships with regional Chambers, Community Health Worker Initiative, and the AmeriCorps Program.

Applied Research

Scott Lowman, Director of Applied Research, noted their department strives to help businesses grow and succeed in many different areas including chemistry, advanced materials, biotechnology and life sciences, and precision agriculture. They work with a number of different science industries including growers and producers in the County and with large industries to help them speed the decision making processes, rent lab space, and do contract research for them. They also work with small industries; the Institute has a lot of equipment small industries don't have access to, so they can help them prove their processes, find them data and also work with entrepreneurs and start ups, and provide them with preliminary data to raise money for their businesses and succeed.

Their Advanced Material Group has historically been focused on providing services to industry; more recently, they help attract BGF to the Park and they are renting the Institute's entire processing lab. Analytical Chemistry works with a number of different companies; they can help companies keep their products moving on the floor. They also provide method developments, developing specific methods to detect molecules that other industries have not done before, such as in plant science. The Life Science and Biotechnology Group also supports research. The core of this group is the Beneficial Bacterial Library, studying plant probiotics; they use these bacteria to help plants grow bigger and healthier naturally. They can also be used to decrease runoff.

Precision Agriculture is way they can help growers and industry with their smart tables, those are precision imaging platforms developed in combination with Virginia Tech's Department of Chemical Engineering. They are so precise, they can watch and monitor plants as they move, and are linking plant movement to plant health. They can also provide farmers with information on what fertilizers may be working and what different types of treatment may work with certain crops. They have a Drone Program that is led by Samantha Herndon; she has worked with twenty regional farmers in the last two years flying over farms to help farmers maximize output while lowering inputs. They are launching a plant endophyte research center; this will be the first one in the world and think they are ahead of the curve. In the future, crops have to be grown that are large and healthy naturally, but has to be done while the consumer demand is for less chemicals, fertilizers, and pesticides to protect the environment and human health. They have been studying these bacteria for about ten years and it is something that has recently been recognized. They also work with growers and have trials with vineyards across the region and strawberry farms across the state to help lower pesticide use.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 18, 2019

Special Joint Meeting

Economic Development

Linda Green, Director of Economic Development at the Institute noted Economic Development at IALR is constant in a lot of different ways. They sponsored 60% of the cost for the Southern Virginia Regional Alliance and each locality supports the cost as well, on a pro capita basis. Ms. Green noted she was going to concentrate on the Southern Virginia Regional Alliance and why the Institute supports it so heavily. Ms. Green discussed local economic development, noting it coordinates with local leadership, working with partners, investors, and infrastructure providers. They manage the existing industry programs, they have to know every existing industry, their problems and concerns and how do they help them grow. Probably the biggest part of their time is spent in Infrastructure preparation, next is marketing the locality, managing the asset and investment roles, capacity building and coordinating announcements.

Ms. Green noted regional economic development is quite different than local; theirs is developing a regional strategy, identifying regional supply chains, and the assets to fill the industry's needs. They direct studies for research and capacity building through national groups and support diverse needs of various localities. Characterizing the assets of a region, how do they identify them for people outside the region. They familiarize the area with all the outside resources, such as the Port of Virginia; the Virginia Maritime Association have now formed a chapter in this area. They liaison with the Commonwealth of Virginia for regional leads and then work with Economic Developers in the footprint regarding those leads. They also act as an advocate for regional support, marketing the region to prospects and supporting the local economic developers for that. They also market Virginia to ensure success in every region; encourage coordination of economic development organizations; encouraging and administering economic development grants and incentive programs and participate in announcements. The SVRA website markets the entire region and every locality in it; they also have one for quality of life they use for foreign direct investment. Ms. Green noted results are nine new companies, twelve expansions, over 1,000 jobs and \$110M in capital investment to the region.

Institute Conference Center & Facilities

Ms. Leslie Dobbins, Director of Institute Conference Center & Facilities, noted they believe the Conference Center plays a key and very critical role in the Institute's mission to drive economic transformation to Southern Virginia. Their premiere meeting facilities attract businesses, organizations, training workshops and conferences from all over the State, Region and beyond. Superior technology, top notch customer service along with excellent food and beverage make the conference center a distinguished and very meaningful resource for attracting potential clients and investors to Southern Virginia. There are over 25,000 square feet of flexible meeting space including the Great Hall, Executive Auditorium, and Business Conference Rooms, hosting conferences of various sizes. Their onsite, local catering partner offers an array of menu options for wide ranging clientele. The onsite restaurant, Mega Bytes offers daily breakfast items as well as a lunch buffet. Last year their team supported about 500 programs and events and served over 22,000 guests; in addition Mega Bytes saw 18,000 people, totaling about 39,000 people. This year, they are tracking well above that number.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 18, 2019

Special Joint Meeting

The Decorating the Trees Project was started nine years ago in an effort to decorate the atrium during the Christmas season for the people coming in hosting events and activities. They solicited businesses and organizations in the community to select a non-profit and decorate a Christmas Tree for a three week period of time. The community comes in and donates money for their favorite tree; to date, they have raised over \$100,000 with this event. They recently completed the up fit of the Hawkins' Building and are working with new tenants to support their needs as they continue to move in. They are working with a landscape architect on a plan for a pathway throughout the IALR campus. With multiple buildings and a need for tenants and guests to get from one location to another, they have a real need for easy and seamless access.

Advanced Manufacturing

Mr. Gignac noted he would be speaking on behalf of Troy Simpson on Advanced Manufacturing, stating the program at the Haas Center is opening a lot of opportunities for the Institute. Industry 4.0 is about wireless connect and how machines are going to help machines make decisions. The centerpiece of that comes out of the Gene Haas Center for Advanced Machining. One of the keys to Go Tech is building the pipeline; to fill the seats in the Gene Haas Center, they have to start young and go regional. The Middle School program is the Go Tech initiative that will go out throughout Region 3. The Secondary schools is another draw for the program and then the existing Danville Community College. Industry came to DCC and the Institute and said they need a higher level of student and that is how the Capstone Program was started; the Integrated Machining Technical Training is in the Gene Haas Center.

They also do Advanced Training Solutions; they generate revenue from people in industry that send people into their program to take training in the H Tech Training Center. They have begun to recruit industry through the region because of the workforce training initiative; the problem they have today is that the Institute is at capacity. Others that are interested in their community not only want to be in the community while they build their facility, they want to be on the campus. They have filled all the remaining spots on the campus and are looking to the future. A year ago, they put together a team led by Don Merricks to investigate funding a new facility to add to the campus. They received funding for their CMA Building, the Center for Manufacturing Advancement. This building will have a Phase 4 launching business, a rapid launch space; they want to put people interested in the community in a spot to launch quickly. This is not a building for people with an idea; this is for industries that exist that want to have a presence in the community. The building will feature an optimization space, a space for technology, dedicated to showing new technologies like additive manufacturing, and they will also have an ISO lab as a part of the facility that will test parts. It will be about a \$25.5M project, the Commonwealth of Virginia will pay the entire cost of the facility. The Institute did have to raise \$7M, \$5M for advanced machinery equipment, as well as almost \$2M which will cover the first four year start up. They are looking to run this as a stand alone opportunity; they expect it to be a self-supporting operation and after four years, break even and make some money. Mr. Gignac also discussed the Hawkins' Expansion which is underway, a 14,000 square foot building; this is to rent to two companies.

Chairman of RIFA, Fred Shanks noted he would entertain a motion that RIFA go into Closed Session.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 18, 2019

Special Joint Meeting

**CLOSED SESSION**

At 7:41 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 Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority's Berry Hill Mega Site project 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.

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

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

D. On **Motion** by Mr. Warren and **second** by Mr. Saunders and by unanimous vote at 8:18 p.m., the Authority returned to open meeting.

E. Mr. Warren **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;

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes  
March 18, 2019  
Special Joint Meeting

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. Searce and carried by the following vote:

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

MEETING ADJOURNED AT 8:21 P.M.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary to the Authority

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

---

<b>Agenda Item No.:</b>	Item 5A
<b>Meeting Date:</b>	04/08/2019
<b>Subject:</b>	Resolution No. 2019-04-08-5A
<b>From:</b>	Michael C. Guanzon, Esq., Clement Wheatley

---

### **SUMMARY**

The Board will be asked to approve Resolution 2019-04-08-5A, approving a one-year renewal of the Lease to the Osborne Company of North Carolina, Inc.

### **ATTACHMENT**

Resolution 2019-04-08-5A

**Resolution No. 2019-04-08-5A**

**A RESOLUTION APPROVING A ONE-YEAR RENEWAL OF THE LEASE TO THE OSBORNE COMPANY OF NORTH CAROLINA, INC., A NORTH CAROLINA CORPORATION, OF APPROXIMATELY 100 ACRES OF PASTURELAND IN THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT (A PORTION OF GPINs 1366-78-4718 AND 1367-70-4519), COMMONLY KNOWN AS 4380 BERRY HILL ROAD, IN PITTSYLVANIA COUNTY, VIRGINIA; THE LEASE TERM SHALL BE SUBJECT TO A RIGHT OF LANDLORD TO SHOW THE DEMISED PREMISES UPON AT LEAST 24-HOURS NOTICE AND THE OBLIGATION OF TENANT 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 AUTHORITY SHALL HAVE THE RIGHT TO EARLY TERMINATE THE LEASE WITH AT LEAST 30-DAYS NOTICE; AND THE LEASE SHALL BE FOR THE USE OF HARVESTING GRASS HAY AND INCIDENTAL USES ACCEPTABLE TO THE AUTHORITY, AT A TOTAL RENTAL FEE OF \$1,000.**

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

**WHEREAS**, The Osborne Company of North Carolina, Inc., a North Carolina corporation, entered into that certain Lease Agreement with the Authority, dated May 9, 2011, as amended and renewed (the "Lease"), for the lease of one hundred (100) acres, more or less, of pasture land in the Authority's Southern Virginia Megasite at Berry Hill project (formerly known as the Berry Hill Industrial Park) (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia, for the use of harvesting grass hay and incidental uses acceptable to the Authority, which Lease was subsequently renewed by the parties, at a total rental fee of One Thousand Dollars (\$1,000); and

**WHEREAS**, the current term of the Lease expires on May 15, 2019; and

**WHEREAS**, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County and the City of Danville, Virginia, for the Authority to enter into a one-year renewal of the Lease at a total rental fee of One Thousand and 00/100 Dollars (\$1,000), subject to (i) a 30-day right of early termination by the Authority, (ii) the right of the Authority upon at least twenty-four (24) hours' notice to Tenant to enter upon and to show the demised premises to prospective business recruits, and (iii) Tenant's agreement to keep in strictest confidence the identity of any such prospective business recruits until a public announcement is made by the Authority, if ever, or as otherwise required by law; and

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

**Resolution No. 2019-04-08-5A**

**WHEREAS**, the Authority finds appropriate and proper that in the event both the Director of Economic Development for Pittsylvania County, Virginia, and the Director of Economic Development for the City of Danville, Virginia (collectively, the “**Authority Staff Leadership**”), recommend that the Lease be terminated early in order to facilitate the orderly and efficient development of the real property covered by the Lease, each of the Chairman and the Vice Chairman should be authorized to exercise the Authority’s right of early termination under the Lease.

**NOW, THEREFORE, BE IT RESOLVED**, that

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

2. In the event that the Authority Staff Leadership recommends that the Lease be terminated early in order to facilitate the orderly and efficient development of the real property covered by the Lease, the Chairman and the Vice Chairman, either of whom may act independently of the other, are hereby authorized to exercise the Authority’s right of early termination under the Lease.

3. 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 Renewal, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

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

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

- # -

**Resolution No. 2019-04-08-5A**

**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 April 8, 2019, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

**WITNESS** my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 8th day of April 2019.

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

(SEAL)

Exhibit A

**THIS 2019 LEASE RENEWAL**, made as of the 15th day of May 2019, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Landlord**”); and **THE OSBORNE COMPANY OF NORTH CAROLINA, INC.**, a North Carolina corporation (“**Tenant**”);

**WITNESSETH :**

**WHEREAS**, Landlord and Tenant entered into that certain Lease Agreement dated as of May 9, 2011 (the “**Lease**”), which has been subsequently renewed, for that certain real property located in Landlord’s Southern Virginia Megasite at Berry Hill project (formerly the Berry Hill Industrial Park) in Pittsylvania County, Virginia, containing an aggregate of 100 acres, more or less, commonly known as 4380 Berry Hill Road (a portion of GPINs 1366-78-4718 and 1367-70-4519); and

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

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

1. The “**Renewal Term**” shall be for a term of one (1) year beginning on May 15, 2019, and ending on May 15, 2020. The “**Term**” (as defined in the Lease) shall include the initial Term and any Renewal Term.
2. Prior to the end of the Renewal Term, Landlord shall have the right to terminate the Lease upon giving at least thirty (30) days prior written notice to Tenant, in which event Landlord shall reimburse Tenant for a pro rata portion of the Additional Rent (as hereafter defined) covering the period between the date of termination and May 15, 2020.
3. Tenant agrees to pay to Landlord as additional rent (“**Additional Rent**”) for the Renewal Term set forth herein the amount of One Thousand and 00/100 Dollars (\$1,000.00), due and payable on the first day of the Renewal Term set forth herein. The “**Base Rent**” (as defined in the Lease) shall include the Base Rent payable for the initial Term and any Additional Rent payable for any Renewal Term.
4. At any time during the Renewal Term, Landlord shall have the right, upon at least twenty-four (24) hours’ notice to Tenant (which can be by telephone or by e-mail), to enter upon and to show the demised premises to prospective business recruits (the “**Recruits**”).
5. Tenant agrees to keep in strictest confidence the identity of any Recruits until a public announcement is made by Landlord, if ever, or as otherwise required by law.
6. All other terms and conditions of the Lease not specifically changed herein shall remain in full force and effect.

**[SIGNATURES ON FOLLOWING PAGE]**

WITNESS the following signatures to this **2019 LEASE RENEWAL**:

**LANDLORD:**

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

*[DO NOT SIGN – EXHIBIT ONLY]*

By: \_\_\_\_\_  
Fred O. Shanks, III, Chairman

**TENANT:**

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

*[DO NOT SIGN – EXHIBIT ONLY]*

By: \_\_\_\_\_  
Peter F. Osborne, President

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

---

<b>Agenda Item No.:</b>	Item 5B
<b>Meeting Date:</b>	04/08/2019
<b>Subject:</b>	Resolution No. 2019-04-08-5B
<b>From:</b>	Matthew D. Rowe, Director of Economic Development Pittsylvania County

---

### SUMMARY

The Board will be asked to approve Resolution 2019-04-08-5B, approving a one-year license agreement for Axxor N.A., to add their name to the entrance sign of Cane Creek Centre Industrial Park.

### ATTACHMENT

Resolution 2019-04-08-5B

**A RESOLUTION AUTHORIZING A ONE-YEAR LICENSE AGREEMENT FOR AXXOR N.A., LLC, A VIRGINIA LIMITED LIABILITY COMPANY, TO HAVE ITS NAME ADDED TO THE ENTRANCE SIGN OF THE AUTHORITY'S CANE CREEK CENTRE INDUSTRIAL PARK IN PITTSYLVANIA COUNTY, VIRGINIA, FOR AN ANNUAL FEE OF \$500, SUBJECT TO EARLY TERMINATION BY THE AUTHORITY UPON 30-DAYS WRITTEN NOTICE**

**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**, Axxor N.A., LLC, a Virginia limited liability company (“**Axxor**”), operates its industrial honeycomb product manufacturing business at 2275 Cane Creek Parkway, in Pittsylvania County, Virginia, and has requested that its name be added to the entrance sign pylon that services the Authority’s Cane Creek Centre Industrial Park (“**Cane Creek**”); and

**WHEREAS**, Axxor’s plant, although not located within the boundaries of Cane Creek, is located on the same road in which the entrance sign pylon servicing Cane Creek (the “**Cane Creek Sign**”) is installed; and

**WHEREAS**, the Board of Directors of the Authority has determined that accommodating Axxor’s request is reasonable and in furtherance of economic development in the Southern Virginia region, through an Entrance Sign License Agreement with Axxor in substantially the same form as set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Entrance Sign License Agreement**”); and

**WHEREAS**, under the Entrance Sign License Agreement, Axxor would be granted a one-year license to have its name added to the Cane Creek Sign for an annual fee of \$500.00, with the Authority having the right of early termination with at least 30-days written notice, and a *pro rata* refund of the annual fee.

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

1. The Authority hereby authorizes and directs its Chairman and/or Vice Chairman, either of whom may act independently of the other, to execute and deliver, and otherwise pursue, the Entrance Sign License Agreement, together with such further amendments, deletions or additions to the Entrance Sign License Agreement as may be approved by its Chairman or Vice Chairman (as the case may be), and such execution of the same by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of any further amendments, deletions or additions thereto.

2. The Authority hereby authorizes its Chairman and Vice Chairman, either of whom may act independently of the other, to execute and deliver such other documents in connection with the Entrance Sign License Agreement, as may be approved by its Chairman or Vice

**Resolution No. 2019-04-08-5B**

Chairman (as the case may be), such execution by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of such other documents.

3. 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 Entrance Sign License Agreement or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of this Resolution.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Entrance Sign License Agreement and the matters contemplated in this Resolution.

5. 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 April 8, 2019, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

**WITNESS** my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority as of the 8th day of April 2019.

---

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

(SEAL)

**Exhibit A**

[Entrance Sign License Agreement]

## ENTRANCE SIGN LICENSE AGREEMENT

**THIS ENTRANCE SIGN LICENSE AGREEMENT** (this “**Agreement**”) is made and entered into as of May 1, 2019 (the “**Effective Date**”), by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia, with a business address of 427 Patton Street, Danville, VA 24541 (“**RIFA**”), and **AXXOR N.A., LLC**, a Virginia limited liability company, with a business address of 2275 Cane Creek Parkway, Ringgold, VA 24586 (“**Licensee**”).

1. **Grant of License.** For and in consideration of the mutual covenants and premises set forth herein, the legal adequacy of which are hereby acknowledged, RIFA hereby grants to Licensee a non-exclusive, non-assignable, revocable license (“**License**”) to add Licensee’s business name to the sign pylon owned by RIFA and located at the entrance to RIFA’s Cane Creek industrial park (“**Cane Creek**”), subject to the terms and conditions of this Agreement. RIFA expressly disclaims any and all representations and warranties to Licensee concerning the nature or condition of the sign pylon, and Licensee hereby agrees to accept the same “**AS IS**”, “**WHERE IS**” and “**WITH ALL FAULTS**”. Licensee’s use of the sign pylon as permitted hereunder shall be (i) at Licensee’s sole cost and expense, (ii) in a manner that will not interfere with others’ use of the sign pylon and (iii) in conformance with (1) all applicable laws and regulations, and (2) any and all rules and regulations for the occupancy or use of the sign pylon and/or the real property located in Cane Creek, including any and all restrictive covenants and conditions pertaining thereto. Once Licensee’s sign is placed on the sign pylon as permitted hereunder, such sign, except for the business name thereon and any other intellectual property of Licensee incorporated into the sign (the “**Licensee IP**”), shall become the property of RIFA. Licensee represents and warrants to RIFA that the Licensee IP does not infringe on any other person’s/entity’s intellectual property. RIFA shall maintain Licensee’s sign in the same manner that RIFA maintains the other signs located on the sign pylon. Licensee agrees that RIFA shall not be liable for any indirect, incidental, special or consequential punitive or multiple damages, including without limitation any damages resulting from loss of use, loss of business, loss of revenue, or loss of profits arising in connection with this Agreement, RIFA’s performance of services or any other obligations relating to this Agreement, even if RIFA has been advised of the possibility of such damages. The foregoing limitation of liability of RIFA shall apply regardless of the cause of action under which such damages are sought.

2. **Term; License Fee; Termination.** The initial term of the License granted hereunder shall be for a period of one (1) year, commencing on the Effective Date (the “**Initial Term**”). Following the expiration of the Initial Term, the License shall automatically renew for successive periods of one (1) year each (each, a “**Renewal Term**”), unless either party provides written notice of non-renewal to the other party within thirty (30) days prior to the end of the then-current Term. The Initial Term and any Renewal Terms are collectively referred to herein as the “**Term**”. Licensee shall pay to RIFA an annual license fee during the Term for the License granted hereunder in the amount of \$500.00 per year (the “**License Fee**”), payable on the Effective Date and on each anniversary thereof occurring during the Term. Notwithstanding anything to the contrary set forth herein, RIFA may terminate this License upon at least thirty (30) days’ prior written notice to Licensee, and upon such termination, provided Licensee is not then in default hereunder, RIFA shall refund the License Fee to Licensee on a pro rata basis based on the number of months remaining in the then-current Term.

3. **Notices.** Any notice required to be given hereunder shall be in writing and given by first class or registered or certified mail, postage prepaid, to the address for such party listed in the first paragraph of this Agreement. Either 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.

4. **Miscellaneous.** The parties agree that this Agreement contains the entire, full and

complete understanding and agreement between RIFA and Licensee with respect to the subject matter addressed herein, and all representations, statements, warranties, covenants, promises or agreements previously made or given by either party to the other regarding this subject matter are expressly superseded by and merged into this Agreement. This Agreement may be modified only in a writing executed by RIFA and Licensee. The conditions and covenants herein contained shall inure to the benefit of and are binding upon the parties hereto, their personal representatives, successors and assigns and shall be construed in accordance with the laws of the Commonwealth of Virginia. Licensee may not assign this Agreement or sublicense its rights hereunder, in part or in whole, without the written consent of RIFA, which consent may be withheld by RIFA in its sole and absolute discretion. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement. A facsimile or scanned copy (\*.pdf) signature to this Agreement shall have the same effect as an original for all purposes. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

**WITNESS** the following signatures to this **ENTRANCE SIGN LICENSE AGREEMENT** as of the date first written above:

**RIFA:**

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

By: \_\_\_\_\_  
Fred O. Shanks, III, Chairman

**ATTEST:**

\_\_\_\_\_  
**Susan M. DeMasi**  
Corporate Secretary  
Danville-Pittsylvania Regional Industrial Facility Authority

**LICENSEE:**

**AXXOR N.A., LLC**, a Virginia limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

---

<b>Agenda Item No.:</b>	Item 5C
<b>Meeting Date:</b>	April 8, 2019
<b>Subject:</b>	Financial Status Reports – March 31, 2019
<b>From:</b>	Michael L. Adkins, Authority Treasurer

---

### **SUMMARY**

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

### **RECOMMENDATION**

Staff recommends approving the financial status reports as of March 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. SVMS at Berry Hill – Funding Other than Bond Funds
- D. SVMS at Berry Hill – Lot 4 Site Development
- E. SVMS at Berry Hill – Lot 8 Site Development
- F. SVMS at Berry Hill – Water & Sewer
- G. Rent, Interest, and Other Income Realized
- H. Unaudited Financial Statements

# Danville-Pittsylvania Regional Industrial Facility Authority

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

As of March 31, 2019

<u>Funding</u>	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funds from bond issuance	\$7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost <sup>7</sup>	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
<b>Cane Creek Parkway <sup>3</sup></b>		\$3,804,576.00	\$3,724,241.16	\$	-
<b>Swedwood Drive <sup>2</sup></b>		69,414.00	69,414.00		-
<b>Cane Creek Centre entrance <sup>3</sup></b>		72,335.00	53,878.70		-
<b>Financial Advisory Services</b>		9,900.00	9,900.00		-
<b>Dewberry contracts <sup>1</sup></b>		69,582.50	69,582.50		-
<b>Dewberry contracts not paid by 1.7 grant <sup>4,5</sup></b>		71,881.00	38,701.62	33,179.38	
<b>Land</b>		-	2,792,945.57		-
<b>Demolition services</b>		71,261.62	71,261.62		-
<b>Legal fees</b>		-	138,586.73		-
<b>CCC - Lots 3 &amp; 9 project - RIFA Local Share <sup>6</sup></b>		142,190.00	112,464.98		-
<b>Other expenditures</b>		-	345,194.30		-
<b>Total</b>	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,426,171.18	\$ 33,179.38	<u>\$ 119,231.56</u>

**notes:**

<sup>1</sup> Dewberry Contracts consist of wetland, engineering, surveying and site preparation

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

<sup>3</sup> Project completed under budget

<sup>4</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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
<b>Total Road Contract Allocated to RIFA</b>	<b>\$ 5,271,916.00</b>

**Funding Summary - Cane Creek Parkway**

VDOT	\$ 1,467,340.00
Bonds	3,804,576.00
	<b>\$ 5,271,916.00</b>

# Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2019

As of March 31, 2019

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<b>Funding</b>					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2018	37,099.21				
Transfer to Mega Park Funding-Other Than Bonds <sup>1</sup>	20,000.00				
<b>Contingency</b>					
Miscellaneous contingency items		\$ 73,022.94	\$ 4,107.77	\$ -	\$ 68,915.17
Southern Virginia Mega Site at Berry Hill helipad		\$ 4,351.27	4,351.27		-
<b>Total Contingency Budget</b>		<u>77,374.21</u>	<u>8,459.04</u>	<u>-</u>	<u>68,915.17</u>
<b>Legal</b>		100,000.00	106,062.77	-	(6,062.77)
<b>Accounting</b>		21,525.00	21,525.00	-	-
<b>Annual Bank Fees</b>		600.00	605.00	-	(5.00)
<b>Postage &amp; Shipping</b>		100.00		-	100.00
<b>Meals</b>		4,000.00	2,010.41	-	1,989.59
<b>Utilities</b>		500.00	245.60	-	254.40
<b>Insurance</b>		3,000.00		-	3,000.00
<b>Total</b>		<u>\$ 207,099.21</u>	<u>\$ 138,907.82</u>	<u>\$ -</u>	<u>\$ 68,191.39</u>

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

**Danville-Pittsylvania Regional Industrial Facility Authority**  
**Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds**  
**As of March 31, 2019**

<b>Funding</b>	<b>Funding</b>	<b>Budget / Contract Amount</b>	<b>Expenditures</b>	<b>Encumbered</b>	<b>Unexpended / Unencumbered</b>
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property <sup>1,4</sup>	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 <sup>5</sup>	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 <sup>6</sup>	11,854.39				
TIC #2264 - Phase II Land and Engineering	3,200,000.00				
<b>Land</b>					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property <sup>2</sup>		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	-	
<b>Other</b>					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis <sup>3</sup>		990,850.00	987,879.29	2,970.71	
Consulting Services - McCallum Sweeney <sup>7</sup>		115,000.00	103,796.85	-	
Dewberry Engineers (related to #2264)		4,500.00	-	4,500.00	
Appalachian Power Company		1,655,000.00	180,000.00	1,475,000.00	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project <sup>8</sup>		-	11,203.15	-	
<b>Total</b>	<b>\$ 17,431,524.83</b>	<b>\$ 15,891,024.83</b>	<b>\$ 14,408,554.12</b>	<b>\$ 1,482,470.71</b>	<b>\$ 1,540,500.00</b>

<sup>1</sup> 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.

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

<sup>3</sup> 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.

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

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> Unencumbered the remaining \$11,203.15 due to termination of contract.

<sup>8</sup> 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 March 31, 2019**

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<b>Funding</b>					
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion <sup>1</sup>	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion <sup>1</sup>	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion <sup>2</sup>	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget <sup>3</sup>	11,203.15				
<b>Expenditures</b>					
Dewberry Engineers Inc.		1,688,062.81	1,530,062.81	158,000.00	
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		9,600.00	9,600.00	-	
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		-	-	-	
<b>Transfers to "General Expenditures Fiscal Year 2015" Contingency <sup>3</sup></b>					
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)	-	
<b>Total</b>	<b>\$ 7,900,356.15</b>	<b>\$ 6,097,370.21</b>	<b>\$ 5,932,046.31</b>	<b>\$ 165,323.90</b>	<b><u>\$ 1,802,985.94</u></b>

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

<sup>2</sup> 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.

<sup>3</sup> 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 March 31, 2019

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

# Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of March 31, 2019

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<b>Funding</b>					
<b>TIC #2641 Phase I Sanitary Sewer</b>					
Tobacco Commission Grant 2641	\$ 4,908,240.00				
Local Match for Contractual Services	282,400.00				
Local Match for Property & Improvements	262,960.00				
<b>TIC #3011 Water System Improvements Phase II</b>					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Improvements	24,160.00				
<b>Expenditures</b>					
Dewberry Engineers Inc.		398,284.00	141,429.40	256,854.60	
Haymes Brothers, Inc. - Phase I Sanitary Sewer Project		4,856,169.75	1,896,694.19	2,959,475.56	
C.W. Cauley & Son - Phase 1 Water Project		1,843,540.00	-	1,843,540.00	
Norfolk Southern Railway Company		22,300.00	22,300.00	-	
Pittsylvania County Service Authority		1,475.00	1,475.00	-	
Treasurer of Virginia		5,200.00	5,200.00	-	
AECOM		5,000.00	5,000.00	-	
BH Media Group, Inc.		296.00	296.00	-	
Danville Register & Bee		600.00	600.00	-	
<b>Total</b>	<b>\$ 7,719,327.00</b>	<b>\$ 7,132,864.75</b>	<b>\$ 2,072,994.59</b>	<b>\$ 5,059,870.16</b>	<b>\$ <u>586,462.25</u></b>

**Danville-Pittsylvania Regional Industrial Facility Authority**  
**Rent, Interest, and Other Income Realized for Fiscal Year 2019**  
**As of March 31, 2019**

<i>Source of Funds</i>	<u>Funding</u>		<u>Expenditures</u> <u>FY2019</u>	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2018</u>	<u>Receipts</u> <u>Current</u> <u>Month</u>		
<u>Carryforward</u>	\$ 738,132.03			
<u>Current Lessees</u>				
Institute for Advanced Learning and Research (IALR) <sup>1</sup>		\$ 25,412.50	\$ 151,910.42	
Mountain View Farms of Virginia, L.C.		-	1,200.00	
<i>Total Rent</i>		\$ 25,412.50	\$ 153,110.42	
<u>Interest Received</u> <sup>2</sup>		\$ 398.09	\$ 3,448.14	
<u>Miscellaneous Income</u>		\$ 363,685.00	\$ 1,664,245.00	
<b>Expenditures</b>				
Hawkins Research Bldg. Property Mgmt. Fee			\$ 151,910.42	
Disbursement to Unision Tube (Enhancement Grant and DRF Grant)			\$ 1,242,500.00	
Disbursements for Harlow Fastech incentives			\$ 413,539.00	
<b>Totals</b>	<u>\$ 738,132.03</u>	<u>\$ 389,495.59</u>	<u>\$ 1,820,803.56</u>	<u>\$ 1,807,949.42</u>
			<b>Restricted</b> <sup>1</sup>	\$ 313,695.06
			<b>Unrestricted</b>	\$ 437,291.11

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

<sup>2</sup> 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** <sup>1,2</sup>  
**March 31, 2019\***

	<b>Unaudited FY 2019</b>
<b>Assets</b>	
<i>Current assets</i>	
Cash - checking	\$ 858,237
Cash - money market	798,755
Accounts receivable	205,647
Prepays	254
<i>Total current assets</i>	1,862,893
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	158,911
Restricted cash - debt service fund CCC bonds	22,350
Restricted cash - debt service fund Berry Hill bonds	21,969
Restricted cash - debt service reserve fund Berry Hill bonds	992,417
Capital assets not being depreciated	24,781,371
Capital assets being depreciated, net	22,987,025
Construction in progress	9,827,751
<i>Total noncurrent assets</i>	58,791,794
<b>Total assets</b>	<b>60,654,687</b>
<b>Liabilities</b>	
<i>Current liabilities</i>	
Unearned income	600
Bonds payable - current portion	1,348,450
<i>Total current liabilities</i>	1,349,050
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	2,119,740
<i>Total noncurrent liabilities</i>	2,119,740
<b>Total liabilities</b>	<b>3,468,790</b>
<b>Net Position</b>	
Net investment in capital assets	54,286,868
Restricted - debt reserves	1,036,736
Unrestricted	1,862,293
<b>Total net position</b>	<b>\$ 57,185,897</b>

<sup>1</sup> 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.

<sup>2</sup> 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 March 31, 2019 as of March 25, 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**  
**March 31, 2019\***

	<b>Unaudited FY 2019</b>
<b>Operating revenues</b>	
Rental income	155,785
Other Income	1,664,245
<b>Total operating revenues</b>	1,820,030
<b>Operating expenses</b> <sup>4</sup>	
Mega Park expenses <sup>3</sup>	360,122
Cane Creek Centre expenses <sup>3</sup>	1,255,184
Cyber Park expenses <sup>3</sup>	614,648
Professional fees	51,211
Other operating expenses	10,330
<b>Total operating expenses</b>	2,291,495
<b>Operating income (loss)</b>	(471,465)
<b>Non-operating revenues (expenses)</b>	
Interest income	21,033
Interest expense	(52,282)
<b>Total non-operating expenses, net</b>	(31,249)
<b>Net income (loss) before capital contributions</b>	(502,714)
<b>Capital contributions</b>	
Contribution - City of Danville	320,764
Contribution - Pittsylvania County	820,764
<b>Total capital contributions</b>	1,141,528
<b>Change in net position</b>	638,814
<b>Net position at July 1, 2018</b>	56,547,083
<b>Net position at March 31, 2019</b>	\$ 57,185,897

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

<sup>4</sup> 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**  
**March 31, 2019\***

	<b>Unaudited FY 2019</b>
<b>Operating activities</b>	
Receipts from leases	\$ 173,764
Other receipts	1,664,245
Payments to suppliers for goods and services	(2,400,705)
<b>Net cash used by operating activities</b>	<b>(562,696)</b>
<b>Capital and related financing activities</b>	
Capital contributions	907,843
Interest paid on bonds	(85,782)
Principal repayments on bonds	(1,290,000)
<b>Net cash provided by capital and related financing activities</b>	<b>(467,939)</b>
<b>Investing activities</b>	
Interest received	21,033
<b>Net cash provided by investing activities</b>	<b>21,033</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,009,602)
<b>Cash and cash equivalents - beginning of year (including restricted cash)</b>	<b>3,862,241</b>
<b>Cash and cash equivalents - through March 31, 2019 (including restricted cash)</b>	<b>\$ 2,852,639</b>
<b>Reconciliation of operating loss before capital contributions to net cash used by operating activities:</b>	
Operating income (loss)	\$ (471,465)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	2,171
Change in other receivables	20,654
Change in accounts payable	(111,381)
Change in unearned income	(2,675)
<b>Net cash used by operating activities</b>	<b>\$ (562,696)</b>

<b>Components of cash and cash equivalents at March 31, 2019:</b>	
American National - Checking	\$ 858,237
American National - General money market	798,755
Wells Fargo - \$7.3M Bonds CCC Debt service fund	22,350
Wells Fargo - \$7.3M Bonds CCC Project fund	158,911
US Bank - \$11.25M Bonds Berry Hill Debt service fund	21,969
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	992,417
	<b>\$ 2,852,639</b>

# Danville-Pittsylvania Regional Industrial Facility Authority

## Executive Summary

---

<b>Agenda Item No.:</b>	Item 5D
<b>Meeting Date:</b>	04/08/2019
<b>Subject:</b>	Presentation of Cost Sharing and Revenue Sharing
<b>From:</b>	Michael C. Guanzon, Esq., Clement Wheatley

---

### **SUMMARY**

Presentation on Agreement for Cost Sharing and Revenue Sharing between the City and County

### **ATTACHMENT**

Virginia Code §15.2-6407

Agreement

Code of Virginia  
Title 15.2. Counties, Cities and Towns  
Chapter 64. Virginia Regional Industrial Facilities Act

## § 15.2-6407. Revenue sharing agreements.

Notwithstanding the requirements of Chapter 34 (§ 15.2-3400 et seq.) of this title, the member localities may agree to a revenue and economic growth-sharing arrangement with respect to tax revenues and other income and revenues generated by any facility owned by an authority. Such member localities may be located in any jurisdiction participating in the Appalachian Region Interstate Compact or a similar agreement for interstate cooperation for economic and workforce development authorized by law. The obligations of the parties to any such agreement shall not be construed to be debt within the meaning of Article VII, Section 10 of the Constitution of Virginia. Any such agreement shall be approved by a majority vote of the governing bodies of the member localities reaching such an agreement but shall not require any other approval.

1997, cc. 276, 587, § 15.1-1717; 2007, cc. 941, 947.

**REGIONAL INDUSTRIAL FACILITY AUTHORITY  
AGREEMENT FOR COST SHARING AND REVENUE SHARING BETWEEN THE  
CITY OF DANVILLE, VIRGINIA  
AND  
PITTSYLVANIA COUNTY, VIRGINIA**

This Agreement originally made and entered into the 2nd day of October, 2001, by and between the City of Danville (hereafter "Danville") and the Pittsylvania County (hereafter "Pittsylvania"), and further amended on the 6<sup>th</sup> day of November 2008, by the same parties.

1. **RECITATIONS:**

WHEREAS, Danville and Pittsylvania have heretofore adopted a Memorandum of Understanding, dated April, 2001, in which Danville and Pittsylvania have agreed to work cooperatively to develop a regional cyber park located in Danville, Virginia, and a regional industrial park located in Pittsylvania County, Virginia; and

WHEREAS, the parties hereto wish to more thoroughly memorialize and confirm this Agreement by entering into this Revenue Sharing Agreement pursuant to the Virginia Regional Industrial Facilities Act, Title 15.2, Chapter 64, Code of Virginia, 1950, as amended; and

WHEREAS, the parties recognize that prior investments have been made by Danville on the initial 219 acres, more or less, previously acquired by the Danville IDA, including the purchase of the land and its associated development in the amount of \$4,930,000; and

WHEREAS, the parties recognize that prior investments have been made by Pittsylvania County for the MSAP program in the amount of \$2,000,000; and

WHEREAS, the Danville IDA exercised an option to purchase the 88.5 acre property owned by the option "Sellers" and purchased such property for a total sum of \$2,584,618.25, which was previously titled in the name of the Industrial Development Authority of Danville, Virginia; and

WHEREAS, the parties, in conjunction with Virginia Polytechnic Institute and State University, Averett University, and Danville Community College, developed and constructed, on approximately eleven (11) acres of the Additional City Property, an institute for advanced learning and research (the "Institute"), which is designed to provide advanced technology-integrated education and research in Southside Virginia and serve as a focal point for economic development in the region; and

WHEREAS, the parties further agree to develop a joint industrial park located in the County hereafter known as the Pittsylvania-Danville Regional Industrial Park, (Cane Creek Centre), as generally outlined and described in this Agreement. To that end, the parties have received from the Commonwealth of Virginia funds to assist in providing initial engineering, feasibility, and related studies ("Initial Studies Report") for a joint industrial park located in Pittsylvania County, Virginia, as hereafter described ("Study Grant"); and

WHEREAS, the parties agree to proceed with the acquisition of options and contracts for the purchase of the real property for the Pittsylvania-Danville Regional Industrial Park to be located in Pittsylvania County, Virginia; and

WHEREAS, the parties agree to add additional properties to be used for economic development projects, more specifically a 3,000 to 4,000+/- acre mega park in southwestern Pittsylvania County and a 100+/- acre Southside Virginia Energy Park located in the vicinity of the Brosville Industrial Park.

WITNESSETH:

That for and in consideration of the mutual benefits inuring to each of the localities hereto, and in further consideration of the duties and responsibility hereby imposed upon the parties hereto, the parties do hereby covenant and agree as follows:

2. **DEFINITIONS:**

- A. **Act:** "Act" shall be defined as the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2 of the Code of Virginia, 1950, as amended.
- B. **Additional City Property:** "Additional City Property" shall be defined as 88.5 acres, more or less, located in the City of Danville, Virginia, and as shown on a certain plat of survey entitled "A Plat of Survey from the Industrial Development Authority of Danville, Virginia" dated February 28, 2001, a copy of which is attached to this Agreement as Exhibit "A".
- C. **Agreement:** "Agreement" shall be defined as this Revenue Sharing Agreement, when entered into by all parties, made pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2 of the Code of Virginia, 1950, as amended.
- D. **Cyber Park:** "Cyber Park" shall be defined as the additional City property and the existing City property containing 308 acres, more or less.

- E. Dissolution of Authority: "Dissolution of Authority" shall be defined as set forth in Virginia Code Section 15.2-6415, as amended, regarding the procedures and division of assets upon dissolution of a regional industrial facility authority.
- F. Existing City Property: "Existing City Property" shall be defined as 219.5 acres, more or less, located and lying in the City of Danville, Virginia, and as shown on a certain plat of survey entitled "Plat of Survey for River View Industrial Park" dated February 29, 2000, including lots 1, 2, 3, 4, 5, and 7 on said plat and excluding lots 6, 8, 9 and the roadways, a copy of which plat is attached hereto and made a part hereof as Exhibit "B".
- G. Host Locality: "Host Locality" shall be defined as the locality where the Regional Industrial Facility is physically located.
- H. Income and revenues generated by any facility owned by the Authority: "Income and revenues generated by any facility owned by the Authority" shall be defined as any and all identifiable tax revenues generated from property owned currently or at some time by the Authority, which may have been sold, leased, conveyed or transferred to any third party.
- I. Member Localities: "Member Localities" shall be defined as the City of Danville and Pittsylvania County, Virginia.
- J. Non-host Locality: "Non-host Locality" shall be defined as the partner locality that is not the host locality.
- K. Ordinance: "Ordinance" shall mean an Ordinance adopted by both Member Localities which creates the Danville-Pittsylvania Regional Industrial Facility Authority pursuant to the Virginia Regional Industrial Facility's Act, Chapter 64, Title 15.2 of the Code of Virginia, 1950, as amended.
- L. Pittsylvania-Danville Regional Industrial Park: "Pittsylvania-Danville Regional Industrial Park" (Cane Creek Centre) shall be defined as a joint industrial park to be located in Pittsylvania County near the City of Danville.
- M. Mega Park: The "Mega Park" shall be defined as a joint industrial park consisting of 3,000 to 4,000 +/- acres in the southwestern portion of Pittsylvania County.

- N. Southside Virginia Energy Park: The "Southside Virginia Energy Park" shall be defined as a joint industrial park consisting of 100 +/- acre, located in the vicinity of the Brosville Industrial Park.
- O. Regional Industrial Facility: "Regional Industrial Facility" shall be defined as any joint industrial project contemplated and agreed to by the partner localities.

**3. CREATION OF REGIONAL INDUSTRIAL FACILITY AUTHORITY.**

Danville and Pittsylvania County have established a regional industrial facility authority through adoption of respective ordinances, as allowed by and in compliance with the Act. The terms and duties of the members of the Board of Directors are specified in said ordinance and in the Act. The regional industrial facility authority shall be named the "Danville-Pittsylvania Regional Industrial Facility Authority," hereinafter referred to as the "Regional Authority."

**4. PURCHASE OF PROPERTY.**

A. Danville and Pittsylvania have each contributed the sum of \$1,000,000 for the purchase of the 88.5 acres. An additional \$1,000,000 has been committed by the Future of the Piedmont Foundation for the purchase and development of the Institute. The Danville Industrial Development Authority has closed on the purchase of the 88.5 acres, more or less, for a total cost of \$2,584,618.25.

B. Danville and Pittsylvania agree to jointly purchase and development property to be located in Pittsylvania County near the City of Danville municipal boundary for a Joint Industrial Park.

C. Danville and Pittsylvania County agree to jointly purchase and develop a 3,000 to 4,000 +/- acre mega park in the southwestern portion of Pittsylvania County and a 100 +/- acre Southside Virginia Energy Park located in the vicinity of the Brosville Industrial Park.

**5. TRANSFER OF TITLE TO PROPERTY.**

Danville and Pittsylvania agree that the acreage in the Cyber Park, the Pittsylvania-Danville Regional Industrial Park, the Mega Park, and the Southside Virginia Energy Park shall be conveyed to and titled in the name of the Regional Authority.

6. **PROJECT COSTS.**

In order to and as a condition of sharing the revenues from any property owned by the Regional Authority, each of the Member Localities must contribute equally in the cost of development and marketing of the Regional Industrial Facilities described in this Agreement, as well as one-half (1/2) of the cost of the recruitment and incentive packages offered to any industry to locate within any of the joint Regional Industrial Facilities described herein.

A. **Construction and Development Costs.** Member Localities hereby agree to each pay one-half (1/2) of the cost to the Member Localities for development construction of the Joint Industrial Facilities described herein as well as the Institute.

B. **Marketing and Promotional Costs.** Member Localities hereby agree to each pay one-half (1/2) of the cost for all marketing and promotion of the Joint Regional Industrial Facilities described in this Agreement.

C. **Recruitment Incentives.** Member Localities hereby agree to each pay one-half (1/2) of the cost of any grants or incentives of any type offered to an industry client in order to entice such industry or business to locate within any of the Joint Regional Facilities described in this Agreement.

D. **Utility Extensions.** Each locality will be responsible for the cost of utility installation, separate from this Agreement, for industrial facilities within its service jurisdiction in accordance with its established policies and procedures and the cost for such utility extensions will not be used to compute any dissolution, described herein.

7. **PROJECT FUNDING.**

A. **Income generated by Authority.** Danville and Pittsylvania agree that any and all income generated as a result of sales, leases, conveyances, and/or interest on funds held by the Regional Authority shall constitute income generated by the Regional Authority. Such income generated by the Regional Authority will be held by the Regional Authority and utilized by the Regional Authority to further promote economic development within the two localities as the Regional Authority deems appropriate.

B. **Any additional funding agreed to by both partners/localities jointly.** The Member Localities understand and agree that additional funding may be necessary for the acquisition and development of the four (4) joint industrial parks outlined in this Agreement. Member Localities agree that in the event that they both jointly determine that additional funds need to be allocated

towards the Regional Authority that such funds will be tendered to the Authority for the uses permitted by this Agreement and the Act.

8. **ADMINISTRATION OF PROJECT FUNDING.**

Member Localities do hereby agree that the administration and support given to each project described in this Agreement as well as such support given to the Regional Authority shall be allocated and determined by the Regional Authority. As of the date of this Agreement the City of Danville has acted as "Development Support Agent" for the project funding in the Cyber Park and for the initial filing process for an Initial Study Grant for the Danville-Pittsylvania Regional Industrial Park. The parties agree that the allocation of such administrative support duties is best allocated by and through the Regional Authority.

9. **PURSUIT OF OTHER FUNDING.**

Nothing in this Agreement shall preclude either locality, either jointly or separately, from pursuing, and successfully receiving, other funding sources to pay for site development of any regional project. It is understood and agreed that one Member Locality cannot bind another Member Locality to any Grants without the approval of all Member Localities.

10. **PRIOR EXPENDITURES BY PARTNER LOCALITIES.**

It is understood and agreed that in consideration of Pittsylvania support of the location of the "High Tech Institute" within the City of Danville that Danville will not seek a contribution for the existing 219 acres and its improvements. The parties acknowledge that the City's initial contribution for Existing City Property is four million nine hundred thirty thousand dollars (\$4,930,000). The parties further acknowledge that the MSAP program is a vital element to the successful development of The Cyber Park of Danville and Pittsylvania County. The County previously allocated two million dollars (\$2,000,000) of its distribution from the Tobacco Commission to the Future of the Piedmont Foundation for the MSAP program. Therefore, the parties acknowledge that the County's initial contribution for the MSAP was two million dollars (\$2,000,000) towards proposed joint projects outlined by this Agreement.

11. **SHARING OF MACHINERY AND TOOLS TAX REVENUES.**

Once one or more industries or businesses have located within any Regional Industrial Facility, the host locality will begin to realize tax revenues from such industries or businesses for machinery and tools tax. The host locality alone shall determine the rate at which machinery and tools are taxed and the due date of such taxes. The host locality agrees that upon receipt of

machinery and tools tax remitted by an industry located within a Regional Industrial Facility Authority Park, it shall appropriate the total of taxes so received and pay one-half (1/2) thereof to the non-host locality and retain the remaining one-half (1/2).

12. **SHARING OF REAL PROPERTY AND PERSONAL PROPERTY TAX REVENUE:**

Once one or more industries or businesses have located within any Regional Industrial Facility or purchased real property in any Regional Industrial Facility, the host locality will begin to realize tax revenues from such industries or businesses for real property and personal property. The host locality alone shall determine the rate at which real and personal property is taxed and the due date of such taxes. The host locality agrees that upon receipt of such taxes remitted by an industry, it shall appropriate the total of taxes so received and pay one-half (1/2) thereof to the non-host locality and retain the remaining one-half (1/2).

13. **SHARING OF MISCELLANEOUS TAX REVENUES.**

Once one or more industries or businesses have located within one of the Regional Industrial Facilities, the host locality will begin to realize tax revenues from business license tax, meals tax, lodging tax and any alcohol tax or any income and revenue generated by any facility owned by the Authority as defined in this Agreement. The host locality alone shall determine the tax rates for these taxes and their due dates. Upon receipt, the host locality shall appropriate the total taxes so received from these industries located in the Regional Park and will pay one-half (1/2) thereof to the non-host locality while retaining the other one-half (1/2). The parties further agree that should the General Assembly of the State of Virginia authorize a locality to levy and collect a new local tax and should the host locality choose to implement such future tax on property, then the parties agree that such new tax revenues realized from a joint regional authority will be shared equally in the same manner and fashion as other taxes within this Agreement.

14. **PAYMENT OF TAX REVENUES.**

The host locality shall pay the portion of tax revenues due to the non-host locality within sixty (60) days of receipt and appropriation of such tax revenues. If any tax delinquencies occur, the non-host locality will pay for one-half of the cost of collecting past due taxes, and will receive one-half of the penalties and interest accrued and paid.

15. **AMENDMENTS.**

This Agreement may be modified or amended by written Agreement approved by all parties, for further development of other future development of other industrial properties, or for other agreed upon reasons.

16. **SEVERABILITY.**

The parts and provisions of this Agreement are severable. If any part or provision shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

17. **SUCCESSORS IN TITLE.**

It is agreed that the terms and conditions hereof shall be binding upon the parties hereto, and in addition, upon successors to the parties hereto.

18. **DISSOLUTION OF AUTHORITY.**

Dissolution of the Regional Authority, should such occur, shall be made pursuant to Virginia Code Section 15.2-6415.

19. **DISSOLUTION OF REVENUE SHARING AGREEMENT.**

Once obligations have been incurred by the Authority in favor of any of the regional parks, the parties hereto may withdraw from this Agreement only as the Member Localities mutually agree.

20. **CHOICE OF LAW.**

The parties acknowledge that this Agreement shall be governed by the laws of the Commonwealth of Virginia.

21. **LIMITATION OF LIABILITY.**

The Authority shall ensure the payment of all obligations, cost, and expenses for the implementation of any project anticipated under this Agreement. The Authority acknowledges that the participating governing bodies to this Agreement shall not be liable nor responsible for the financing or for any debts of any projects described within this Agreement.

22. **FUTURE ANNEXATION.**

It is agreed to by the Member Localities that should the City ever annex property within any Danville/Pittsylvania County Joint Industrial Park or the Ringgold Industrial Park, without the approval of the Board of Supervisors, the City shall forfeit all future revenues from any Joint Industrial Park located in the County.

**23. ENTIRE AGREEMENT.**

The parties acknowledge that this Agreement supercedes any prior Agreements and incorporates all terms and conditions agreed to between them, and further agree that there shall be no oral modification hereof, and that any written modification shall be effective only if duly signed on behalf of the parties hereto. This Agreement, as amended, shall remain in full force and effect.

IN WITNESS THEREOF, this Agreement is executed on behalf of the City of Danville, Virginia, by its Mayor, pursuant to action duly taken by the City Council; and on behalf of Pittsylvania County Board of Supervisors by its Chairman, pursuant to action duly taken by the Board.

The City of Danville, Virginia

By: *Sherry M. [Signature]*

ATTEST:

*Annette G. [Signature]*  
Clerk

Approved as to form:

*[Signature]*

Pittsylvania County

By: *Coy E. [Signature]*

ATTEST:

*William J. [Signature]*  
Clerk

Approved as to form:

*[Signature]*

**REGIONAL INDUSTRIAL FACILITY AUTHORITY  
AGREEMENT FOR COST SHARING AND REVENUE SHARING BETWEEN THE  
CITY OF DANVILLE, VIRGINIA  
AND  
PITTSYLVANIA COUNTY, VIRGINIA**

This Agreement originally made and entered into the 2nd day of October, 2001, by and between the City of Danville (hereafter "Danville") and the Pittsylvania County (hereafter "Pittsylvania"), and further amended on the 6<sup>th</sup> day of November 2002, by the same parties.

**1. RECITATIONS:**

WHEREAS, Danville and Pittsylvania have heretofore adopted a Memorandum of Understanding, dated April, 2001, in which Danville and Pittsylvania have agreed to work cooperatively to develop a regional cyber park located in Danville, Virginia, and a regional industrial park located in Pittsylvania County, Virginia; and

WHEREAS, the parties hereto wish to more thoroughly memorialize and confirm this Agreement by entering into this Revenue Sharing Agreement pursuant to the Virginia Regional Industrial Facilities Act, Title 15.2, Chapter 64, Code of Virginia, 1950, as amended; and

WHEREAS, the parties recognize that prior investments have been made by Danville on the initial 219 acres, more or less, previously acquired by the Danville IDA, including the purchase of the land and its associated development in the amount of \$4,930,000; and

WHEREAS, the parties recognize that prior investments have been made by Pittsylvania County for the MSAP program in the amount of \$2,000,000; and

WHEREAS, the Danville IDA exercised an option to purchase the 88.5 acre property owned by the option "Sellers" and purchased such property for a total sum of \$2,584,618.25, which was previously titled in the name of the Industrial Development Authority of Danville, Virginia; and

WHEREAS, the parties, in conjunction with Virginia Polytechnic Institute and State University, Averett University, and Danville Community College, developed and constructed, on approximately eleven (11) acres of the Additional City Property, an institute for advanced learning and research (the "Institute"), which is designed to provide advanced technology-integrated education and research in Southside Virginia and serve as a focal point for economic development in the region; and

WHEREAS, the parties further agree to develop a joint industrial park located in the County hereafter known as the Pittsylvania-Danville Regional Industrial Park, (Cane Creek Centre), as generally outlined and described in this Agreement. To that end, the parties have received from the Commonwealth of Virginia funds to assist in providing initial engineering, feasibility, and related studies ("Initial Studies Report") for a joint industrial park located in Pittsylvania County, Virginia, as hereafter described ("Study Grant"); and

WHEREAS, the parties agree to proceed with the acquisition of options and contracts for the purchase of the real property for the Pittsylvania-Danville Regional Industrial Park to be located in Pittsylvania County, Virginia; and

WHEREAS, the parties agree to add additional properties to be used for economic development projects, more specifically a 3,000 to 4,000+/- acre mega park in southwestern Pittsylvania County and a 100+/- acre Southside Virginia Energy Park located in the vicinity of the Brosville Industrial Park.

WITNESSETH:

That for and in consideration of the mutual benefits inuring to each of the localities hereto, and in further consideration of the duties and responsibility hereby imposed upon the parties hereto, the parties do hereby covenant and agree as follows:

**2. DEFINITIONS:**

- A. Act: "Act" shall be defined as the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2 of the Code of Virginia, 1950, as amended.
- B. Additional City Property: "Additional City Property" shall be defined as 88.5 acres, more or less, located in the City of Danville, Virginia, and as shown on a certain plat of survey entitled "A Plat of Survey from the Industrial Development Authority of Danville, Virginia" dated February 28, 2001, a copy of which is attached to this Agreement as Exhibit "A".
- C. Agreement: "Agreement" shall be defined as this Revenue Sharing Agreement, when entered into by all parties, made pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2 of the Code of Virginia, 1950, as amended.
- D. Cyber Park: "Cyber Park" shall be defined as the additional City property and the existing City property containing 308 acres, more or less.

- E. Dissolution of Authority: “Dissolution of Authority” shall be defined as set forth in Virginia Code Section 15.2-6415, as amended, regarding the procedures and division of assets upon dissolution of a regional industrial facility authority.
- F. Existing City Property: “Existing City Property” shall be defined as 219.5 acres, more or less, located and lying in the City of Danville, Virginia, and as shown on a certain plat of survey entitled “Plat of Survey for River View Industrial Park” dated February 29, 2000, including lots 1, 2, 3, 4, 5, and 7 on said plat and excluding lots 6, 8, 9 and the roadways, a copy of which plat is attached hereto and made a part hereof as Exhibit “B”.
- G. Host Locality: “Host Locality” shall be defined as the locality where the Regional Industrial Facility is physically located.
- H. Income and revenues generated by any facility owned by the Authority: “Income and revenues generated by any facility owned by the Authority” shall be defined as any and all identifiable tax revenues generated from property owned currently or at some time by the Authority, which may have been sold, leased, conveyed or transferred to any third party.
- I. Member Localities: “Member Localities” shall be defined as the City of Danville and Pittsylvania County, Virginia.
- J. Non-host Locality: “Non-host Locality” shall be defined as the partner locality that is not the host locality.
- K. Ordinance: “Ordinance” shall mean an Ordinance adopted by both Member Localities which creates the Danville-Pittsylvania Regional Industrial Facility Authority pursuant to the Virginia Regional Industrial Facility’s Act, Chapter 64, Title 15.2 of the Code of Virginia, 1950, as amended.
- L. Pittsylvania-Danville Regional Industrial Park: “Pittsylvania-Danville Regional Industrial Park” (Cane Creek Centre) shall be defined as a joint industrial park to be located in Pittsylvania County near the City of Danville.
- M. Mega Park: The “Mega Park” shall be defined as a joint industrial park consisting of 3,000 to 4,000 +/- acres in the southwestern portion of Pittsylvania County.

- N. Southside Virginia Energy Park: The "Southside Virginia Energy Park" shall be defined as a joint industrial park consisting of 100 +/- acre, located in the vicinity of the Brosville Industrial Park.
- O. Regional Industrial Facility: "Regional Industrial Facility" shall be defined as any joint industrial project contemplated and agreed to by the partner localities.

**3. CREATION OF REGIONAL INDUSTRIAL FACILITY AUTHORITY.**

Danville and Pittsylvania County have established a regional industrial facility authority through adoption of respective ordinances, as allowed by and in compliance with the Act. The terms and duties of the members of the Board of Directors are specified in said ordinance and in the Act. The regional industrial facility authority shall be named the "Danville-Pittsylvania Regional Industrial Facility Authority," hereinafter referred to as the "Regional Authority."

**4. PURCHASE OF PROPERTY.**

A. Danville and Pittsylvania have each contributed the sum of \$1,000,000 for the purchase of the 88.5 acres. An additional \$1,000,000 has been committed by the Future of the Piedmont Foundation for the purchase and development of the Institute. The Danville Industrial Development Authority has closed on the purchase of the 88.5 acres, more or less, for a total cost of \$2,584,618.25.

B. Danville and Pittsylvania agree to jointly purchase and development property to be located in Pittsylvania County near the City of Danville municipal boundary for a Joint Industrial Park.

C. Danville and Pittsylvania County agree to jointly purchase and develop a 3,000 to 4,000 +/- acre mega park in the southwestern portion of Pittsylvania County and a 100 +/- acre Southside Virginia Energy Park located in the vicinity of the Brosville Industrial Park.

**5. TRANSFER OF TITLE TO PROPERTY.**

Danville and Pittsylvania agree that the acreage in the Cyber Park, the Pittsylvania-Danville Regional Industrial Park, the Mega Park, and the Southside Virginia Energy Park shall be conveyed to and titled in the name of the Regional Authority.

**6. PROJECT COSTS.**

In order to and as a condition of sharing the revenues from any property owned by the Regional Authority, each of the Member Localities must contribute equally in the cost of development and marketing of the Regional Industrial Facilities described in this Agreement, as well as one-half (1/2) of the cost of the recruitment and incentive packages offered to any industry to locate within any of the joint Regional Industrial Facilities described herein.

A. Construction and Development Costs. Member Localities hereby agree to each pay one-half (1/2) of the cost to the Member Localities for development construction of the Joint Industrial Facilities described herein as well as the Institute.

B. Marketing and Promotional Costs. Member Localities hereby agree to each pay one-half (1/2) of the cost for all marketing and promotion of the Joint Regional Industrial Facilities described in this Agreement.

C. Recruitment Incentives. Member Localities hereby agree to each pay one-half (1/2) of the cost of any grants or incentives of any type offered to an industry client in order to entice such industry or business to locate within any of the Joint Regional Facilities described in this Agreement.

D. Utility Extensions. Each locality will be responsible for the cost of utility installation, separate from this Agreement, for industrial facilities within its service jurisdiction in accordance with its established policies and procedures and the cost for such utility extensions will not be used to compute any dissolution, described herein.

**7. PROJECT FUNDING.**

A. Income generated by Authority. Danville and Pittsylvania agree that any and all income generated as a result of sales, leases, conveyances, and/or interest on funds held by the Regional Authority shall constitute income generated by the Regional Authority. Such income generated by the Regional Authority will be held by the Regional Authority and utilized by the Regional Authority to further promote economic development within the two localities as the Regional Authority deems appropriate.

B. Any additional funding agreed to by both partners/localities jointly. The Member Localities understand and agree that additional funding may be necessary for the acquisition and development of the four (4) joint industrial parks outlined in this Agreement. Member Localities agree that in the event that they both jointly determine that additional funds need to be allocated

towards the Regional Authority that such funds will be tendered to the Authority for the uses permitted by this Agreement and the Act.

**8. ADMINISTRATION OF PROJECT FUNDING.**

Member Localities do hereby agree that the administration and support given to each project described in this Agreement as well as such support given to the Regional Authority shall be allocated and determined by the Regional Authority. As of the date of this Agreement the City of Danville has acted as "Development Support Agent" for the project funding in the Cyber Park and for the initial filing process for an Initial Study Grant for the Danville-Pittsylvania Regional Industrial Park. The parties agree that the allocation of such administrative support duties is best allocated by and through the Regional Authority.

**9. PURSUIT OF OTHER FUNDING.**

Nothing in this Agreement shall preclude either locality, either jointly or separately, from pursuing, and successfully receiving, other funding sources to pay for site development of any regional project. It is understood and agreed that one Member Locality cannot bind another Member Locality to any Grants without the approval of all Member Localities.

**10. PRIOR EXPENDITURES BY PARTNER LOCALITIES.**

It is understood and agreed that in consideration of Pittsylvania support of the location of the "High Tech Institute" within the City of Danville that Danville will not seek a contribution for the existing 219 acres and its improvements. The parties acknowledge that the City's initial contribution for Existing City Property is four million nine hundred thirty thousand dollars (\$4,930,000). The parties further acknowledge that the MSAP program is a vital element to the successful development of The Cyber Park of Danville and Pittsylvania County. The County previously allocated two million dollars (\$2,000,000) of its distribution from the Tobacco Commission to the Future of the Piedmont Foundation for the MSAP program. Therefore, the parties acknowledge that the County's initial contribution for the MSAP was two million dollars (\$2,000,000) towards proposed joint projects outlined by this Agreement.

**11. SHARING OF MACHINERY AND TOOLS TAX REVENUES.**

Once one or more industries or businesses have located within any Regional Industrial Facility, the host locality will begin to realize tax revenues from such industries or businesses for machinery and tools tax. The host locality alone shall determine the rate at which machinery and tools are taxed and the due date of such taxes. The host locality agrees that upon receipt of

machinery and tools tax remitted by an industry located within a Regional Industrial Facility Authority Park, it shall appropriate the total of taxes so received and pay one-half (1/2) thereof to the non-host locality and retain the remaining one-half (1/2).

**12. SHARING OF REAL PROPERTY AND PERSONAL PROPERTY TAX REVENUE:**

Once one or more industries or businesses have located within any Regional Industrial Facility or purchased real property in any Regional Industrial Facility, the host locality will begin to realize tax revenues from such industries or businesses for real property and personal property. The host locality alone shall determine the rate at which real and personal property is taxed and the due date of such taxes. The host locality agrees that upon receipt of such taxes remitted by an industry, it shall appropriate the total of taxes so received and pay one-half (1/2) thereof to the non-host locality and retain the remaining one-half (1/2).

**13. SHARING OF MISCELLANEOUS TAX REVENUES.**

Once one or more industries or businesses have located within one of the Regional Industrial Facilities, the host locality will begin to realize tax revenues from business license tax, meals tax, lodging tax and any alcohol tax or any income and revenue generated by any facility owned by the Authority as defined in this Agreement. The host locality alone shall determine the tax rates for these taxes and their due dates. Upon receipt, the host locality shall appropriate the total taxes so received from these industries located in the Regional Park and will pay one-half (1/2) thereof to the non-host locality while retaining the other one-half (1/2). The parties further agree that should the General Assembly of the State of Virginia authorize a locality to levy and collect a new local tax and should the host locality choose to implement such future tax on property, then the parties agree that such new tax revenues realized from a joint regional authority will be shared equally in the same manner and fashion as other taxes within this Agreement.

**14. PAYMENT OF TAX REVENUES.**

The host locality shall pay the portion of tax revenues due to the non-host locality within sixty (60) days of receipt and appropriation of such tax revenues. If any tax delinquencies occur, the non-host locality will pay for one-half of the cost of collecting past due taxes, and will receive one-half of the penalties and interest accrued and paid.

**15. AMENDMENTS.**

This Agreement may be modified or amended by written Agreement approved by all parties, for further development of other future development of other industrial properties, or for other agreed upon reasons.

**16. SEVERABILITY.**

The parts and provisions of this Agreement are severable. If any part or provision shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

**17. SUCCESSORS IN TITLE.**

It is agreed that the terms and conditions hereof shall be binding upon the parties hereto, and in addition, upon successors to the parties hereto.

**18. DISSOLUTION OF AUTHORITY.**

Dissolution of the Regional Authority, should such occur, shall be made pursuant to Virginia Code Section 15.2-6415.

**19. DISSOLUTION OF REVENUE SHARING AGREEMENT.**

Once obligations have been incurred by the Authority in favor of any of the regional parks, the parties hereto may withdraw from this Agreement only as the Member Localities mutually agree.

**20. CHOICE OF LAW.**

The parties acknowledge that this Agreement shall be governed by the laws of the Commonwealth of Virginia.

**21. LIMITATION OF LIABILITY.**

The Authority shall ensure the payment of all obligations, cost, and expenses for the implementation of any project anticipated under this Agreement. The Authority acknowledges that the participating governing bodies to this Agreement shall not be liable nor responsible for the financing or for any debts of any projects described within this Agreement.

**22. FUTURE ANNEXATION.**

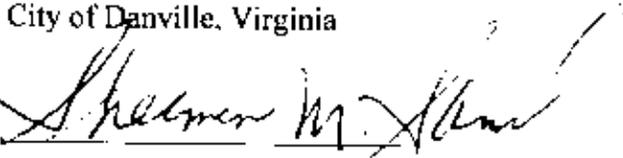
It is agreed to by the Member Localities that should the City ever annex property within any Danville/Pittsylvania County Joint Industrial Park or the Ringgold Industrial Park, without the approval of the Board of Supervisors, the City shall forfeit all future revenues from any Joint Industrial Park located in the County.

23. **ENTIRE AGREEMENT.**

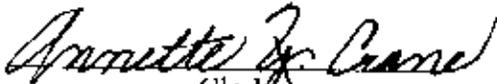
The parties acknowledge that this Agreement supercedes any prior Agreements and incorporates all terms and conditions agreed to between them, and further agree that there shall be no oral modification hereof, and that any written modification shall be effective only if duly signed on behalf of the parties hereto. This Agreement, as amended, shall remain in full force and effect.

IN WITNESS THEREOF, this Agreement is executed on behalf of the City of Danville, Virginia, by its Mayor, pursuant to action duly taken by the City Council; and on behalf of Pittsylvania County Board of Supervisors by its Chairman, pursuant to action duly taken by the Board.

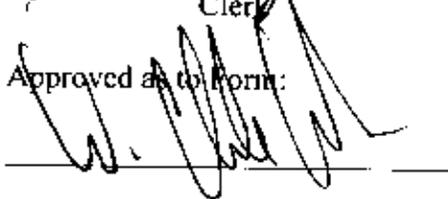
The City of Danville, Virginia

By: 

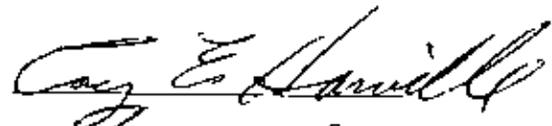
ATTEST:

  
Clerk

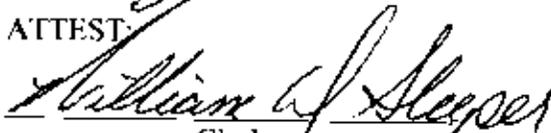
Approved as to Form:



Pittsylvania County

By: 

ATTEST:

  
Clerk

Approved as to Form:

