



Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

July 11, 2022

12:00 P.M.

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

County of Pittsylvania Members

**William V. ("Vic") Ingram, Chairman
Jessie L. Barksdale
Darrell W. Dalton, Alternate**

City of Danville Members

**Sherman M. Saunders, Vice Chairman
J. Lee Vogler, Jr.
Dr. Gary P. Miller, Alternate**

Staff

**Kenneth F. Larking, City Manager Officer
Clarence C. Monday, County Administrator Officer
Christian & Barton, LLP, Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer**

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

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

4. APPROVAL OF MINUTES OF THE JUNE 13, 2022 REGULAR MEETING.

5. NEW BUSINESS

- A. Consideration of Resolution No. 2022-07-11-5A, approving that certain Memorandum of Agreement by and among the Authority, the Virginia Department of Environmental Quality, the City of Danville, Virginia and Pittsylvania County, Virginia for the administration of a Virginia Stormwater Management Program by the City of Danville, Virginia at the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia – Corrie T. Bobe, Director of Economic Development, City of Danville
- B. Consideration of Resolution No. 2022-07-11-5B, authorizing the negotiation, execution and delivery of a Timber Sale Contract by and between the Authority and Hopkins Lumber Contractors, Inc., a Virginia corporation, for the sale of timber within the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, with a variable sales price based on tree species type – Matthew D. Rowe, Director of Economic Development, Pittsylvania County
- C. Financial Status Reports as of June 30, 2022 – Michael L. Adkins, Authority Treasurer and Henrietta Weaver, Budget Director, City of Danville, Virginia

6. CLOSED SESSION

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

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects, located in Pittsylvania County, Virginia, and/or Danville, Virginia; and

- 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; and
- D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel; and
- E. As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

- F. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- G. Motion to Certify Closed Meeting.

7. COMMUNICATIONS FROM:

- A. Authority Board Members
- B. Staff

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	07/11/2022
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Meeting held on June 13, 2022.

ATTACHMENTS

Meeting Minutes – 06/13/2022.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2022

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 207, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Chairman William V. Ingram, Jessie Barksdale, and Alternate Darrell Dalton.

City/County staff members attending were: City Manager Ken Larking (via Zoom), Deputy City Manager Earl Reynolds, Interim County Administrator Clarence Monday, City of Danville Director of Economic Development Corrie Bobe (via Zoom), Assistant Director of Economic Development Barbara Fiedor, Pittsylvania County Director of Economic Development Matt Rowe (via Zoom), City of Danville Chief Financial Officer and Authority Treasurer Michael Adkins, City of Danville Budget Director Henrietta Weaver, Pittsylvania County Director of Finance Kim Van Der Hyde, Legal Counsel to the Authority Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner from Dewberry (via Zoom) and Telly Tucker, President of the Institute for Advanced Learning and Research.

Chairman Vic Ingram presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE MAY 9, 2022, MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Barksdale, Minutes of the May 9, 2022, Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2022-06-13-5A, REVISING THE AMENDED AND RESTATED BYLAWS OF THE AUTHORITY.

Legal Counsel for the Authority Michael Guanzon explained staff recommended adding officers, in addition to the Chairman, Vice Chairman, Secretary and Treasurer, to include new positions called City Manager Officer and County Administrator Officer. Right now, there was a standing resolution that empowered Ms. Bobe and Mr. Rowe to enter into non-disclosure and confidentiality agreements with recruits, and into non-legally binding letters of intent, to negotiate a definitive agreement which would ultimately be discussed and voted on by the Board when it becomes final, and RIFA had a public announcement. This way, Mr. Larking and Mr. Monday, since they were the highest executives in the City and County, would also have the ability to enter into those agreements for RIFA. Mr. Guanzon noted it does not take away any power of the Board, it was just to make it easier and puts RIFA in a better position.

Mr. Vogler noted this change, would that give the City Manager or the County Administrator authority to make decisions without the Board's consent or knowledge, and Mr. Guanzon explained only with the non-disclosure agreements; those non-disclosure agreements just say when RIFA gets the information from the potential recruit, they were keeping quiet and those

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2022

were subject to Mr. Guanzon's review to make sure there wasn't anything else that was binding. The letter of intent had nothing legally binding in it except for confidentiality and exclusive dealings.

Mr. Ingram noted he thought some of the concern with this was not only not including the Board, that the Board would not know of certain actions being taken, and finding out about it at the end of the process, which he did not think was a good thing. Mr. Guanzon stated in this situation, that other than those things he just discussed, these were the outer bounds in which they would negotiate a definitive agreement. When a definitive agreement had been negotiated, it was brought to the Board in closed session. There was no danger of staff making any promises that they wouldn't be authorized to do; the Board has the ultimate say. Mr. Guanzon stated he would recommend when they were getting close, in the future to one of those situations, that was the time when the Board would take a look at the definitive agreement draft, vet it out and if they don't understand something, ask him or one of the staff in closed session. If there was any doubt in their minds or they didn't like something, he would suggest they make that known in closed session so when they go out in open session to vote, they vote their conscience.

Mr. Saunders noted, if the City Manager or County Administrator negotiate certain things with prospects and it comes to the Board for a vote, what would happen if the Board did not agree; but commitment had been made to the prospect. How can they avoid that kind of confusion and Mr. Guanzon stated in all letters of intent it states specifically that whatever was promised had to be in that definitive agreement which was still subject to approval by the RIFA board. Mr. Saunders stated he had two concerns, one was that there was no potential for the Board and staff to disagree; they don't want to send a message to the prospect that they thought the staff did one thing, but it got to the Board as something else. Second, he would like to hear what the other board members had to say about this.

Dr. Miller noted he was fine with it, and Mr. Vogler stated his concern was what he asked earlier and also what Mr. Saunders said. He does not worry about who was in those spots right now, but they never know who was going to end up there. It could be an issue where nothing has been officially done, but it doesn't look good with one person telling the company one thing, when they come back to actually sign the board looks at it differently, and they have to go back. If it were only the people now, he wouldn't be concerned about it all, but he tries to think about where things will be in the future.

Mr. Guanzon stated from practice, staff gives reports in closed session on potential recruits, where they were, what they were thinking of and those were the times where the board has spoken up and said where the line needs to be drawn. They have consistently given reports on certain things, and he did not think the Board has ever been caught by surprise before the entire agreement was done. He believed the Board needed to take a look from an administrative standpoint that this was intended to assist them in getting things done more so then feeling like they were having some power taken away from them.

City Manager Ken Larking noted the way it was written, the Economic Development Director can sign an LOI on behalf of RIFA right now; all they were doing was changing that from the Economic Development Directors to the City Manager and County Administrator. In his opinion, it was wiser to have those two positions be the ones to sign off on the LOIs because they were used to being held accountable to the elected officials, and therefore, the RIFA Board Members, should anything go wrong. Part of their responsibility as County Administrator and City Manager was to keep their elected officials informed about what they

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2022

were doing. This takes risk away from the Economic Development Directors who can feel confident that what they were working on, the prospects, their bosses were aware and made their elected officials informed of what they were doing. If they don't do anything, in the meantime, the Economic Development Directors can still sign off on LOIs. He believed the risk should be on the appointees to the elected boards, they were used to taking that risk. They won't do anything without talking with their elected officials to make sure they were in agreement with what they signed off on. Mr. Larking noted he recommended they make the change to the bylaws. Mr. Guanzon noted how it was written was that they have to act jointly. Mr. Ingram noted they were okay with voting and moving forward.

Mr. Saunders **moved** for adoption of *Resolution 2022-06-13-5A further revising the Amended and Restated Bylaws of the Authority adopted August 13, 2007, and last revised June 14, 2021, by amending Article VI ("Officers") by adding new Paragraph 6 to authorize the Board to appoint a City Manager Officer and County Administrator Officer to supervise the Authority's projects, and where an individual holding such officer position shall be required to meet certain eligibility criteria; and authorizing such officer positions to execute jointly and to deliver confidentiality and non-disclosure agreements and letters of intent, on behalf the Authority, with potential business and industry recruits in connection with the Authority's recruitment efforts so long as the Authority is not legally bound to make appropriations and the form of such documents are approved by legal counsel to the Authority.*

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (4)
NAY: None (0)

5B. CONSIDERATION OF RESOLUTION NO. 2022-06-13-5B, AUTHORIZING THE EXECUTION OF A BMP AGREEMENT WITH THE CITY

Pittsylvania County Director of Economic Development Matt Rowe noted this item was for the Best Management Practice agreement with the City for the expansion of the Hawkins' Building in the Cyber Park on the Institute campus. The City of Danville administers the Stormwater Management Program and per state law, any stormwater feature has to have a BMP agreement in place. Mr. Rowe stated he believed there has been some modification language of the standardized agreement and if a motion was to be made, it would be a motion to approve the Best Management Practice agreement pending legal review and potential modification.

Mr. Guanzon explained there was a modification that needed to be done; he had already had a conversation with the City Attorney to modify the language and that has been agreed upon as far as indemnification provisions which means that RIFA would be indemnifying the City. RIFA as a political subdivision cannot indemnify under most situations; the City Attorney and he have agreed to the appropriate language, and there will be an insert that says, to the fullest extent allowable by law. That part has been corrected; there was a reference to the Hawkins' Building and that was in error and needs to be removed. If the Board see fit, those were the ones that needed to be changed to amend the resolution.

Mr. Barksdale **moved** for adoption of *Resolution No. 2022-06-13-5B, as amended, authorizing the negotiation, execution and delivery of a Best Management Practices Agreement with the City of Danville, Virginia, related to the construction and maintenance of on-site storm water*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2022

management facilities at 300 Stinson Drive, Danville, Virginia (PIN 76368) of the Authority's Cyber Park Project.

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (4)
NAY: None (0)

5C. CONSIDERATION OF RESOLUTION NO. 2022-06-13-5C, APPROVING AMENDMENT #1 WITH DEWBERRY FOR LOT 7D

Mr. Rowe noted this item was for the Lot 7D grading in the Cyber Park; the \$51,500 was a fee for third party inspections, for example, making sure that basins and ponds were being put in correctly and that the pad itself was getting compacted to the right ratio. This was a cost that was standardized for this type of activity, and was commercially reasonable.

Mr. Barksdale **moved** for adoption of *Resolution No. 2022-06-13-5C, approving Amendment No. 1, dated June 3, 2022, with Dewberry Engineers Inc., a New York corporation, for professional engineering and construction administration services for Lot 7D Graded Pad Project in the Authority's Cyber Park Project, located in Danville, Virginia, for a lump sum fee of \$51,500.00.*

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (4)
NAY: None (0)

Mr. Guanzon noted for clarification, the bylaws do provide that staff specify before RIFA has an expenditure that they identify where the money was coming from, and RIFA does in fact have the funds. Authority Treasurer Michael Adkins explained that in some cases the money was available, it may be unused local funding, it may be on a different funding sheet or part of fund balance, but will be transferred to that funding sheet to cover that expense.

5D. CONSIDERATION OF RESOLUTION NO. 2022-06-13-5D, APPROVING THE REIMBURSEMENT OF \$95,792.44 IN MARKETING EXPENSES

Mr. Rowe thanked Ms. Bobe for bringing this up; both City and County staff have been expending a lot of their local budgets on marketing the Southern Virginia Mega Site for RIFA'S benefit. Ms. Bobe has put together a proposal to reimburse both the City and County departments a cumulative total of \$95,792,44. This equates to a little over \$47,000 both to the City and the County for their advanced marketing expenses from the Southern Virginia Mega Site on several very large projects.

Mr. Saunders **moved** for adoption of *Resolution No. 2022-06-13-5D, approving the total reimbursement of \$95,792.44 in marketing expenses advanced by the City of Danville, Virginia and Pittsylvania County, Virginia, to the Authority resulting from certain marketing expenses related to the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2022

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (4)
NAY: None (0)

5E. CONSIDERATION OF RESOLUTION 2022-06-13-5E, APPROVING CHANGE ORDER 10 TO HAYMES BROTHERS

Mr. Rowe explained this was to approve Change Order #10 at the Megasite, Lot 4, to close out the Phase I grading. This was an incidental cost, an increase in the contract price that was partly due to fuel price increases, for removing the power line which was now being completed at the site, and moving the dirt that was originally under that power line and putting it to grade. This work was not done at the time due to the existing powerline cutting through the site; it had to be done by Haymes to close out the stormwater permit requirements. Mr. Adkins noted the funding references Grant #2491; that grant was actually closed. They would resurrect that funding sheet, and transfer money into it for the cost of the Change Order.

Dr. Miller noted it was a large Change Order, what did they have to do differently, and Mr. Rowe explained RIFA got a loan through the Tobacco Commission, through the County to relocate the AEP Power Line. When the power line was in place, Haymes Brothers could not grade underneath the powerlines, so there was a mound of dirt underneath them. On the original permit through DEQ and the Army Corp of Engineers, the plan showed that dirt was going to be smoothed out into the broader pad site covering additional acreage. The permit cannot be closed out until all that work has been done.

Brian Bradner from Dewberry Engineers noted his agreement with Mr. Rowe's explanation and added the ultimate goal was to get the pad in the condition it was in with the powerline being relocated, and would say the matter for this change order was based on the timing of when the powerline could be relocated in addition to the time that Haymes Brothers had to do continual monitoring to stay in compliance with the stormwater permit.

Mr. Barksdale **moved** for adoption of *Resolution No. 2022-06-13-5E, approving Change Order 10 to the site development work by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2017-02-24-4A, including modification and construction resulting from the relocation of a powerline for graded Pad A on Lot 4, in the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania County, Virginia, increasing the contract price by \$290,500.00.*

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (4)
NAY: None (0)

5F. FINANCIAL STATUS REPORTS AS OF MAY 31, 2022

Authority Treasurer Michael Adkins gave the Financial Status report as of May 31, 2022, beginning with the \$7.3M Bonds for Cane Creek which had no activity during the month of May. General Expenditures for Fiscal Year 2022 show RIFA paid \$308.70 to the Institute for meals and \$178.85 for monthly utilities. Berry Hill Funding Other than Bonds had one

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2022

expenditure to Dewberry for \$70,775 for work completed under Amendment #33. Lots 1 and 2 at the Megasite, staff added the VBRSP grant for about \$1.3M and added an encumbrance for Jimmy R. Lynch & Sons which was approved at the last meeting, for just over \$2.9M. As far as expenditures, RIFA paid \$7,500 to Dewberry for work under Amendment #30 and \$6,100 to the Treasurer of Virginia for Stormwater Permits issued for Lots 1 and 2. Water and Sewer at Berry Hill had no expenditures. Cyber Park Site Development was another one where they have added money from Fund Balance to cover the Nutrient Credits; that was the expenditure for this month to Virginia Nutrient Bank of \$37,840 for Nutrient Credits related to Lot 7B. Rent, Interest and Other Income show RIFA received rent from the Institute for the Hawkins Building, and because of timing they received two months, April and May; that was \$43,932; RIFA received the \$1,000 lease renewal from Osborne Company, \$1,500 from AEP for their monthly storage lease payment, and the checking account earned \$49.80 in interest. RIFA received Pittsylvania County's share of MEP rent of \$3,574.84, and also received an escrow refund related to Harlow and Gerfertec for \$3,573. For expenses, there was a check to the Institute for the Hawkins' Building property management of \$21,846.50 and also the rent for MEP was paid to the Institute for \$7,149.67.

Mr. Vogler **moved** to accept the Financial Report as presented; the Motion was **seconded** by Mr. Barksdale and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (4)
NAY: None (0)

5G. CONSIDERATION OF 2022-06-13-5G APPROVING THE FISCAL YEAR 2023 GENERAL EXPENDITURES BUDGET

Mr. Adkins explained in the monthly meeting for June, staff asks the Board to approve an operating budget for administrative costs. As usual, RIFA was receiving \$75,000 from each locality to cover administrative expenses and will pull forward any unused monies from Fiscal Year 2022 to add to this budget. This provides a loose structure of what they expect anticipated expenses to be and will adjust through the year.

Mr. Vogler moved to **adopt** Resolution 2022-05-09-5G, *approving the Fiscal Year 2023 General Expenditures Budget*.

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (4)
NAY: None (0)

6. CLOSED SESSION

At 12:54 p.m. Mr. Barksdale **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

[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.]

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2022

- 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; and
- 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; and
- D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel; and
- E. As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (4)
NAY: None (0)

Mr. Vogler left the meeting at 2:30 p.m.

RETURN TO OPEN SESSION

On **Motion** by Dr. Miller and **second** by Mr. Barksdale and by unanimous vote at 2:49 p.m., the Authority returned to open meeting.

Dr. Miller **moved** for adoption of the following Resolution:

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2022

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

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

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

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Miller (4)
NAY: None (0)

7. COMMUNICATIONS

There were no communications from Board Members or staff.

Meeting adjourned at 2:52 p.m.

APPROVED:

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	07/11/2022
Subject:	Resolution 2022-07-11-5A
From:	Corrie T. Bobe, Director of Economic Development, City of Danville

SUMMARY

The Board will be asked to approve Resolution 2022-07-11-5A, approving a Memorandum of Agreement between RIFA, VDEQ, City of Danville and Pittsylvania County.

ATTACHMENT

Resolution 2022-07-11-5A

Exhibit

A RESOLUTION APPROVING THAT CERTAIN MEMORANDUM OF AGREEMENT BY AND AMONG THE AUTHORITY, THE VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY, THE CITY OF DANVILLE, VIRGINIA AND PITTSYLVANIA COUNTY, VIRGINIA FOR THE ADMINISTRATION OF A VIRGINIA STORMWATER MANAGEMENT PROGRAM BY THE CITY OF DANVILLE, VIRGINIA AT THE AUTHORITY’S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA

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, to ensure the protection of water quality and the environment, the Code of Virginia establishes programs for stormwater management, the Stormwater Management Act (§ 62.1-44.15:24 *et seq.* of the Code of Virginia) (the “**Stormwater Management Act**”), and erosion and sediment control, the Erosion and Sediment Control Law (§ 62.1-44.15:51 *et seq.* of the Code of Virginia); and

WHEREAS, under the Erosion and Sediment Control Law, counties and cities (locality or localities) are required to adopt and administer a Virginia Erosion and Sediment Control Program (a “**VESCP**”) for land-disturbing activities consistent with the provisions of the Erosion and Sediment Control Law (§ 62.1-44.15:54 of the Code of Virginia); and

WHEREAS, under the Stormwater Management Act, a locality that operates a regulated municipal separate storm sewer system (a “**MS4**”) is required to adopt and administer a Virginia Stormwater Management Program (a “**VSMP**”) for land-disturbing activities consistent with the provisions of the Stormwater Management Act; and

WHEREAS, the City of Danville, Virginia (the “**City**”) operates a regulated MS4 and has adopted a VSMP consistent with the Stormwater Management Act, such that the City is the VSMP authority for land-disturbing activities in the City; and

WHEREAS, the County of Pittsylvania, Virginia (the “**County**”) has adopted a VESCP consistent with the Erosion and Sediment Control Law, such that the County is the VESCP authority for land-disturbing activities in the County; and

WHEREAS, Pittsylvania County has decided not to establish its own VSMP and relies on the Virginia Department of Environmental Quality (the “**VDEQ**”) to be the VSMP authority for land-disturbing activities in the County; and

WHEREAS, the VDEQ, the City, the County, and the Authority desire to have the City administer the VSMP at the Authority’s Southern Virginia Megasite Berry Hill project, located in the County, pursuant to that certain Memorandum of Agreement (“**MoA**”) set forth in **Exhibit A**, attached hereto and incorporated herein by this reference; and

WHEREAS, the Authority's Board of Directors has determined that it is in the best interests of the Authority and of the citizens of the County and the City for the Authority to enter into the MoA set forth in **Exhibit A**.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves execution and delivery of the MoA as set forth in **Exhibit A**, each of the Authority's Chairman and Vice Chairman, in consultation with the other, is authorized to further modify the MoA on such terms and conditions as the Chairman or Vice Chairman, in consultation with the other, determines to be reasonable, appropriate and consistent with this Resolution and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver the MoA on behalf of the Authority, such execution of the MoA by the Chairman (or Vice Chairman as the case may be) to conclusively establish the approval of any modifications as consulted by and between the Chairman and Vice Chairman.

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

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

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

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on July 11, 2022, 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 11th day of July 2022.

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

(SEAL)

Exhibit A

(Memorandum of Agreement)

MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT** (Agreement) is made as of this ____ day of July 2022 among the **VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ), the CITY OF DANVILLE, VIRGINIA (Danville), PITTSYLVANIA COUNTY, VIRGINIA (Pittsylvania County), and the DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY (Authority).**

WHEREAS, to ensure the protection of water quality and the environment, the Code of Virginia establishes programs for stormwater management, the Stormwater Management Act (§ 62.1-44.15:24 et seq. of the Code of Virginia), and erosion and sediment control, the Erosion and Sediment Control Law (§ 62.1-44.15:51 et seq. of the Code of Virginia);

WHEREAS, under the Erosion and Sediment Control Law, counties and cities (locality or localities) are required to adopt and administer a Virginia Erosion and Sediment Control Program (VЕСP) for land-disturbing activities consistent with the provisions of the Erosion and Sediment Control Law (§ 62.1-44.15:54 of the Code of Virginia);

WHEREAS, under the Stormwater Management Act, a locality that operates a regulated municipal separate storm sewer system (MS4) is required to adopt and administer a Virginia Stormwater Management Program (VSMP) for land-disturbing activities consistent with the provisions of the Stormwater Management Act (§ 62.1-44.15:27 of the Code of Virginia);

WHEREAS, DEQ operates a VSMP on behalf of any locality that does not operate a regulated MS4 and that does not notify the Department of its decision to participate in the establishment of a VSMP (§ 62.1-44.15:27 of the Code of Virginia);

WHEREAS, Danville operates a regulated MS4 and has adopted a VSMP consistent with the Stormwater Management Act, such that Danville is the VSMP authority for land-disturbing activities in Danville;

WHEREAS, Pittsylvania County has adopted a VЕСP consistent with the Erosion and Sediment Control Law, such that Pittsylvania County is the VЕСP authority for land-disturbing activities in Pittsylvania County;

WHEREAS, Pittsylvania County has decided not to establish its own VSMP and relies on DEQ to be the VSMP authority for land-disturbing activities in Pittsylvania County;

WHEREAS, Danville and Pittsylvania County are locality members of the Danville-Pittsylvania Regional Industrial Facility Authority (Authority), a regional industrial facility authority established pursuant to Chapter 64 (§ 15.2-6400 et seq.) of the Code of Virginia;

WHEREAS, the Authority controls property located entirely within Pittsylvania County that is known as the Southern Virginia Megasite at Berry Hill (Berry Hill megasite);

WHEREAS, Chapter 160 of the 2022 Acts of Assembly (House Bill 184) amends § 62.1-44.15:27 of the Code of Virginia by adding the following:

In the case of a land-disturbing activity located on property controlled by a regional industrial facility authority established pursuant to Chapter 64 (§ 15.2-6400 et seq.) of Title 15.2, if a participating local member of such an authority also administers a VSMP, such locality shall be authorized to administer the VSMP on authority property, in accordance with an agreement entered into with all relevant localities and the existing VSMP for the property.[;]

MEMORANDUM OF AGREEMENT

WHEREAS, Danville is a participating member of the Authority and also administers a VSMP;
and

WHEREAS, DEQ, Danville, Pittsylvania County, and the Authority have agreed to have Danville administer the VSMP at the Berry Hill megasite;

NOW, therefore, DEQ, Danville, Pittsylvania County, and the Authority agree as follows:

1. Virginia Erosion and Sediment Control Program. Pittsylvania County maintains authority and responsibility for implementing erosion and sediment control program requirements as the VESCP authority for land-disturbing activities in Pittsylvania County.
2. Review of Stormwater Management Plans and Registration Statements. Pursuant to Chapter 160 of the 2020 Acts of Assembly and this Agreement, Danville will receive and review individual project-specific **plans and registration statements for coverage under the General VPDES Permit for Discharges of Stormwater from Construction Activities** that involve proposed land-disturbing activities at the Berry Hill megasite in accordance with its obligations as a VSMP authority and Chapter 13 of the Danville, Virginia Code of Ordinances (Danville SWM Ordinance).

DEQ will not act as the VSMP for land disturbing activities at the Berry Hill megasite as long as this Agreement is in effect.

3. Compliance and Inspection Site Visits. Danville, acting as the VSMP authority for land-disturbing activities at the Berry Hill megasite, will perform compliance and inspection activities in accordance with its obligations as a VSMP authority and the Danville SWM ordinance. To the extent practicable, Danville will notify Pittsylvania County and DEQ at least five (5) business days in advance of planned compliance and inspection site visits to land-disturbing activities at the Berry Hill megasite as well as two (2) business days, when practicable, in advance of any unplanned inspection site visits (e.g., emergency or complaint-based inspections) to land-disturbing activities at the Berry Hill megasite. Notification of compliance and inspection site visits shall be made by telephone or email to the Contacts as set forth below:

DEQ Blue Ridge Regional Office
Stormwater Program Manager
540-562-6700

Emily S. Ragsdale, AICP
Director of Community Development, Pittsylvania County
434-432-7974
Emily.Ragsdale@pittgov.org

Once notified, if DEQ or Pittsylvania County intends on accompanying Danville on a site visit, each shall contact Danville at the following to coordinate information and logistics:

Kenneth C. Gillie, Jr.
Director of Community Development, City of Danville
434-799-5260
Gillike@danvilleva.gov

MEMORANDUM OF AGREEMENT

During any such site visits, Danville, Pittsylvania County, DEQ, and their respective employees and agents will comply with minimum site inspection safety requirements for construction, including the use of personal protective equipment (PPE) while conducting inspections. Should more stringent safety requirements exist in Pittsylvania County, Pittsylvania County will convey those requirements to DEQ and/or Danville staff prior to entering the site. With respect to Pittsylvania County and this Agreement, the scope of any inspection site visit shall be limited solely to erosion and sediment control. This paragraph does not create an obligation for DEQ or Pittsylvania County to accompany Danville on any compliance or inspection site visit related to land-disturbing activities at the Berry Hill megasite. Nothing in this paragraph shall be construed to convey to Danville any of DEQ's exclusive authority to administer the enforcement of the Erosion and Sediment Control Law (§ 62.1-44.15:51 et seq. of the Code of Virginia) or the Stormwater Management Act (§ 62.1-44.15:24 et seq. of the Code of Virginia).

4. Enforcement. Danville, acting as the VSMP authority for land-disturbing activities at the Berry Hill megasite, shall enforce the Danville SWM Ordinance in accordance with the requirements in section 13-55 of the Danville SWM Ordinance.

5. Fees. Danville, acting as the VSMP authority for land-disturbing activities at the Berry Hill megasite, is authorized to assess fees for implementation of the VSMP in accordance with section 13-56 of the Danville SWM Ordinance.

6. Amendment, Modification, and Termination. This Agreement may be amended or modified only by written, mutual agreement of the parties. DEQ, Danville, or Pittsylvania County may terminate this Agreement by providing written notice to the Authority and other parties. The termination shall be effective upon the sixtieth calendar day following notice, unless a later date is set forth. In the event of termination, DEQ shall resume the role of VSMP authority for the Berry Hill megasite. Notice of amendment, modification, and termination shall be provided to:

Melanie D. Davenport (804) 698-4038
Director, Water Permitting Division
Virginia Department of Environmental Quality
P.O. Box 1105
Richmond Virginia 23218
Melanie.Davenport@deq.virginia.gov

W. Clarke Whitfield, Jr. (434) 799-5122
City Attorney
City of Danville Virginia 427 Patton Street
Danville, Virginia 24541
WhitCC@danvilleva.gov

J. Vaden Hunt (434) 432-7720
County Attorney
Pittsylvania County Virginia
P.O. Box 426
Chatham, Virginia 24531
Vaden.Hunt@pittgov.org

MEMORANDUM OF AGREEMENT

William V. Ingram (434) 797-8928
Chairman
Danville-Pittsylvania Regional Industrial Facility Authority
P.O. Box 3300
Danville, VA 24543
427 Patton Street
Danville, Virginia 24541

7. Effective Date. This Agreement shall be effective upon its execution by the date of the last approving signature among DEQ, Danville, Pittsylvania County and the Authority and will remain in effect indefinitely until suspended, rescinded, or modified by written mutual agreement of the parties.
8. Venue. The parties hereby agree that all claims in respect of any action or proceeding arising out of, or related to this Agreement shall be heard or determined only in the state court located in Danville, Virginia, or Pittsylvania County, Virginia.

Remainder of page intentionally been left blank; signature page follows.

MEMORANDUM OF AGREEMENT

Witness the following duly authorized signatures:

Virginia Department of Environmental Quality

By: _____
Mike Rolband
Director

Date:

City of Danville

By: Kent Larking
Kenneth F. Larking
City Manager

Date: 7/7/2022

Pittsylvania County

By: _____
William V. Ingram
Chairman of Board of Supervisors

Date:

Danville-Pittsylvania Regional Industrial Facility Authority

By: _____
William V. Ingram
Chairman

Date:

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	07/11/2022
Subject:	Resolution 2022-07-11-5B
From:	Matthew D. Rowe, Director of Economic Development Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2022-07-11-5B, authorizing a Timber Sale Contract with Hopkins Lumber Contractors, Inc..

ATTACHMENT

Resolution 2022-07-11-5B

Exhibit

A RESOLUTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF A TIMBER SALE CONTRACT BY AND BETWEEN THE AUTHORITY AND HOPKINS LUMBER CONTRACTORS, INC., A VIRGINIA CORPORATION, FOR THE SALE OF TIMBER WITHIN THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, WITH A VARIABLE SALES PRICE BASED ON TREE SPECIES TYPE

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

WHEREAS, the Authority, the County of Pittsylvania, Virginia (the “**County**”), and the City of Danville, Virginia (the “**City**”), in order to stimulate economic growth and development of the community by creating jobs and infrastructure have agreed to provide incentives to new and expanding businesses which conduct industrial activity; and

WHEREAS, the Authority, pursuant to Resolution No. 2022-05-09-5A, engaged Eastern Forest Consultants LLC, a Virginia limited liability company (“**EFC**”), for professional forester services at the Authority’s Southern Virginia Megasite at Berry Hill project (“**SVM**”), located in the County; and

WHEREAS, Hopkins Lumber Contractors, Inc., a Virginia corporation (“**Hopkins**”), desires to purchase timber located within SVM pursuant to a timber sale contract (“**Timber Sale Contract**”), substantially in the form of **Exhibit A**, attached hereto and incorporated herein by this reference, with the Authority, under which certain funds that will become due to EFC, will be paid directly by Hopkins to EFC based on the amount and type of timber harvested; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of the County and the City, and the development of the Authority’s SVM project for the Authority to negotiate, execute and to deliver a Timber Sale Contract with Hopkins.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby authorizes and approves the negotiation, execution and delivery of a Timber Sale Contract with Hopkins, as described in this Resolution and substantially in the form set forth in **Exhibit A**, subject however to approval by legal counsel to the Authority as to legal form and sufficiency, each of the Authority’s Chairman and Vice Chairman, in consultation with the other, is authorized to further modify the Timber Sale Contract on such terms and conditions as the Chairman or Vice Chairman, in consultation with the other, determines to be reasonable, appropriate and consistent with this Resolution and hereby authorizes the Chairman and the Vice Chairman, either of

whom may act independently of the other, to execute and deliver the Timber Sale Contract, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the Timber Sale Contract, and related documents by the Chairman (or Vice Chairman as the case may be) to conclusively establish his approval of any modifications as consulted by and between the Chairman and Vice Chairman.

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

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

4. This Resolution shall take effect immediately upon its adoption

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on July 11, 2022, 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 11th day of July 2022.

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

(SEAL)

Exhibit A

(Timber Sale Contract)

Timber Sale Contract

THIS CONTRACT, made and entered into this 16th day of June, 2022, by and between Danville-Pittsylvania Regional Industrial Facility Authority herein after referred to as “**Owner**” and Hopkins Lumber Contractors herein after referred to as “**Purchaser**”.

The laws of the State of Virginia as per contract law shall govern this agreement.

The “**Owner**” having the right to sell, agree to sell to the “**Purchaser**”, who agrees to buy upon the conditions hereinafter stated all timber that has been designated as follows: All marked or otherwise designated timber owned by the “**Owner**” on the following described tract of land near the community of Berry Hill in Pittsylvania County, Virginia.

****WITNESSETH****

That for and in consideration of the mutual covenants and agreements contained herein the parties hereto agree as follows:

1. That the “**Purchaser**” will pay unit prices for all standing timber in harvest unit(s) as designated on the attached “Timber Sale Map” bearing the following legend information:

**Berry Hill Megasite
Timber Sale
Pittsylvania County, VA
Map Date: 6/16/2022**

The tree species and corresponding unit prices are as follows:

Pine Logs	\$27/ton
Pine Pulpwood	\$9.50/ton
Oak and Poplar Sawlogs	\$45/ton
Hardwood Crossties	\$35/ton
Hardwood Pallet Logs	\$21/ton
Hardwood Pulpwood	\$6/ton

2. Upon execution of this Agreement, a performance bond of \$5,000 shall be submitted to “**Owner’s Agent**” to be held in escrow. No harvest operations shall commence until the performance bond is paid in full to “**Owner’s agent**”:

Eastern Forest Consultants LLC
P.O. Box 1577
Clemmons, NC 27012

Contact: Joe Secoges
240-446-1583

This bond shall be refunded to **“Purchaser”** upon successful completion of harvesting and stabilization operations.

3. The **“Owner”** expects **“Purchaser”** to deliver all merchantable wood in the harvest units to the mill. Failure of **“Purchaser”** to deliver merchantable timber to the mill by either refusing to harvest or choosing to abandon cut timber may result in the owner’s agent holding a portion of the performance bond.
4. The **“Purchaser”** shall maintain a load ledger at the harvest site that can be viewed by **“Owner’s Agent”** at any time. The **“Purchaser”** shall have the loads weighed across a forest products industry scale, with the scale weight recorded on a written scale ticket. Scale tickets and mill reports will be provided to **“Owner’s Agent”** on a bi-weekly basis. Corresponding Payments will also be provided on at least a bi-weekly basis with 8% of the stumpage value (as determined by the scale tickets and unit prices provided in Section 1) being mailed to the **“Owner’s Agent”** and 92% of the stumpage value being mailed to the **“Owner”** at **P.O. Box 3300, Danville, VA 24543**. Cameras and/or spot checks will be used by the **“Owner’s Agent”** in the field to make sure all loads leaving the property are accounted for on a mill report. The **“Purchaser”** shall pay the **“Owner”** for each missing load at the rate of 1.25 times the highest valued load for the appropriate product for any loads not accounted for on a mill report.
5. Title to timber transfers to **“Purchaser”** upon severance of timber from stump. All timber designated for sale and severed from the stump shall be paid for in full.
6. The timber included in the terms of this contract is located on 420 acres, more or less, in the harvest unit(s) as shown on the map attached hereto and made a part of the contract hereof. True volume may be different than indicated in a **“timber sale bid notice”**, and while volumes were determined using common forest industry practices, neither the **“Owner”** nor **“Owner’s Agent”** offers warrantee/guarantee regarding the accuracy of the volumes provided to the **“Purchaser”**. **“Purchaser”** is also required to cut, skid, and chip all vegetation greater than six (6) feet tall in areas shown in purple shading on the **“Timber Sale Map”**. The acreage of chip-only areas is estimated at 40 acres (of the 420 designated for harvest) and the **“Purchaser”** will be reimbursed \$500/acre for a total of \$20,000 to complete this task. Additional chip-only areas may be added to the scope of this project if agreed upon by both parties. **“Purchaser”** understands that portions of the timber sale area may be developed for non-forest use before the overall timber harvest can be completed and that they may be directed by **“Owner’s Agent”** to harvest particular stands of timber in an order that is most suitable to **“Owner”**.
7. The **“Owner”** hereby warrants that they own the land on which the timber sold hereby now stands and that they have the right to sell said timber free and clear of all liens and encumbrances.
8. All timber within the sale area (on attached map) shall be cut cleanly with all vegetation greater than six (6) feet tall being cut. The boundary of the timber sale is designated with

pink flagging. The “**Owner**” may be reimbursed up to three times the fair market value by the “**Purchaser**” for any timber harvested which was not designated for harvest.

9. The “**Purchaser**” agrees to notify the “**Owner’s Agent**” immediately if any boundary line disputes are brought to the “**Purchaser’s**” attention and to refrain from working in the disputed area until advised by the “**Owner’s Agent**” to proceed.
10. Tree tops and slash in all harvest areas MUST be chipped and hauled off the site.
Chipping of tops and slash must not fall behind cutting unless express permission is given by “**Owner's Agent**”. All debris piles from processing logs and chipping must be hauled off the site within two (2) weeks of closing out a log deck.
11. No trees are to be felled across fence lines and no tree tops or logging debris are to be left on or across the property line whether a fence line is present or not. Repairing damage to fences shall be the responsibility of the “**Purchaser**”. No treetops or debris are to be left in pasture fields, farm roads/trails, or creeks. “**Purchaser**” is financially responsible for damages/claims regarding destruction of property to neighboring landowners.
12. The cost of surfacing roads (shown on the “Timber Sale Map”) with enough rock for conditions suitable for hauling timber shall be paid by the “**Owner**”. However, upon completion of logging, haul roads and driveways will be returned to pre-harvest condition (or better) at the expense of “**Purchaser**”. The “**Purchaser**” shall be responsible for no more than **5 loads of gravel** with the “**Owner**” being responsible for subsequent gravel needs.
13. Each logging site shall be kept clean during the operation and all motor oils, hydraulic fluids, grease spillage shall be avoided by removing such fluids in sealed containers. All other trash, cans, bottles, steel cable and paper waste resulting from “**Purchaser’s**” operations shall be stored in a container and removed on a weekly basis. Consumption of alcoholic beverages or drug usage on the property is prohibited.
14. All skid-trails, haul roads, landings, and stream-crossings shall be located and constructed so to minimize soil erosion and prevent sedimentation of streams and watercourses. Roads and skid trails shall be located with input from the “**Owner’s Agent**” prior to construction. The “**Purchaser**” will adhere to state forestry best management practices and all federal, state, and local water quality laws and will assume all financial and remediation responsibility for water quality violations.
15. It is understood by both parties that the “**Purchaser**” is an independent contractor and is not an employee of the “**Owner**”.
16. The “**Owner**” shall not be held liable for any personal injury or property damage suffered by the “**Purchaser**”, or a third party, caused by or arising from any of the “**Purchaser’s**” operations under the terms of this contract, and the “**Purchaser**” hereby indemnifies the “**Owner**” and shall save the “**Owner**” harmless and indemnify from all liability, damages, costs, and attorney fees. “**Purchaser**” agrees to carry, in force, a minimum of \$500,000.00 in general liability insurance during harvest operations and provide written proof of such insurance to “**Owner’s Agent**” before operations begin from an insurance company licensed to do business in Virginia listing the “**Owner**” as “additional insured”.

17. The “**Purchaser**” agrees to indemnify and hold the “**Owner**” harmless with respect to any claims, demands, and liabilities, costs and Attorney’s fees arising from or in connection with performance by the “**Purchaser**” under this Timber Sale Contract, including without limitation, forest fires, trespass cutting, personal injury or death, and damage caused to the property or third parties.
18. The “**Purchaser**” is responsible for all damage committed by its employees, agents, or subcontractors to roads, bridges, pipelines, telegraph, telephone, or power lines within the designated cutting area or along the haul route. Furthermore, “**Purchaser**” is responsible for damage to structures, orchards, fences, and any other property of the landowner, including lawns and driveways, which lie inside or outside of the harvest boundary.
19. All log landings, decks, primary skid trails, the approaches of skid trails crossing creeks, and all ground disturbed while constructing creek crossings shall be smoothed of ruts and seeded immediately after completion of harvesting in each cutting unit to prevent soil erosion at the “**Purchaser’s**” expense. All skid trails shall be sufficiently water-barred immediately after completion of harvesting in each cutting unit also at “**Purchaser’s**” expense.
20. “**Purchaser**” shall notify the “Owner’s Agent” by phone at least 5 business days prior to the beginning of initial harvest or road construction and at least 24 hours before resuming operations after a period of inactivity.
21. The “**Purchaser**” shall suspend all logging, skidding activities when conditions such as wet, muddy, or unstable soil conditions exist to prevent rutting of roads and the property. The determination to halt logging operations shall be a joint decision by the “**Purchaser**” and the “Owner’s Agent”. Excessive rutting is defined as a rut with a depth of 12 inches from normal ground level (6 inches above ground-level and 6 inches below ground-level constitutes a 12-inch rut) in the forested area and on secondary skid trails (main skid trails not included).
22. Any disputes over the terms of this contract, the harvesting operation, or the disposition of the performance deposit, which cannot be settled between the “**Purchaser**” and the “**Owner**”, will be settled by arbitration by a three-person committee in Pittsylvania County, VA. One member of this committee will be selected by the “**Owner**”, and one by the “**Purchaser**” and the other selected by the first two members of the committee.
23. This contract shall be in effect from July 1, 2022 until February 24, 2023, after which time the contract is null and void, unless the “**Owner**” grants a written extension. If no extension is granted, all rights to the remaining timber and the performance bond are returned to the “**Owner**”.
24. This contract agreement shall be binding on the heirs, administrators, executors, successors, or assigns of both parties.
25. The “**Owner**” grants the right of ingress and egress to access the timber sale unit.
26. The “**Purchaser**” is solely responsible for adhering to all federal, state, and local quarantines or regulations regarding the transport of timber from this sale across county and state lines.

27. The “**Purchaser**” is responsible for acquiring all land use and/or road permits required by localities, counties, state transportation departments, etc. to complete the harvest. Any fines/fees charged to “**Owner**” for failure of “**Purchaser**” to acquire the appropriate permit will be paid by the “**Purchaser**”.
28. The “**Purchaser**” shall notify the Virginia Department of Forestry within three business days of beginning harvesting operations as required by Virginia law.
29. Compliance with the provisions of this contract by “**Subcontractors**” of the “**Purchaser**” will be the responsibility of the “**Purchaser**”.
30. This is the entire agreement.
31. The agreement is not assignable by “**Purchaser**”.
32. “**Owner**” shall have the right to direct “**Purchaser**” to cease harvesting efforts at any time “**Owner**” in good faith, believes “**Purchaser**” has committed undue damage to “**Owner’s**” property.

In witness whereof, the parties hereto have executed this Agreement this 16th day of June, 2022 below:

Signatures

Purchaser(s):

Patrick Hutchens
Hopkins Lumber Contractors

_____(date)

Notary Public

_____(date)
My Commission Expires

Owner(s):

Owner Name
Danville-Pittsylvania RIFA

_____(date)

Notary Public

_____(date)
My Commission Expires

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	July 11, 2022
Subject:	Financial Status Reports – June 30, 2022
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through June 30, 2022 will be provided at the meeting. The financial status reports as of June 30, 2022 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of June 30, 2022 as presented.

ATTACHMENTS

Financial Status Reports

Danville - Pittsylvania Regional Industrial Facility
Authority

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2022
- C. SVM at Berry Hill – Funding Other than Bond Funds
- D. SVM at Berry Hill – Lots 1 & 2 Site Development
- E. SVM at Berry Hill – Water & Sewer
- F. Cyber Park Site Development
- G. Rent, Interest, and Other Income Realized
- H. Monthly Checks
- I. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of June 30, 2022

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
Funds from bond issuance	\$7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost ⁷	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
 Cane Creek Parkway ³		\$3,804,576.00	\$3,724,241.16	\$ -	
Swedwood Drive ²		69,414.00	69,414.00	-	
Cane Creek Centre entrance ³		72,335.00	53,878.70	-	
Financial Advisory Services		9,900.00	9,900.00	-	
Dewberry contracts ¹		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant ^{4, 5}		76,986.46	65,559.12	11,427.34	
Land		-	2,792,945.57	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	247,837.83	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		2,250.00	347,194.30	2,250.00	
 Total	\$ 7,578,582.12	\$ 4,318,495.58	\$ 7,564,279.78	\$ 13,677.34	\$ 625.00

Notes:

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

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

³ Project completed under budget

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

⁵ 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.

⁶ 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.

⁷ This line item represents the amount of expenditures on the "CCC - Lots 3 & 9" budget sheet that is covered by bond funds. RIFA's local share of 5% of these project costs is being covered by these bond funds. Project finished under original budget.

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

Road Summary-Cane Creek Parkway:

English Contract-Construction	\$ 5,363,927.00
Change Orders	165,484.50
Expenditures over contract amount	3,579.50
(Less) County's Portion of Contract	(935,207.00)
(Less) Mobilization Allocated to County	(9,718.00)
Portion of English Contract Allocated to RIFA	4,588,066.00
Dewberry Contract-Engineering	683,850.00
Total Road Contract Allocated to RIFA	\$ 5,271,916.00

Funding Summary - Cane Creek Parkway

VDOT	\$ 1,467,340.00
Bonds	3,804,576.00
	\$ 5,271,916.00

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2022

As of June 30, 2022

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2021	24,625.84				
Reimbursement of expenses	24,700.00				
Transfer from Unrestricted Fund Balance	90,000.00				
<i>Contingency</i>					
Miscellaneous contingency items		\$ 33,294.28	\$ 27,417.29	\$ -	\$ 5,876.99
<i>Total Contingency Budget</i>		33,294.28	27,417.29	-	5,876.99
<i>Legal</i>		221,634.01	181,634.01	-	40,000.00
<i>Accounting</i>		23,100.00	23,100.00	-	-
<i>Postage & Shipping</i>		100.00		-	100.00
<i>Meals</i>		4,481.41	4,106.41	-	375.00
<i>Utilities</i>		1,284.14	1,074.14	-	210.00
<i>Insurance</i>		5,432.00	5,432.00	-	-
<i>Total</i>	\$ 289,325.84	\$ 289,325.84	\$ 242,763.85	\$ -	<u>\$ 46,561.99</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megaseite at Berry Hill - Funding Other than Bond Funds
As of June 30, 2022

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
City contribution	\$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property ^{1,4}	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Tobacco Comm. FY10 SSED Allocation - Eng. Portion Deobligated	(244,797.00)				
Local Match for TIC FY10 SSED Allocation - Engineering Portion ⁵	76,067.61				
Additional funds allocated by RIFA Board on 1/14/2013 ⁶	11,854.39				
TIC #2264 - Phase II Land and Engineering	3,700,000.00				
VA Economic Development Partnership MEI Grant Funds	577,503.14				
Virginia Resources Authority - TRRF Loan #3658	4,500,000.00				
Transfer from Unrestricted Funds - "Other Income"	282,140.86				
Land					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property ²		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
401 Buford Road		246,082.96	246,082.96	-	
Off State Road 1055		181,890.19	181,890.19	-	
604 Buford Road		361,896.60	361,896.60	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	987,879.29	2,970.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Dewberry Engineers (related to #2264)		160,500.00	160,500.00	-	
Dewberry Engineers		660,580.00	595,355.00	65,225.00	
Appalachian Power Company		5,178,500.00	5,178,500.00	-	
Banister Bend Farm, LLC		199,064.00	199,064.00	-	
Virginia Department of Transportation (VDOT)		279,399.00	279,399.00	-	
Transcontinental (Williams Transco)		40,000.00	40,000.00	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 23,291,168.83	\$ 21,539,437.58	\$ 21,471,241.87	\$ 68,195.71	\$ 1,751,731.25

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

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

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

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

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

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Lots 1&2 Site Development
As of June 30, 2022

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
<i>TIC #3358 Site Improvements</i>					
Tobacco Commission Grant	\$ 2,624,800.00				
VBRSP Site Development Grant	1,312,400.00				
County Match					
Contractual Services	261,800.00				
Property & Improvements	1,267,146.00				
City Match					
Contractual Services	261,800.00				
Property & Improvements	1,267,146.00				
Transfer to other funding sheets	(1,988,100.25)				
<i>Expenditures</i>					
Dewberry Engineers Inc.		379,300.00	255,300.00	124,000.00	
Virginia Nutrient Bank		84,420.00	84,420.00	-	
Jimmy R. Lynch & Sons, Inc.		2,972,000.00	-	2,972,000.00	
Treasurer of Virginia		6,100.00	6,100.00	-	
<i>Total</i>	\$ 5,006,991.75	\$ 3,441,820.00	\$ 345,820.00	\$ 3,096,000.00	<u>\$ 1,565,171.75</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of June 30, 2022

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
TIC #2641 Phase I Sanitary Sewer					
Tobacco Commission Grant 2641	\$ 4,840,977.86				
Local Match for Contractual Services	274,926.43				
Local Match for Property & Imp.	262,960.00				
TIC #3011 Water System Improvements Phase II					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Imp.	224,160.00				
City of Danville Utilities	3,824,637.35				
Expenditures					
Dewberry Engineers Inc.		1,020,049.99	888,109.99	131,940.00	
Haymes Brothers, Inc. - Phase I Sanitary Sewer		5,092,668.30	5,092,668.30	-	
Haymes Brothers, Inc. - Phase I Sanitary Sewer (City)		3,210,312.35	3,210,312.35	-	
C.W. Cauley & Son - Phase 1 Water		1,843,540.00	1,021,345.00	822,195.00	
Norfolk Southern Railway Company		22,300.00	22,300.00	-	
Pittsylvania County Service Authority		1,475.00	1,475.00	-	
Treasurer of Virginia		7,900.00	7,900.00	-	
AECOM		5,000.00	5,000.00	-	
BH Media Group, Inc.		296.00	296.00	-	
Danville Register & Bee		600.00	600.00	-	
Total	\$ 11,669,228.64	\$ 11,204,141.64	\$ 10,250,006.64	\$ 954,135.00	\$ 465,087.00

Danville-Pittsylvania Regional Industrial Facility Authority

Cyber Park Site Development

As of June 30, 2022

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
MEP TROF Loan	\$ 270,000.00				
Transfer from Other Income	132,090.00				
Transfer from SVM at BH Lots 1& 2	1,988,100.25				
 <i>Expenditures</i>					
Dewberry Engineers Inc.		94,250.00	32,750.00	61,500.00	
Making Everything Possible LLC (Incentives)		270,000.00	270,000.00	-	
Virginia Nutrient Bank		37,840.00	37,840.00	-	
Sellers Brothers		1,988,100.25	-	1,988,100.25	
<i>Total</i>	\$ 2,390,190.25	\$ 2,390,190.25	\$ 340,590.00	\$ 2,049,600.25	\$ -

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized for Fiscal Year 2022

As of June 30, 2022

<i>Source of Funds</i>	Funding				
	<u>Carryforward from FY2021</u>	<u>Receipts Current Month</u>	<u>Receipts FY2022</u>	<u>Expenditures FY2022</u>	<u>Unexpended / Unencumbered</u>
<u>Carryforward</u>	\$ 1,248,519.93				
<u>Current Lessees</u>					
Institute for Advanced Learning and Research (IALR) ¹			\$ 241,504.80		
Axxor N.A. LLC		500.00	1,500.00		
Mountain View Farms of Virginia, L.C.			1,200.00		
Osborne Company of North Carolina, Inc.			1,000.00		
American Electric Power		1,500.00	12,000.00		
Total Rent		\$ 2,000.00	\$ 257,204.80		
<u>Interest Received</u> ²			\$ 236.96		
<u>Miscellaneous Income</u>		\$ 13,574.84	\$ 1,660,033.82		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 241,266.14	
Incentive Disbursements to Morgan Olson, LLC				\$ 117,000.00	
City Payment to County for Water and Sewer at SVM Berry Hill				\$ 1,240,419.63	
Transfer to Cyber Park Development				\$ 132,090.00	
Incentive Disbursements to MEP LLC				\$ 73,572.37	
Incentive Disbursements to Harlow Fastech LLC				\$ 80,968.76	
Transfers to other funding sheets				\$ 372,140.86	
Payment to Marcus and Millichap				\$ 125,000.00	
Totals	<u>\$ 1,248,519.93</u>	<u>\$ 15,574.84</u>	<u>\$ 1,917,475.58</u>	<u>\$ 2,382,457.76</u>	<u>\$ 783,537.75</u>
				Restricted ¹	\$ 313,065.36
				Unrestricted	\$ 77,703.25
				Committed	\$ 392,769.14

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Monthly Disbursements
June 2022

Check Number	Date	Vendor Name	Paid Amount
WIRE	06/04/2022	City of Danville	77.10
WIRE	06/04/2022	City of Danville	80.38
2486	06/10/2022	IALR	21,846.50
2487	06/10/2022	IALR	358.92
2488	06/10/2022	IALR	7,149.67
2489	06/10/2022	Dewberry Engineers Inc.	53,450.00
2490	06/10/2022	Christian & Barton, LLP	96,246.47
2491	06/10/2022	Virginia Risk Sharing Association	2,809.00
2492	06/10/2022	Transcontinental Gas Pipe Line Company	40,000.00
WIRE	06/20/2022	City of Danville	36.00

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position ^{1, 2}
June 30, 2022*

	Unaudited FY 2022
Assets	
<u>Current assets</u>	
Cash - checking	\$ 1,114,350
Cash - money market	456,780
Prepays	2,809
<i>Total current assets</i>	<u>1,573,939</u>
<u>Noncurrent assets</u>	
Restricted cash - project fund CCC bonds	20,802
Restricted cash - debt service fund CCC bonds	288,941
Capital assets not being depreciated	23,892,761
Capital assets being depreciated, net	21,672,622
Construction in progress	27,458,332
<i>Total noncurrent assets</i>	<u>73,333,458</u>
Total assets	<u>74,907,397</u>
Liabilities	
<u>Current liabilities</u>	
Accrued interest	35,738
Unearned income	269,632
Economic development payable - current portion	147,000
Bonds payable - current portion	490,000
<i>Total current liabilities</i>	<u>942,370</u>
<u>Noncurrent liabilities</u>	
Bonds payable - less current portion	720,000
Loans payable - less current portion	4,500,000
<i>Total noncurrent liabilities</i>	<u>5,220,000</u>
Total liabilities	<u>6,162,370</u>
Net Position	
Net investment in capital assets	71,834,517
Restricted - debt reserves	288,941
Unrestricted	<u>(3,378,431)</u>
Total net position	<u>\$ 68,745,027</u>

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

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

*Please note these statements are for the period ended June 30, 2022 as of June 29, 2022, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
June 30, 2022*

	Unaudited FY 2022
Operating revenues	
Virginia Tobacco Commission Grants	340,780
Rental income	256,288
Other Income	1,299,109
Total operating revenues	<u>1,896,177</u>
Operating expenses ⁴	
Mega Park expenses ³	848,565
Cane Creek Centre expenses ³	452,292
Cyber Park expenses ³	743,036
Professional fees	93,903
Other operating expenses	1,382,362
Total operating expenses	<u>3,520,158</u>
Operating income (loss)	<u>(1,623,981)</u>
Non-operating revenues (expenses)	
Interest income	237
Interest expense	(35,738)
Total non-operating expenses, net	<u>(35,501)</u>
Net income (loss) before capital contributions	<u>(1,659,482)</u>
Capital contributions	
Contribution - City of Danville	561,507
Contribution - Pittsylvania County	414,168
Total capital contributions	<u>975,675</u>
Change in net position	<u>(683,807)</u>
Net position at July 1, 2021	<u>69,428,834</u>
Net position at June 30, 2022	<u><u>\$ 68,745,027</u></u>

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

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

5 Please note this statement will change once all FY2022 entries are made and may also change depending on audit adjustments, if any, for FY2022 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
June 30, 2022*

	Unaudited FY 2022
Operating activities	
Receipts from grant reimbursement requests	\$ 447,234
Receipts from leases	1,295,625
Other receipts	647,273
Payments to suppliers for goods and services	(3,581,773)
Net cash used by operating activities	(1,191,641)
Capital and related financing activities	
Capital contributions	1,241,916
Interest paid on bonds	(29,396)
Principal repayments on bonds	(465,000)
Net cash provided by capital and related financing activities	747,520
Investing activities	
Interest received	237
Net cash provided by investing activities	237
Net increase (decrease) in cash and cash equivalents	(443,884)
Cash and cash equivalents - beginning of year (including restricted cash)	2,324,757
Cash and cash equivalents - through June 30, 2022 (including restricted cash)	\$ 1,880,873
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (1,623,981)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash economic incentive expenses	459,514
Changes in assets and liabilities:	
Change in prepaids	(2,809)
Change in other receivables	494,037
Change in accounts payable	(518,319)
Change in unearned income	(83)
Net cash used by operating activities	\$ (1,191,641)

Components of cash and cash equivalents at June 30, 2022:

American National - Checking	\$ 1,114,350
American National - General money market	456,780
Wells Fargo - \$7.3M Bonds CCC Debt service fund	288,941
Wells Fargo - \$7.3M Bonds CCC Project fund	20,802
	\$ 1,880,873

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 6

Meeting Date: 07/11/2022

Subject: Closed Session Items as presented in the Agenda

From: Chairman

- 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; and
- 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; and
- D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel; and
- E. As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

- F. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- G. Motion to Certify Closed Meeting.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 7
Meeting Date: 07/11/2022
Subject: Communications

Communications:

- A. Authority Board Members
- B. Staff

ADJOURN