Danville-Pittsylvania Regional Industrial Facility Authority

City of Danville, Virginia
County of Pittsylvania, Virginia

AGENDA

January 10, 2022

12:00 P.M.

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

County of Pittsylvania Members

Vic Ingram
Jessie Barksdale
Darrell Dalton, Alternate

City of Danville Members

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

Staff

Kenneth F. Larking, City Manager, Danville
Christian & Barton, LLP, Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer

Danville-Pittsylvania Regional Industrial Facility Authority

1. **MEETING CALLED TO ORDER**

2. **ROLL CALL**

3. **PUBLIC COMMENT PERIOD**

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

4. **APPROVAL OF MINUTES OF THE NOVEMBER 8, 2021 REGULAR MEETING AND DECEMBER 17, 2021 SPECIAL MEETING.**

5. **NEW BUSINESS**

   A. Election and Reappointment of Officers for Calendar Year 2022 – Michael C. Guanzon, Esq., Christian & Barton, LLP, Legal Counsel to the Authority:

      i. Election of Chairman from Pittsylvania County Member Locality (*see* Bylaws, Article VI, paragraph 1)

      ii. Election of Vice Chairman from Danville City Member Locality (*see* Bylaws, Article VI, paragraph 4)

      iii. Reappointment of Secretary from the Authority's staff – Susan M. DeMasi, City Clerk, City of Danville

      iv. Reappointment of Treasurer from the Authority's staff – Michael L. Adkins, Chief Financial Officer, City of Danville

   [*At this point of the Agenda, the newly elected Chairman shall preside over the meeting.]*

   B. Consideration of Resolution No. 2022-01-10-5B, approving a one-year renewal of the Lease with Mountain View Farms of Virginia, L.C., a Virginia limited liability company, as tenant, for that certain real property (being a Portion of GPIN 1356-80-4414) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Southern Virginia Megasite at Berry Hill Project, in Pittsylvania County, Virginia, for the purpose of planting and harvesting sod, soybeans, and/or other cover crops, but not tobacco, at a total rental fee of $1,200; such renewal also includes a 60-day early termination right and right to show the property to business recruits of the Authority – Matthew D. Rowe, Director of Economic Development, Pittsylvania County

   C. Consideration of Resolution No. 2022-01-10-5C, approving Amendment No. 32, dated December 2, 2021 and Revised January 3, 2022, with Dewberry Engineers Inc., a New York corporation, for engineering services related to the Mega Park Master Plan, to provide vibration monitoring services for the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, at a lump sum fee of $48,330.00 – Brian Bradner, P.E., Vice President and Shawn R. Harden, P.E., Senior Associate, Dewberry Engineers Inc.

D. Presentation of Audit of the Authority's financial statements for year ending June 30, 2021 – Brown Edwards & Company, L.L.P., Michael L. Adkins, Authority Treasurer and Henrietta Weaver, CPA, City of Danville, Virginia

E. Financial Status Reports as of December 31, 2021 – Mr. Adkins and Ms. Weaver

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. NEW BUSINESS CONTINUED

A. Consideration of Resolution No. 2022-01-10-7A, approving a Sixth Amendment to Ground Lease to extend the date of termination under that certain Ground Lease with RealtyLink Investments, LLC, or its permitted assignee, for Lots 3A and 3B in the Authority's Cane Creek Centre Project, located in Pittsylvania County, Virginia – Mr. Rowe

8. COMMUNICATIONS FROM:

A. Authority Board Members

B. Staff

9. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	01/10/2022
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the November 8, 2021 Regular Meeting and December 17, 2021 Special Meeting.

ATTACHMENTS

Meeting Minutes – 11/08/21 and 12/17/2021

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
November 8, 2021

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:09 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 206, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Robert W. Warren, and Vice Chairman Ronald S. Scearce; Alternate Vic Ingram was absent.

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, Deputy City Manager Earl Reynolds, City of Danville Director of Economic Development Corrie Bobe, Assistant Director of Economic Development Barbara Fiedor, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, City of Danville Budget Director Henrietta Weaver, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden from Dewberry, Danville City Council Member Barry Mayo, Executive Director of the Institute for Advanced Learning and Research Mark Gignac and Graham Smith.

Chairman Sherman Saunders presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

Mr. Saunders welcomed and congratulated Henrietta Weaver, the new Budget Director for the City of Danville, and welcomed Council Member Barry Mayo. City Manager Ken Larking introduced the City of Danville's Assistant Director of Economic Development Barbara Fiedor.

APPROVAL OF MINUTES OF THE OCTOBER 12, 2021 MEETING

Upon **Motion** by Mr. Scearce and **second** by Mr. Vogler, Minutes of the October 12, 2021 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. FINANCIAL STATUS REPORT AS OF OCTOBER 31, 2021

Danville Budget Director Henrietta Weaver gave the Financial Status report as of October 31, 2021 beginning with Cane Creek Bonds which showed no activity for the month of October. General Expenditures for Fiscal Year 2022 show RIFA paid River District Electrical $3,511 for electrical lines to the Berry Hill signs, Sellers Brothers $5,420 for landscaping work, $315 for meal and $36 for utilities. Berry Hill Funding Other than Bonds, and Lots 1 and 2, showed no activity for October. Water and Sewer at Berry Hill showed $85,340 expended to Dewberry for work under Amendment #28. Cyberpark Site Development showed no expenditures. Rent, Interest and Other Income for FY 22 show RIFA received $21,966 in rent from the Institute, interest on the money market account of $23, received an extension fee from Danville Greenlight of $10,000, MEP rent from the City of $36,786 and from the County of $4,613. Expenses for October were for the Hawkins' Building property management of $21,966 and rent for MEP of $14,300.

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

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

6. <u>CLOSED SESSION</u>

[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 12:19 p.m. Mr. Scearce **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; 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.

DRAFT

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. Vogler and carried by the following vote:

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

RETURN TO OPEN SESSION

On **Motion** by Mr. Vogler and **second** by Mr. Scearce and by unanimous vote at 1:38 p.m., the Authority returned to open meeting.

Mr. Scearce **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. Vogler and carried by the following vote:

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

NEW BUSINESS CONTINUED

7A. REPORT ON NEW ENTRANCE SIGNAGE AT THE INSTITUTE FOR ADVANCED LEARNING AND RESEARCH

Executive Director of the Institute for Advanced Learning and Research, Mark Gignac, introduced Graham Smith with Site Collaborative. Mr. Gignac explained one of the things they wanted to do was elevate the campus, and they engaged Site Collaborative Services to look at both landscaping, walkways around the campus as well as signage. They were looking to improve the signage both in the buildings and on the streets. Mr. Gignac noted they were asking for two things: they would like to remove the small sign in front of the building and asking permission to build a new sign, and put up three of those. They want to add the three signs at each of the three entrances to the campus; as a part of the new facility that was under construction, they would also add the same sign there for unity in the signage.

Mr. Smith noted the overall goal was to create more of a campus feel with identification that showed people they were at the Institute. There were some small signs they were proposing internal to each site, and some directional signage because some of the parking lots can be confusing as to direction. They have talked to the City, and Public Works has agreed to this, but two of the signs will be partially in the right of way, and the third one will be fully in the right of way. They worked through the site distance triangles of DOT, looked at any blockage, and they were doing a very limited amount of low planting. They worked on the locations with Brian Dunevant and Rick Drazenovich. The public right of way was rather wide, it was built for some things that may not be built in the future, but it does allow for a future sidewalk, possibly internal sidewalks that could help with pedestrian access. The City would have to sign off on a right of way easement agreement.

Mr. Guanzon explained if the concept was acceptable, when they were ready, they would need to come to get official approval. The lease between the Institute and RIFA needed to be looked at as far as process. In addition to the City ordinance, there were the Restrictive Covenants within the Cyber Park which were different and can be more stringent. Once they have the size and the type of materials, it needs to go to the City to Planning. They would look at the City sign ordinance, review it on behalf of RIFA, review the Restrictive Covenants to make sure they were in compliance, and the City will make a recommendation. Mr. Guanzon reviewed the timeline for submitting the matter to the RIFA board for review. Mr. Gignac noted this wasn't very time sensitive, it was part of the long-range plan to improve the campus. Mr. Larking noted they would get consensus from the Board to proceed, staff will move forward with the administrative items and get something for the Board's final approval at a later date.

Mr. Guanzon noted if there were no objections to the concept of looking at this, staff will work with the Institute staff on the remaining steps which would be the actual locations, the renderings, and the building materials to be submitted to the City for compliance with the City's sign ordinance that covers the Cyber Park. Secondly, they would review the Restrictive Covenants of the Cyber Park, because there were some requirements on distance from the side which were not necessarily identical to the City ordinance.

Mr. Warren made a **Motion** that the RIFA Attorney and Staff work with the Institute and Mark Gignac toward a final resolution on a proposal to be presented to the Board for approval of the sign changes in the near future.

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

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

COMMUNICATIONS

Mr. Guanzon reminded the Board that his firm's contract with RIFA expires at the next RIFA meeting. Mr. Saunders asked Mr. Larking and Mr. Smitherman to work with staff to start putting a contract together for the Board to take action in terms of keeping Mr. Guanzon as the Board's attorney.

Meeting Adjourned at 2:00 PM

APPROVED:

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Chairman

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Secretary to the Authority

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DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
December 17, 2021s

A Special Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Executive Auditorium, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Robert W. Warren, Vice Chairman Ronald S. Scearce and Alternate Vic Ingram.

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, Deputy City Manager Earl Reynolds, City of Danville Director of Economic Development Corrie Bobe, Assistant Director of Economic Development Barbara Fiedor, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry, Danville City Council Members Mayor Alonzo Jones, L.G. "Larry" Campbell, Jr., James B. Buckner, and Barry Mayo; Pittsylvania County Board of Supervisors Ben Farmer and Tim Dudley, and Supervisors-elect Darrell Dalton and Tim Chesher; City of Danville Attorney W. Clarke Whitfield, Jr., County Attorney Vaden Hunt, Linda Green, Director of Economic Development at the IALR, Christy Morton, Vice President of External Affairs at the VEDP and Interim CEO of the VEDP Jason El Toubi.

Chairman Saunders presided and asked all attendees to introduce themselves.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

Linda Green from the Institute for Advanced Learning and Research introduced Christy Morton, Vice President of External Affairs at VEDP and Jason El Toubi, Interim CEO of VEDP.

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 12:28p.m. Mr. Scearce **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; 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

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

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

RETURN TO OPEN SESSION

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

Mr. Vogler **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. Scearce and carried by the following vote:

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

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2021-12-17-5A – CONTINUATION OF CHRISTIAN & BARTON, LLP, AS LEGAL COUNSEL TO THE AUTHORITY

Mr. Vogler **moved** for approval of Resolution No. 2021-12-17-5A, continuation of Christian & Barton, LLP, as legal counsel to the Authority, and acceptance of Proposal One (Discounted Blended Hourly Rate) as recommended by RIFA senior staff.

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

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

5B. CONSIDERATION OF RESOLUTION NO. 2021-12-17-5B – APPROVAL OF EXTERIOR BUILDING DESIGN

Mr. Warren **moved** for approval of Resolution No. 2021-12-17-5B, approval of exterior building design of 30,000 square foot shell building to be constructed upon Lot 10B (PIN 76441), in the Authority's Cyber Park project located in Danville, Virginia, in furtherance of Resolution No. 2021-07-12-5A.

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

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

COMMUNICATIONS

Board Members wished everyone a Merry Christmas.

Meeting Adjourned at 2:19 PM

APPROVED:

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Chairman

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Secretary to the Authority

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Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	01/10/2022
Subject:	Resolution 2022-01-10-5A
From:	Michael C. Guanzon, Esq., Legal Counsel to the Authority

SUMMARY

1. Election of Chairman from Pittsylvania County.
2. Election of Vice Chairman from City of Danville.
3. Reappointment of Secretary.
4. Reappointment of Treasurer.

ATTACHMENT

Resolution 2022-01-10-5A

Resolution No. 2022-01-10-5A

A RESOLUTION TO REAPPOINT THE SECRETARY AND TREASURER OF THE AUTHORITY.

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, pursuant to paragraph 5 of Article VI of the Amended and Restated Bylaws of the Authority (the "**Bylaws**"), is required to appoint a Secretary and Treasurer from the Authority's staff, which may include staff provided by a Member Locality or other persons employed or contracted by the Authority;

WHEREAS, under paragraph 2 of Article VI of the Bylaws, the term of office of a Secretary and Treasurer shall be for the calendar year, and accordingly, the terms of Secretary Susan M. DeMasi and Treasurer Michael L. Adkins expired on December 31, 2021; and

WHEREAS, each of Susan M. DeMasi and Michael L. Adkins is eligible for reappointment under the paragraph 5 of Article VI of the Bylaws.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Board hereby reappoints the following persons to serve the Authority in the office designated below and to have such powers and duties as prescribed to that person by the Bylaws and pursuant to applicable law:

Secretary: **Susan M. DeMasi** (term of office expires on December 31, 2022 and shall continue until her successor is appointed or reappointed)

Treasurer: **Michael L. Adkins** (term of office expires on December 31, 2022 and shall continue until his successor is appointed or reappointed)

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

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

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CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a meeting duly called and held on January 10, 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 10th day of January 2022.

(SEAL)

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

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	01/10/2022
Subject:	Resolution 2022-01-10-5B
From:	Matthew D. Rowe, Director of Economic Development, Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2022-01-10-5B, approving a one-year renewal of the Lease with Mountain View Farms of Virginia, L.C.,

ATTACHMENT

Resolution 2022-01-10-5B

Lease

Resolution No. 2022-01-10-5B

A RESOLUTION APPROVING A ONE-YEAR RENEWAL OF THE LEASE WITH MOUNTAIN VIEW FARMS OF VIRGINIA, L.C., A VIRGINIA LIMITED LIABILITY COMPANY, AS TENANT, FOR THAT CERTAIN REAL PROPERTY (BEING A PORTION OF GPIN 1356-80-4414) OF THE AUTHORITY, CONTAINING APPROXIMATELY 30 ACRES AND FRONTING ON STATELINE BRIDGE ROAD, IN THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, IN PITTSYLVANIA COUNTY, VIRGINIA, FOR THE PURPOSE OF PLANTING AND HARVESTING SOD, SOYBEANS, AND/OR OTHER COVER CROPS, BUT NOT TOBACCO, AT A TOTAL RENTAL FEE OF $1,200; SUCH RENEWAL ALSO INCLUDES A 60-DAY EARLY TERMINATION RIGHT AND RIGHT TO SHOW THE PROPERTY TO BUSINESS RECRUITS OF THE AUTHORITY

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, Mountain View Farms of Virginia, L.C., a Virginia limited liability company (**"Mountain View"**), entered into that certain Lease Agreement with the Authority, dated as of January 15, 2012, as last renewed by that certain 2021 Lease Renewal Agreement dated as of January 1, 2021 (the **"Current Lease"**), to lease certain real property (being a portion of GPIN 1356-80-4414) of the Authority, containing approximately thirty (30) acres and fronting on Stateline Bridge Road, in Pittsylvania County, Virginia (the **"Property"**), for the extended period beginning on January 1, 2022 and ending on December 31, 2022, for planting and harvesting sod, soybeans, and/or other cover crops, but not tobacco, and any other purposes approved by the Authority, for a total rental fee of One Thousand Two Hundred and 00/100 Dollars ($1,200.00); and

WHEREAS, Mountain View desires to renew the Current Lease, which expired on December 31, 2021, for an additional one (1) year term beginning on January 1, 2021 and ending on December 31, 2021; and consistent with similar leases by the Authority, the Authority shall have a 60-day early termination right and the right to show the Property to business recruits, the identities of whom Mountain View would keep confidential until a public announcement is made by the Authority; and

WHEREAS, the Farm Service Agency of the United States Department of Agriculture has determined that fair market value rent for the Property is Forty and 00/100 Dollars ($40.00) per acre; 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 renew the Current Lease for an additional one (1) year term at a Base Rent (as defined in the Current Lease) of One Thousand Two Hundred and 00/100 Dollars ($1,200.00), with additional rights of the Authority consistent with its other similar leases, and otherwise on the same terms and conditions as the Current Lease; and

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

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the Lease Renewal as reviewed at this meeting and substantially in the form 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 Supplemental Easement 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 Lease Renewal, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the Lease Renewal, 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 Lease Renewal, 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 Lease Renewal and the matters contemplated therein.

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

- # -

Resolution No. 2022-01-10-5B

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 January 10, 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 10th day of January 2022.

____

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

(SEAL)

Resolution No. 2022-01-10-5B

Exhibit A

(2022 Lease Renewal Agreement – Mountain View Farms, L.C.)

2022 LEASE RENEWAL AGREEMENT

THIS 2022 LEASE RENEWAL AGREEMENT (this **"Lease Renewal"**) is made as of the 1st day of January 2022, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a political subdivision of the Commonwealth of Virginia (**"Landlord"**); and **MOUNTAIN VIEW FARMS OF VIRGINIA, L.C.**, a Virginia limited liability company (**"Tenant"**).

W I T N E S S E T H :

That for and in consideration of the mutual promises and covenants contained in this Lease Renewal, the parties agree as follows:

Section 1 – Recitals. The parties recite the following: Landlord and Tenant entered into that certain Lease Agreement dated as of January 15, 2012 (the **"Lease"**), as last extended by that certain 2021 Lease Renewal Agreement dated as of January 1, 2021, for lease of the Property, for the extended period beginning January 1, 2021 and ending on December 31, 2021 (the **"Current Extended Term"**). Landlord and Tenant desire to enter into this Lease Renewal to further extend the term of the Lease. The GPIN for the Property (as defined in the Lease) is 1356-80-4414.

Section 2 – Renewal Term. Following the end of the Current Extended Term, the term of the Lease shall continue for a term beginning on January 1, 2022 and ending on December 31, 2022 (the **"Renewal Term"**), unless sooner terminated as provided in the Lease. Prior to the end of the Renewal Term set forth herein, Landlord shall have the right to terminate the Lease upon giving at least sixty (60) days prior written notice to Tenant, in which event Landlord shall reimburse Tenant for a pro rata portion of the Base Rent covering the period between the date of termination and December 31, 2022.

Section 3 - Rent Payment. For the Renewal Term, Tenant agrees to pay to Landlord a base rent (**"Base Rent"**) for the Property in the amount of One Thousand Two Hundred and 00/100 Dollars ($1,200.00), due and payable by Tenant to Landlord on the date this Lease Renewal is executed by Tenant.

Section 4 – Right to Show the Property. At any time during the Renewal Term set forth herein, Landlord shall have the right, upon twenty-four (24) hours' notice to Tenant (which can be by telephone or by e-mail), to enter upon and to show the Property (as defined in the Lease and in this Lease Renewal) to prospective business recruits (the "**Recruits**"). 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.

Section 5 - Entire Agreement. The Lease and this Lease Renewal contain the entire agreement and understanding of the parties with respect to the transactions contemplated hereby; and the Lease and this Lease Renewal supersede all prior understandings and agreements of the parties with respect to the subject matter hereof.

Section 6 - Interpretation. All of the terms, covenants and conditions of the Lease shall continue in full force and effect, and the same are hereby reaffirmed, remade and rewritten, except to the extent that any such terms, covenants or conditions have been nullified hereby or conflict or are inconsistent with the terms of this Lease Renewal, in which event the terms of this Lease Renewal shall, in all respects, govern and prevail.

Section 7 - Defined Terms. The capitalized terms of this Lease Renewal that are not defined herein shall be defined as set forth in the Lease.

[SIGNATURES ON FOLLOWING PAGE.]

WITNESS the following signatures to this **2022 LEASE RENEWAL AGREEMENT**:

Landlord:

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

By: ____
_____________________, Chairman

Tenant:

MOUNTAIN VIEW FARMS OF VIRGINIA, L.C., a Virginia limited liability company

By:____
Title:_______________________________________

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	01/10/2022
Subject:	Resolution 2022-01-10-5C
From:	Brian Bradner, P.E., Vice President and Shawn R. Harden, P.E., Senior Associate, Dewberry Engineers Inc

SUMMARY

The Board will be asked to approve Resolution 2022-01-10-5C, approving Amendment #32 with Dewberry Engineers.

ATTACHMENT

Resolution 2022-01-10-5C

Amendment #32

Resolution No. 2022-01-10-5C

A RESOLUTION APPROVING AMENDMENT NO. 32, DATED DECEMBER 2, 2021 AND REVISED JANUARY 3, 2022, WITH DEWBERRY ENGINEERS INC., A NEW YORK CORPORATION, FOR ENGINEERING SERVICES RELATED TO THE MEGA PARK MASTER PLAN, TO PROVIDE VIBRATION MONITORING SERVICES FOR THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, AT A LUMP SUM FEE OF $48,330.00

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

WHEREAS, in connection with Resolution No. 2019-08-12-5G, as part of the Authority's Southern Virginia Megasite at Berry Hill (the "**SVM**"), the Authority's contracted engineers, Dewberry Engineers Inc., a New York corporation ("**Dewberry**"), are providing engineering services for the development of the SVM; and

WHEREAS, Dewberry has presented that certain Amendment No. 32, dated December 2, 2021 and revised on January 3, 2022 ("**Amendment No. 32**") to Contract dated February 9, 2009, a copy of which is attached as **Exhibit A**, incorporated herein by this reference, under which Dewberry will provide professional engineering services for vibration monitoring services for the SVM. Such work includes the following items:

Item	**Description**	**Fee**
Item 1	Phase 1 Vibration Monitoring	$38,830.00
Item 2	Phase 2 Vibration Monitoring	$9,500.00
	TOTAL	**$48,330.00**

as more particularly described therein; and

WHEREAS, under Amendment No. 32, the professional services by Dewberry are generally described as "**Vibration Monitoring**" at a lump sum fee of $48,330.00 ("**Amendment No. 32 Funding**"); and

WHEREAS, the Authority has hereby determined, in open session, that Amendment No. 32, in furtherance of the development and marketing of the SVM, serves the purpose of the Authority to enhance the economic base of Pittsylvania County, Virginia (the "**County**") and the City of Danville, Virginia (the "**City**") by developing, owning, and operating the SVM on a cooperative basis involving the County and the City, and that it is in the best interests of the Authority and the citizens of the County and the City for the Authority to authorize, approve, execute and adopt in all respects Amendment No. 32.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby approves the Amendment No. 32 as reviewed at this meeting and substantially in the form set forth in **Exhibit A**, so long as Amendment No. 32 Funding is supported under the Authority's budget as certified by the Authority's Treasurer, each of the Authority's Chairman and Vice Chairman, in consultation with the other, is authorized to further modify Amendment No. 32 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 Amendment No. 32, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of Amendment No. 32, 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 Amendment No. 32, 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 Amendment No. 32 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 January 10, 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 10th day of January 2022.

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

(SEAL)

Exhibit A

(Amendment No. 32)

Dewberry

Dewberry Engineers Inc.
551 Piney Forest Road
Danville, VA 24540

434.797.4497
434.797.4341 fax
www.dewberry.com

December 2, 2021
Revised January 3, 2022

Danville-Pittsylvania Regional Industrial Facility Authority (RIFA)
c/o:

Mr. David Smitherman	Mr. Ken Larking
County Administrator	City Manager
Pittsylvania County	City of Danville
1 Center Street	P.O. Box 3300
Chatham, VA 24531	Danville, VA 24543

RE: Amendment #32 - Vibration Monitoring
Southern Virginia Megasite at Berry Hill

Dear Gentlemen,

Dewberry Engineers Inc. (Dewberry) has been assisting the Danville-Pittsylvania Regional Industrial Facility Authority (RIFA) with development of the Southern Virginia Megasite at Berry Hill. As a continuation of due diligence efforts to prepare the Megasite for development, Dewberry has been requested to investigate and study vibration levels with the Megasite area.

SCOPE OF SERVICES

Dewberry proposes to provide the following scope of services:

Phase 1 Vibration Monitoring

Dewberry will subcontract with Froehling & Robertson, Inc. (F&R) for vibration monitoring services. F&R has completed numerous geotechnical studies and soil testing at the site over the past 12 years and as such is very familiar with the characteristics of the site and uniquely qualified to perform vibration monitoring. The initial Phase 1 monitoring will include the establishment of six (6) monitoring locations at locations coordinated with RIFA staff and Dewberry. Instantel Pro 4 Monitors with standard triaxial geophones will be installed at the selected locations. The vibration units will be programmed to continuously monitor for vibrations experienced at the selected locations. All monitors will be battery powered and a modem will be set up to transmit the vibration data. Data measurements will be collected for an approximate 3-week period in order to establish the baseline vibration levels experienced in this area. Daily histograms will be retained as a record of vibration levels throughout baseline duration. Following reviewing of the collected data, a written summary report will be provided for the baseline activity day denoting the instrument type, reference number and location, logs/tables/graphs with comments. The reports will highlight the results of the vibration monitoring as well as provide summary data. Any vibration levels greater than 4mm/sec will be reported. Dewberry will coordinate all field work and review preliminary reports with F&R and RIFA staff.

FEE (Phase 1): $38,830.00 Lump Sum

Phase 2 Vibration Monitoring

Phase 2 Vibration Monitoring will involve collection and analysis of data at the six (6) monitoring locations at the time a train travels on the existing Norfolk Southern (NS) Class I rail line located south of the site. Presently NS has stated no formal train traffic is scheduled to travel on this rail line until sometime later in 2022. Once scheduled, F&R will mobilize on-site and coordinate with NS, RIFA staff and Dewberry to collect the data. Daily histograms will be retained as a record of vibration levels throughout the train run duration. Following reviewing of the collected data, a written summary report will be provided for the train run activity day denoting the instrument type, reference number and location, logs/tables/graphs with comments. The report will highlight the results of the vibration monitoring as well as provide summary data.

FEE (Phase 2): $9,500.00 Lump Sum

Except as amended in this proposal, all other terms, provisions, and conditions of our current Agreement for Professional Services to develop the Berry Hill property, dated February 9, 2009 shall remain in full force and effect, and the parties ratify and confirm that the Agreement for Professional Services to develop the Berry Hill property, dated February 9, 2009, as amended by this proposal, is and remains in full force and effect.

Again, we appreciate the opportunity to submit this contract amendment and look forward to continuing to work with you on this project. Please do not hesitate to call if you have questions.

Sincerely,

Shawn R. Harden, PE
Senior Associate

Brian K. Bradner, PE
Vice President | Branch Manager

P:\50018376\Adm\Contract\2022.01.03-Amendment 32 Vibration Monitoring-Revised.docx

The foregoing Contract Amendment of Dewberry Engineers Inc. is accepted:

____
Print (Type) Individual, Firm, or Corporate Name

____
Signature of Authorized Representative Date

____
Print (Type) Name of Authorized Representative and Title

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5D
Meeting Date:	January 10, 2022
Subject:	FY2021 Audited Financial Report and Audit Letters
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

Included in the agenda packet is the audited *Financial Report* for fiscal year ending June 30, 2021, as well as the *Comments on Internal Control and Other Suggestions for Your Consideration* and the *Required Communication with Those Charged with Governance* letters from Brown, Edwards & Company, LLP, the independent auditors for RIFA. The auditors will attend the meeting on January 10, 2022 to discuss the audit and answer any questions regarding the audit.

The letter titled *Comments on Internal Control and Other Suggestions for Your Consideration* has a current year comment related to the assessment of fraud risks and keeping the Board informed of relevant control activities. The lack of segregation of duties appears as a prior year comment; it is not considered a significant deficiency since RIFA has appropriate controls in place to mitigate the risk associated with areas not ideally segregated. Staff will continue seeking opportunities to strengthen the segregation of duties. The accounting for construction in progress and infrastructure in future years, as it relates to projects at SVM at Berry, is also a prior year comment. The comment had no impact on the current audit.

Staff is pleased with the audit and will continue to seek areas for improvement in the upcoming year.

RECOMMENDATION

No action is required. The purpose of this item is for the auditors to communicate audit findings to the RIFA Board.

ATTACHMENTS

Audited Financial Report for fiscal year ending June 30, 2021

Audit Letter - *Comments on Internal Control and Other Suggestions for Your Consideration*

Audit Letter - *Required Communication with Those Charged with Governance*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

FINANCIAL REPORT

June 30, 2021

Danville-Pittsylvania Regional Industrial Facility Authority

Table of Contents

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Danville-Pittsylvania Regional
Industrial Facility Authority
Danville, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

800 Main Street, Suite 1401 • Lynchburg, Virginia 24504 • 434-948-9000 • Fax: 434-948-9029 • www.BEcpas.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Danville-Pittsylvania Regional Industrial Facility Authority, as of June 30, 2021, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Authority's 2020 financial statements, on which, in our report dated December 8, 2020, we expressed an unmodified opinion. The 2020 financial information is provided for comparative purposes only.

Other Matters

Required Supplementary Information

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 7, 2021

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position
June 30, 2021

	2021	(For Comparative Purposes Only) 2020
Assets		
Current assets		
Cash and cash equivalents	$ 2,264,706	$ 1,820,513
Due from other governments	493,454	1,700,265
Other receivables	583	-
Total current assets	2,758,743	3,520,778
Noncurrent assets		
Restricted cash and cash equivalents	60,051	80,223
Due from City of Danville	-	118,702
Due from Pittsylvania County	1,465,304	-
Capital assets not being depreciated	24,352,275	24,560,850
Capital assets being depreciated, net	21,672,622	22,136,589
Construction in progress	27,458,332	19,115,392
Total noncurrent assets	75,008,584	66,011,756
Total assets	77,767,327	69,532,534
Liabilities		
Current liabilities		
Accounts payable - general	332,469	313,204
Accounts payable - construction	92,186	816,325
Accrued interest payable	29,396	37,497
Retainage payable	93,664	57,292
Unearned revenue - current	3,475	187,819
Bonds payable - current	465,000	445,000
Total current liabilities	1,016,190	1,857,137
Noncurrent liabilities		
Due to City of Danville	1,465,304	-
Due to Pittsylvania County	-	118,702
Unearned revenue	147,000	315,000
Bonds payable	5,710,000	1,675,000
Total noncurrent liabilities	7,322,304	2,108,702
Total liabilities	8,338,494	3,965,839
Net position		
Net investment in capital assets	67,344,589	63,736,280
Restricted - debt reserves	23,691	36,774
Unrestricted	2,060,553	1,793,641
Total net position	$ 69,428,833	$ 65,566,695

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
Year Ended June 30, 2021

	2021	(For Comparative Purposes Only) 2020
Operating revenues		
Virginia Tobacco Commission grants	$ 701,683	$ 4,006,485
Economic development incentives - City of Danville	1,625,467	214,456
Economic development incentives - Pittsylvania County	1,625,467	214,457
Economic development incentives - Other	-	500,000
Other income	1,097,441	309,949
Total operating revenues	5,050,058	5,245,347
Operating expenses		
Depreciation and amortization	828,967	808,461
Economic development - Cyber Park	29,506	67,406
Economic development - Cane Creek Centre	335,172	29,717
Economic development - Mega Park	35,231	100,563
Other operating expenses	517,156	733,108
Total operating expenses	1,746,032	1,739,255
Operating income	3,304,026	3,506,092
Non-operating revenues (expenses)		
Interest income	594	11,143
Interest expense	(66,312)	(87,844)
Total non-operating expenses	(65,718)	(76,701)
Net income before capital contributions	3,238,308	3,429,391
Capital contributions		
Contribution - City of Danville	311,915	815,389
Contribution - Pittsylvania County	311,915	815,389
Total capital contributions	623,830	1,630,778
Change in net position	3,862,138	5,060,169
Net position at July 1	65,566,695	60,506,526
Net position at June 30	$ 69,428,833	$ 65,566,695

The accompanying notes are an integral part of this financial statement.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
Year Ended June 30, 2021

	2021	(For Comparative Purposes Only) 2020
Operating activities		
Receipts from operating grants and activities	$ 1,555,567	$ 2,403,173
Payments to suppliers for goods and services	(172,069)	34,086
Other payments	3,900,002	561,445
Net cash provided by operating activities	5,283,500	2,998,704
Capital and related financing activities		
Purchase of capital assets	(9,395,707)	(4,268,651)
Capital contributions	555,047	1,463,878
Interest paid on bonds	(74,413)	(69,066)
Proceeds from loan	4,500,000	-
Principal repayments on bonds	(445,000)	(1,350,000)
Net cash used in capital and related financing activities	(4,860,073)	(4,223,839)
Investing activities		
Interest received	594	11,143
Net cash provided by investing activities	594	11,143
Net increase (decrease) in cash and cash equivalents	424,021	(1,213,992)
Cash and cash equivalents - beginning of year	1,900,736	3,114,728
Cash and cash equivalents - end of year	$ 2,324,757	$ 1,900,736

	2021	2020
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 2,264,706	$ 1,820,513
Restricted cash and cash equivalents	60,051	80,223
	$ 2,324,757	$ 1,900,736

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
Year Ended June 30, 2021

	2021	(For Comparative Purposes Only) 2020
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 3,304,026	$ 3,506,092
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	828,967	808,461
Non-cash economic incentive expenses	208,575	58,555
Non-cash County grant capital asset additions	-	(401,974)
Operating in-kind expenses	68,783	55,691
Changes in assets and liabilities:		
Change in prepaids	-	254
Change in other receivables	1,206,228	(1,700,265)
Change in accounts payable - general	19,265	172,963
Change in unearned revenue	(352,344)	498,927
Net cash provided by operating activities	$ 5,283,500	$ 2,998,704
Supplemental cash flow information		
Capital asset additions financed by retainage payable	$ 93,664	$ 57,292
Capital asset additions financed by accounts payable	$ 92,186	$ 816,325
Capital asset additions financed by locality contribution	$ -	$ 513,183
Refunding of bonds payable	$ 4,500,000	$ 2,545,000

The accompanying notes are an integral part of this financial statement.

1. Organization and Nature of Activities

The *Danville-Pittsylvania Regional Industrial Facility Authority* (the "Authority") was created by ordinance of the Board of Supervisors of Pittsylvania County, Virginia, and the City Council of the City of Danville, Virginia, to promote and further the purposes of the *Virginia Regional Industrial Facilities Act*, Chapter 64, Title 15.2 of the *Code of Virginia*, (1950) as amended (the "Act"). The Authority is an entity jointly owned by the City of Danville and Pittsylvania County and is a political subdivision of the Commonwealth of Virginia. The Authority is empowered, among other things, to borrow money to purchase real estate and finance all improvements in industrial parks intended to be occupied by manufacturing, warehousing, distribution, office or other commercial enterprises. In addition, the Authority is authorized under the Act to issue revenue bonds to finance facilities for such enterprises. The Authority has no taxing power. The City of Danville acts as the fiscal agent of the Authority. As fiscal agent, the City provides office space to the Authority at no charge.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Authority utilizes the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred, regardless of the timing of the related cash flow. The Authority follows all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues generally consist of grant income from various state or federal agencies; operating expenses generally consist of economic incentive grants, infrastructure development, depreciation and amortization expense, and other operating expenses which include bank charges, legal fees, accounting fees, meals and other miscellaneous fees. Non-operating items consist of interest income and expense as well as incidental items not directly related to the primary operations of the Authority. Capital contributions consist of subsidies from the City of Danville and Pittsylvania County.

Economic Incentive Grants

One important function of the Authority is to provide incentives for businesses to locate in the industrial parks constructed by the Authority. In some cases, the Authority agrees that if a business reaches certain investment and employment goals, the Authority will transfer capital assets (such as land and improvements) to the business at very favorable terms at the end of a specified period - usually five to ten years. The Authority reports these transfers as expenses when the grantee reaches its initial investment and employment goals and it appears unlikely that the grantee will fail to maintain these goals throughout the specified period.

Non-exchange transactions, in which the Authority either gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. Revenues and expenses from grants and donations are recognized in the fiscal year in which, in management's judgment, all eligibility requirements have been substantially satisfied.

Cash and Cash Equivalents

Cash and cash equivalents represent checking and savings accounts of the Authority, which are available on demand or within a three-month period.

2. Summary of Significant Accounting Policies (Continued)

Due From Other Governments

Due from other governments generally consists of grant reimbursements receivable from the Virginia Tobacco Commission or other grantor agencies. There was $493,454 due from the Virginia Tobacco Commission or other grantor agencies at June 30, 2021.

Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first.

Capital Assets

Property and equipment is recorded at cost and depreciated over the estimated useful lives of the related assets, ranging from 10 to 50 years. Normal maintenance and repairs are charged to operations when incurred. Capital assets that are later transferred to other governments or businesses are capitalized at cost as constructed or purchased, and are later recorded as expenses when transferred to the recipient entity. The expense of capital assets that are transferred as part of economic incentive grants is generally recognized at the time the recipient has met all eligibility requirements and is expected to continue to meet the requirements throughout the period required by the incentive agreement.

Management does not believe the Authority's real estate and improvements has declined materially in value below the reported cost; however, no formal appraisals of the Authority's real property have been obtained since it was acquired.

Unearned Revenue

Unearned revenue represents revenue received but not recognized since it has not been earned. Unearned revenue is comprised of rent payments received in advance of the rent period and advances for future economic incentives, for which the Authority has not yet incurred the corresponding expense.

Net Position

Net position is the difference between assets and liabilities. Net investment in capital assets represents capital assets less accumulated depreciation less any outstanding debt used for the acquisition or improvement of those assets. Restricted net position consists of reserves the Authority is required to maintain under its bond agreements.

2. Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Income Taxes

The Authority is exempt from all federal, state, and local income taxes.

3. Deposits, Restricted Cash and Investments

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. All deposits are considered fully collateralized.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of the following at June 30, 2021:

Bond funds to be used for improvements to Cane Creek Centre	$ 23,691
Restricted funds for Cane Creek Centre debt service	36,360
	$ 60,051

Investments

Statutes authorize the Authority to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). At June 30, 2021, the Authority's investments consisted of a money market fund primarily invested in U.S. Government repurchase agreements, floating and fixed rate securities, and U.S. treasury bills and coupons. The fund was rated AAAm by Standard and Poor's and has a weighted average maturity of less than one year. These funds are carried at a stable $1.00 net asset value, and thus reported at amortized cost.

At June 30, 2021, the Authority had $456,543 in a money market account with the remainder of cash and cash equivalents in demand deposits.

The Authority has no custodial credit risk policy. However, the Authority had no custodial credit risk related to its investments at June 30, 2021. The Authority does not have a policy related to interest rate risk.

4. Due To/From Member Localities

The Authority is equally funded by the City of Danville and Pittsylvania County. The two localities have signed agreements to share all costs of the Authority equally. At times, one locality may front all costs associated with a transaction, creating an amount owed by the other. The Authority reflects these balances as all transactions associated with the Authority are recorded on the Authority's books. At June 30, 2021, the Authority reflects amounts due to the City of Danville of $1,465,304 and a corresponding due from Pittsylvania County for the same amount. This stems from items paid for or contributed by the City of Danville in excess of its share. It is not expected that Pittsylvania County will repay this amount in full in fiscal year 2022, but rather that the balance will be adjusted annually based on contributions made by both localities.

5. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	June 30, 2020 Balance	Increases	Decreases	June 30, 2021 Balance
Capital assets not being depreciated:				
Cyber Park - land	$ 5,614,792	$ -	$ -	$ 5,614,792
Cane Creek Centre - land	5,152,203	-	208,575	4,943,628
Industrial Park - land	13,793,855	-	-	13,793,855
Total capital assets not being depreciated	24,560,850	-	208,575	24,352,275
Capital assets being depreciated:				
Buildings	25,617,874	-	-	25,617,874
Building improvements	310,697	-	-	310,697
Land improvements	6,265,238	-	-	6,265,238
Infrastructure	2,006,965	-	-	2,006,965
Machinery and equipment	770,690	365,000	-	1,135,690
Total capital assets being depreciated	34,971,464	365,000	-	35,336,464
Less accumulated depreciation for:				
Buildings	10,395,026	601,811	-	10,996,837
Building improvements	102,580	8,126	-	110,706
Land improvements	1,812,792	159,152	-	1,971,944
Infrastructure	521,807	40,139	-	561,946
Machinery and equipment	2,670	19,739	-	22,409
Total accumulated depreciation	12,834,875	828,967	-	13,663,842
Total capital assets being depreciated, net	22,136,589	(463,967)	-	21,672,622
Total capital assets, net	$ 46,697,439	$ (463,967)	$ 208,575	$ 46,024,897

6. Construction in Progress

Construction in progress consisted of the following at June 30:

	June 30, 2020 Balance	Increases	Decreases	June 30, 2021 Balance
Industrial Park	$ 19,115,392	$ 8,342,940	$ -	$ 27,458,332

7. Long-Term Debt

The following schedule represents all bonds payable:

Description	Original Issue	Annual Amount	Interest Rate	Maturity	Outstanding June 30, 2021
2019 Revenue Refunding bonds	$ 2,545,000	$ 205,000 – 515,000	2.27%	1/1/2025	$ 1,675,000
2021 Revenue bond	$ 4,500,000	$ 501,656 – 536,455	1.50%	1/1/2036	$ 4,500,000

In June 2021, the Authority issued a $4,500,000 revenue bond. The bond was issued to fund costs for continued development of the industrial park which is included in construction in progress. The bond requires interest only payments until the first principal payment in July 2031. The bond relates to a performance agreement with Appalachian Power Company to move existing transmission lines. The agreement allows the Authority to potentially recover the cost of the associated capital outlays from Appalachian Power Company based on future customer purchases of electricity.

In August 2019, the Authority issued $2,545,000 in revenue refunding bonds. These bonds were issued to satisfy the outstanding balance of the Series 2016 revenue bonds. Debt service payments are made with funds received from the City of Danville and Pittsylvania County.

Long-term debt activity for the year ended June 30, 2021 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Revenue bonds - direct borrowing	$ 2,120,000	$ 4,500,000	$ 445,000	$ 6,175,000	$ 465,000

7. Long-Term Debt (Continued)

Debt service on the preceding bonds in future years is as follows:

Debt Maturity Schedule

Year Ending June 30	Principal	Interest	Total
2022	$ 465,000	$ 86,070	$ 551,070
2023	490,000	102,159	592,159
2024	515,000	85,549	600,549
2025	205,000	73,957	278,957
2026	-	71,418	71,418
2027-2031	-	373,546	373,546
2032-2036	4,500,000	216,416	4,716,416
	$ 6,175,000	$ 1,009,115	$ 7,184,115

8. Economic Development

In May 2021, the Authority entered into a local performance agreement with Walraven, Inc., a global installation company known for mechanical, plumbing, fire, seismic, and electrical applications. Across the U.S. the company will manufacture and market pipe supports, struts, and accessories designed for U.S. plumbing and mechanical applications. Walraven, which will be located in the Authority's Cane Creek Centre, plans to make capital investments of at least $7.15 million for a new facility. In addition to other local incentives, the Authority will apply for State grants for the benefit of the company totaling $430,950. No related incentive expense has been recorded.

In June 2021, the Authority entered into a local performance agreement with Making Everything Possible, LLC, a maker of plastic and metal components to support their global aerospace and defense clients. The company plans to make capital investments of $7.25 million between the Start-Up Center and Production Facility, which will be located in the Authority's Cyber Park. The Authority will apply for State grants for the benefit of the company totaling $889,400. Additionally, the Authority will provide an Industrial Enhancement Grant in the amount of $250,000 to be used for certain capital improvements that are approved in advance. The Authority will also pay the base rent under the lease for the Start-Up Center up to $75,000 for the first 12 months. The company will have the option to purchase the land where its production facility is located around September 2022. No related incentive expense has been recorded.

9. Short-Term Operating Leases

The Authority leases land to tenants under lease terms of one year or less. Under the terms of the agreements, the future rental income for the year ending June 30, 2022 is estimated to be $3,475.

10. Long-Term Operating Leases

In October 2006, the Authority entered into agreements with Swedwood Danville, LLC that provided the Authority would lease 94 acres (valued at $1,027,947) to Swedwood for 120 months at a rate of $1 per year. Swedwood had the option to purchase the above-mentioned land for $1 at the end of the 120-month lease if it meets certain investment and employment criteria. In fiscal year 2008, Swedwood met its initial investment and employment criteria and the Authority recorded the transfer of land to Swedwood. If Swedwood chooses to expand its operations within the terms of the agreement, it also has the right to lease from the Authority certain parcels of land known as lots 7B and/or 7C, consisting of approximately 103 acres and 11 acres, respectively. Swedwood also had the right of first refusal to purchase a certain parcel of land from the Authority known as Lot 6 consisting of 68.8 acres. In fiscal year 2019, the Authority sold 87.04 acres, known as Lot 7A, in the Cane Creek Centre Industrial Park to IKEA Industry Danville, LLC for $1 in accordance with the agreement dated October 25, 2006. The Authority's cost of the land was $951,836 and the sale was made in exchange for a quitclaim, release and waiver by IKEA of any and all options or rights to the real property owned by the Authority in Cane Creek Centre.

The Research Building, which has a carrying value of $4,617,911 at June 30, 2021 and accumulated depreciation of $2,417,900, is leased to the Institute for Advanced Learning & Research (IALR) for $10 per year per square foot occupied. The lease was renewed at the same rent terms on June 1, 2013 for a one-year period and will automatically renew annually thereafter for successive one year periods. The rent for the renewal is set forth in the lease agreement. Insurance costs are the responsibility of the lessee. Maintenance costs are the responsibility of the Authority; however, the lessee is engaged to provide for the maintenance obligations and is compensated for these services in an amount equal to the rent paid by the lessee. For fiscal year 2021, $286,253 of rental income was received through this lease.

The Institute Building is leased to the IALR for $1 per year. The lease term began June 2004 for a 15 year period and will automatically renew on an annual basis thereafter for successive one year period. Insurance and maintenance costs are the responsibility of the lessee.

In fiscal year 2011, the Authority entered into a ground lease with the IALR to allow for the construction of the Sustainable Energy Technology Center Building (SEnTeC). The lease term is 240 months and began in September 2010. The property is leased to the IALR at a rate of $1 per year and the IALR has the option to purchase the premises for $100 at the end of the lease term, as long as all related grant requirements have been satisfied.

11. Commitments and Contingencies

At June 30, 2021, the Authority had approximately $14.1 million in outstanding engineering and consulting contracts, of which approximately $2,607,000 had not been expended.

12. Subsequent Events

In August 2021, the Authority entered into a local performance agreement with Tyson Farms, Inc. in the Authority's Cane Creek Centre. The terms of the agreement provides a land grant with an approximate value of $2,068,000, State grant and loan for $1,529,000, and an Industrial Enhancement Grant of up to $10,344,160 in the form of tax rebates.

13. COVID-19 Uncertainty

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on rapid increase in exposure globally.

The Authority's operations are heavily dependent on the ability to provide incentives and attract businesses to the Authority's industrial parks. The outbreak could have a continued material adverse impact on economic and market conditions. This situation has depressed the tax bases and other areas in which the Authority operates during fiscal year 2021. As such, the Authority's financial condition and liquidity may be negatively impacted in future fiscal years.

14. Dissolution of Authority

If dissolution of the Authority should occur, such dissolution shall be made pursuant to *Code of Virginia*, Section 15.2-6415. Pittsylvania County constructed a Multi-Port Access Point (MSAP), at an approximate cost of $2 million that will benefit areas served by the Authority. Should the Authority ever be dissolved, the MSAP will be considered part of the County's investment in the Authority.

* * * * *

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Danville-Pittsylvania Regional
Industrial Facility Authority
Danville, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 7, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 7, 2021

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

SUMMARY OF COMPLIANCE MATTERS
Year Ended June 30, 2021

As more fully described in the **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia

Cash and Investment Laws
Debt Provisions
Procurement Laws
Uniform Disposition of Unclaimed Property Act
Conflicts of Interest

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

COMMENTS ON INTERNAL CONTROL AND OTHER SUGGESTIONS FOR YOUR CONSIDERATION

June 30, 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON COMMENTS AND SUGGESTIONS

To the Board of Directors of
Danville-Pittsylvania Regional
Industrial Facility Authority
Danville, Virginia

In planning and performing our audit of the financial statements of the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in circumstances for the purpose of expressing our opinion on the financial statements and to comply with *Government Auditing Standards*, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

If material weaknesses or significant deficiencies were identified during our procedures they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included in the ***Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*** which should be read in conjunction with this report.

Additionally, during our audit, we may have become aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detailed review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We also have included information on accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. It is our hope that these suggestions will be taken in the constructive light in which they are offered.

The Authority's response to our recommendation is included in this report. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study on these matters, or to assist you in implementing the recommendations.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 7, 2021

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

COMMENTS AND SUGGESTIONS
June 30, 2021

Joint Organizations and Fraud Risks

Joint ventures or other joint organizations can be efficient and effective mechanisms for local governments to share in costs and leverage their expertise in ways that mutually benefit the citizens of two or more governments. A common feature of most of these organizations is a distribution of key positions between the staff of the member localities; these organizations may often meet less frequently or engage in fewer (but perhaps very significant) transactions on an annual basis.

Although each member locality generally will have its own sets of internal controls and will periodically assess its own fraud risks, at time joint organizations may not have control structures that are formal, or communication between staff members may not be as frequent when individuals are members of different local governments, and generally busy with their own day-to-day tasks.

We believe that every organization, including joint ventures, should periodically assess the potential for fraud risks, and discuss the role of various controls in preventing fraud from occurring. These discussions are most effective when held at the board level, supported by the finance staff and other members of management whose roles will be important in ensuring that appropriate controls are in place.

Due to the nature of the Authority's operations and the Authority being equally funded by both member localities, we believe it is important that both localities be aware of the Authority's control activities. We also recommend that periodically the Authority's board hold a discussion about fraud risks and relevant controls, as described above.

Management's Response: *Management will include information on fraud risks and relevant controls in a bi-annual report presented to the Board.*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

PRIOR YEAR COMMENTS AND SUGGESTIONS
June 30, 2021

Segregation of Duties

One of the more important aspects of any system of internal control is the segregation of duties. In an ideal system of internal controls, no individual would perform more than one duty in connection with any transaction or series of transactions. In particular, no one individual would have access to both physical assets and the related accounting records, since such access may allow errors or irregularities to occur and be undetected or concealed.

Following are some of the areas where duties are not ideally segregated:

- Signed checks are returned to the individual responsible for check preparation for mailing. This can allow payments to be diverted.
- The individual with bank reconciliation responsibilities has access to the general ledger that still includes access for the individual to record and change transactions. Ideally, this person would not have any involvement with the recording of or the ability to record transactions.

Complete segregation of all duties is likely not possible without the involvement of additional personnel.

Status: *The items noted above still exist. Management believes there are appropriate mitigating controls in place to address the risk associated with the two areas noted that are not ideally segregated. These mitigating controls consist of monitoring of all cash disbursements by other knowledgeable personnel. Management should continue to identify ways in which controls could be overridden, and should ensure that monitoring controls are applied vigilantly. Management, and those charged with governance, should maintain an attitude of vigilance and appropriate skepticism.*

Accounting for Construction in Progress and Infrastructure in Future Years

Construction in progress at the Berry Hill industrial park has reached approximately $19,115,000 as of June 30, 2020. Although not of effect for the current fiscal year, in the future the Authority will need to allocate its costs of construction in progress for the Berry Hill park into the following categories:

- Improvement costs associated with individual lots – these costs generally should be written off at the time the lot is sold or granted to a third party.
- Costs associated with utilities – these costs should be written off at the time any utilities (water, sewer, gas, or electric) are contributed to the utility system of the City of Danville, which will then record the value of those assets and accept responsibility for them.
- Costs associated with infrastructure that is contributed to VDOT – any such costs should be written off at the time any roads or other infrastructure is accepted by VDOT.
- Costs associated with infrastructure that will be retained – if infrastructure is retained by the Authority (meaning that the Authority will retain responsibility for care and maintenance), this should be assigned a useful life at the time it is placed in service, and depreciated over that useful life.

As noted previously, these are matters that are of no impact on the current year audit but will be relevant as the Berry Hill projects mature. We recommend that management begin a process for separating and identifying or estimating the allocation of such costs as described above.

Status: *The item noted above still exists. The construction in progress at Berry Hill industrial park has reached approximately $27,458,000 as of June 30, 2021.*

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certified public accountants

REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors of
Danville-Pittsylvania Regional
Industrial Facility Authority
Danville, Virginia

We have audited the financial statements of Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 22, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2021. As described in Note 2, management has accounted for economic incentive grants and agreements with "grantee" industries locating in the area as voluntary non-exchange transactions under *Governmental Accounting Standards Board* Statement No. 33. Under this method, the Authority reports the expenses associated with these incentives once a grantee has met the initial requirements in its performance agreement with the Authority, and it appears unlikely that the grantee will fail to maintain these requirements throughout the specified performance period or unlikely that the resources granted would be recoverable. We have discussed the accounting for these transactions with management and believe the method selected is appropriate in this circumstance, but accounting for transactions such as these involves significant judgment. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

<u>Significant Audit Findings</u> (Continued)

Qualitative Aspects of Accounting Practices (Continued)

The most sensitive estimates affecting the Authority's financial statements were:

- Management's estimate of the useful lives of capital assets, which is based on management's knowledge and judgment, which is based on history.
- Management's estimate of the allocation of costs to land parcels sold, which consists of the allocation of costs of purchases and improvements to useable land acreage.
- Management's judgment that the carrying value of property and improvements is not materially different from market value is largely based on assumptions about the local real estate market.

We evaluated the key factors and assumptions used to develop these estimates in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements include those related to:

- The disclosure of the Authority's commitments and contingencies in Note 11 is considered useful to users of the statements.
- The Authority's outstanding debt and capital assets.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements noted during the June 30, 2021 audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 7, 2021, a copy of which is attached.

<u>Significant Audit Findings</u> (Continued)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

<u>Restriction on Use</u>

This information is intended solely for the information and use of the Board of Directors and management of Danville-Pittsylvania Regional Industrial Facility Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
December 7, 2021

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

December 7, 2021

Brown, Edwards & Company L.L.P.
828 Main Street, Suite 1401
Lynchburg, Virginia 24504

This representation letter is provided in connection with your audit of the financial statements of Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority"), which comprise the financial position of the Authority as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 7, 2021, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 22, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

9) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

10) We have provided the planning communication letter to all members of those charged with governance as requested.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:

    - Management,
    - Employees who have significant roles in internal control,
    - Service organizations used by the Authority, or
    - Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have a process to track the status of audit findings and recommendations.

21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

23) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.

24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

30) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

31) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

32) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

33) Provisions for uncollectible receivables have been properly identified and recorded.

34) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

36) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility, changes in market value, or the marketability of land.

37) We are not aware of any conditions that would result in an impairment of any capital assets.

38) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board (GASBS) Statements that are not yet effective, as discussed in the notes to financial statements. The Authority is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.

39) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

41) We have reviewed and discussed the balances of the Authority's long-term due to/from accounts related to the City of Danville, Virginia and the County of Pittsylvania, Virginia. It is our conclusion that these balances are

materially correct as of June 30, 2021. We are in agreement with the changes in the due to/from account based on contributions by each locality in fiscal year 2021.

42) Expenditures of federal awards were below the $750,000 threshold in the audit period, and we were not required to have an audit in accordance with the Uniform Guidance.

43) To the extent our normal procedures and controls related to our financial close or other reporting processes were adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

44) Other than as disclosed in note 13 to the financial statements, no other impacts from the COVID-19 outbreak are necessary to be reflected in those financial statements.

45) Disclosures included in the financial statements regarding the relevant significant business, financial, and reporting impacts of the COVID-19 outbreak accurately reflect management's full consideration of such impact

46) We reaffirm the representations made to you in our letter dated December 8, 2020 regarding your audit for the fiscal year ended June 30, 2020.

47) There are no contingent liabilities whereby the Authority could be obligated to repay Tobacco Commission or other funds upon the failure of a grantee entity to comply with grant requirements.

48) Related parties include, but are not limited to, any member of the Authority's Board of Directors, elected or appointed officials of the City of Danville or Pittsylvania County, any member of management of the Authority or the City or the County, as well as individuals related to any such persons. This also includes entities in which any of these individuals have a beneficial interest. In the current year, there were no related party transactions involving economic development activities, including, but not limited to, acquisitions of property or sales of property where the counterparty was a related party. There were no transactions involving grant awards to a related party, nor were there contracts for construction or other services with related parties. The oversight and internal control over all such transactions is such that any related party transactions would be identified at the board of directors level, fully disclosed in the financial statements, as well as the Authority's minutes, and evaluated for overall appropriateness with legal counsel, as appropriate.

Signature: Ken Larking
Title: City of Danville – City Manager

Signature: Michael L. Adkins
Title: City of Danville – Finance Director

Signature:
Title: Pittsylvania County – County Administrator

Signature: Kimberly G. Van Der Hyde
Title: Pittsylvania County – Finance Director

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5E
Meeting Date:	January 10, 2022
Subject:	Financial Status Reports – December 31, 2021
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through December 31, 2021 will be provided at the meeting. The financial status reports as of December 31, 2021 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of December 31, 2021 as presented.

ATTACHMENTS

Financial Status Reports

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

Table of Contents

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of December 31, 2021

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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	56,379.12	20,607.34	
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	$ 7,555,099.78	$ 22,857.34	**$ 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*

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

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

[5] *The budget amount decreased $71,279.61 from the 9/30/2010 reports. This amount represented the remaining budget amount carried from the $1.7 SP grant upon its expiration for the following contracts: Wetland Delineation, Wetland Bank Plan Rev., Stream Concept Plan, & Stream Attribute Plan. Per Shawn Harden of Dewberry, these contracts are complete and finished under budget. The only contract that remains open is for Wetland Monitoring and the budget, expended, and encumbered amounts included here are only for this contract.*

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

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

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

Funding Summary - Cane Creek Parkway	
VDOT	$ 1,467,340.00
Bonds	3,804,576.00
	$ 5,271,916.00

Danville-Pittsylvania Regional Industrial Facility Authority
General Expenditures for Fiscal Year 2022
As of December 31, 2021

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City Contribution	$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2021	24,625.84				
Contingency					
Miscellaneous contingency items		$ 29,050.84	$ 22,255.95	$ -	$ 6,794.89
				$ -	-
Total Contingency Budget		29,050.84	22,255.95	-	6,794.89
Legal		115,000.00	69,042.64	-	45,957.36
Accounting		23,075.00	10,000.00	-	13,075.00
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	1,565.53	-	2,434.47
Utilities		400.00	315.42	-	84.58
Insurance		3,000.00	2,623.00	-	377.00
Total	$ 174,625.84	$ 174,625.84	$ 105,802.54	$ -	**$ 68,823.30**

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of December 31, 2021

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				
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		421,250.00	417,050.00	4,200.00	
Appalachian Power Company		5,178,500.00	5,178,500.00	-	
Banister Bend Farm, LLC		199,064.00	199,064.00	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project [8]		-	11,203.15	-	
Total	$ 23,009,027.97	$ 20,980,708.58	$ 20,973,537.87	$ 7,170.71	**$ 2,028,319.39**

[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 Comission FY10 SSED Allocation, the RIFA Board approved on 1/14/2013 to utilize $11,854.39 of the 'Funds Available for Appropriation' to cover the funding shortfall for the budgeted Dewberry & Davis contract.*

[7] *Unencumbered the remaining $11,203.15 due to termination of contract.*

[8] *As approved by RIFA Board on 10/16/2014*

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Lots 1&2 Site Development

As of December 31, 2021

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
TIC #3358 Site Improvements					
Tobacco Commission Grant	$ 2,624,800.00				
Expenditures					
Dewberry Engineers Inc.		379,300.00	214,800.00	164,500.00	
Total	$ 2,624,800.00	$ 379,300.00	$ 214,800.00	$ 164,500.00	**$ 2,245,500.00**

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of December 31, 2021

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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	858,734.99	161,315.00	
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	950,565.25	892,974.75	
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	$ 10,149,851.89	$ 1,054,289.75	**$ 465,087.00**

Danville-Pittsylvania Regional Industrial Facility Authority

Cyber Park Site Development

As of December 31, 2021

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
MEP TROF Loan	$ 270,000.00				
Transfer from Other Income	42,750.00				
Expenditures					
Dewberry Engineers Inc.		42,750.00	22,937.50	19,812.50	
Making Everything Possible LLC (Incentives)		270,000.00	270,000.00	-	
Total	$ 312,750.00	$ 312,750.00	$ 292,937.50	$ 19,812.50	**$ -**

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of December 31, 2021

Source of Funds	Carryforward from FY2021	Funding Receipts Current Month	Funding Receipts FY2022	Expenditures FY2022	Unexpended / Unencumbered
Carryforward	$ 1,248,519.93				
Current Lessees					
Institute for Advanced Learning and Research (IALR) [1]		$ 21,965.83	$ 109,829.15		
Axxor N.A. LLC			1,000.00		
American Electric Power		1,500.00	3,000.00		
Total Rent		$ 23,465.83	$ 113,829.15		
Interest Received [2]		$ 19.77	$ 112.09		
Miscellaneous Income		$ 44,059.22	$ 429,607.77		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				$ 109,829.15	
Incentive Disbursements to Morgan Olson, LLC				$ 117,000.00	
Transfer to Cyber Park Development				$ 42,750.00	
Incentive Disbursements to MEP LLC				$ 30,674.35	
Incentive Disbursements to Harlow Fastech LLC				$ 80,968.76	
Totals	$ 1,248,519.93	$ 67,544.82	$ 543,549.01	$ 381,222.26	$ 1,410,846.68

Restricted [1]	$ 312,826.70
Unrestricted	$ 43,769.98
Committed	$ 1,054,250.00

[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

December 2021

Check Number	Date	Vendor Name	Paid Amount
WIRE	12/04/2021	City of Danville	19.80
WIRE	12/04/2021	City of Danville	19.80
2448	12/07/2021	IALR	7,149.67
2449	12/07/2021	IALR	351.72
2450	12/07/2021	IALR	21,965.83
2451	12/07/2021	Dewberry Engineers Inc.	11,250.00
2452	12/07/2021	Christian & Barton, LLP	69,042.64
WIRE	12/20/2021	City of Danville	36.00

Danville-Pittsylvania Regional Industrial Facility Authority

Statement of Net Position [1, 2]

December 31, 2021*

		Unaudited FY 2022
Assets		
Current assets		
Cash - checking	$	2,098,316
Cash - money market		456,655
Total current assets		2,554,971
Noncurrent assets		
Restricted cash - project fund CCC bonds		29,982
Restricted cash - debt service fund CCC bonds		517,670
Capital assets not being depreciated		24,352,275
Capital assets being depreciated, net		21,672,622
Construction in progress		27,458,332
Total noncurrent assets		74,030,881
Total assets		76,585,852
Liabilities		
Current liabilities		
Economic development payable - current portion		147,000
Bonds payable - current portion		465,000
Total current liabilities		612,000
Noncurrent liabilities		
Bonds payable - less current portion		1,210,000
Loans payable - less current portion		4,500,000
Total noncurrent liabilities		5,710,000
Total liabilities		6,322,000
Net Position		
Net investment in capital assets		71,838,211
Restricted - debt reserves		517,670
Unrestricted		(2,092,029)
Total net position	$	70,263,852

[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.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
December 31, 2021*

		Unaudited FY 2022
Operating revenues		
Virginia Tobacco Commission Grants		270,000
Rental income		116,304
Other Income		220,417
Total operating revenues		606,721
Operating expenses [4]		
Mega Park expenses [3]		88,916
Cane Creek Centre expenses [3]		34,094
Cyber Park expenses [3]		518,380
Professional fees		32,863
Other operating expenses		11,303
Total operating expenses		685,556
Operating income (loss)		(78,835)
Non-operating revenues (expenses)		
Interest income		112
Total non-operating expenses, net		112
Net income (loss) before capital contributions		(78,723)
Capital contributions		
Contribution - City of Danville		561,507
Contribution - Pittsylvania County		352,234
Total capital contributions		913,741
Change in net position		835,018
Net position at July 1, 2021		69,428,834
Net position at December 31, 2021	$	70,263,852

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*December 31, 2021**

		Unaudited FY 2022
Operating activities		
Receipts from grant reimbursement requests	$	376,454
Receipts from leases		113,830
Other receipts		607,000
Payments to suppliers for goods and services		(1,203,876)
Net cash used by operating activities		(106,592)
Capital and related financing activities		
Capital contributions		913,742
Interest paid on bonds		(29,396)
Net cash provided by capital and related financing activities		884,346
Investing activities		
Interest received		112
Net cash provided by investing activities		112
Net increase (decrease) in cash and cash equivalents		777,866
Cash and cash equivalents - beginning of year (including restricted cash)		2,324,757
Cash and cash equivalents - through December 31, 2021 (including restricted cash)	$	3,102,623
Reconciliation of operating loss before capital contributions to net cash used by operating activities:		
Operating income (loss)	$	(78,835)
Changes in assets and liabilities:		
Change in other receivables		494,037
Change in accounts payable		(518,319)
Change in unearned income		(3,475)
Net cash used by operating activities	$	(106,592)

Components of cash and cash equivalents at December 31, 2021:		
American National - Checking	$	2,098,316
American National - General money market		456,655
Wells Fargo - $7.3M Bonds CCC Debt service fund		517,670
Wells Fargo - $7.3M Bonds CCC Project fund		29,982
	$	3,102,623

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 6
Meeting Date:	01/04/2022
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 7A
Meeting Date:	01/10/2022
Subject:	Resolution 2022-01-10-7A
From:	Matthew D. Rowe, Director of Economic Development, Pittsylvania County

SUMMARY

The Board will be asked to consider Resolution 2022-01-10-7A approving a Sixth Amendment to the Ground Lease with RealtyLink Investments LLC.

ATTACHMENT

Resolution 2022-01-10-7A

Amendment #32

Resolution No. 2022-01-10-7A

A RESOLUTION APPROVING A SIXTH AMENDMENT TO GROUND LEASE, TO EXTEND THE DATE OF TERMINATION UNDER THAT CERTAIN GROUND LEASE WITH REALTYLINK INVESTMENTS, LLC, OR ITS PERMITTED ASSIGNEE, FOR LOTS 3A AND 3B IN THE AUTHORITY'S CANE CREEK CENTRE 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, the pursuant to Resolution Nos. 2021-03-08-6FA and 2021-04-12-5D the Authority authorized the negotiation, execution and delivery of that certain ground lease (the "**Ground Lease**") with RealtyLink Investments, LLC, a South Carolina limited liability company ("**RealtyLink**") for Lots 3A and 3B in the Authority's Cane Creek Centre project ("**Cane Creek**"), located in the Pittsylvania County, Virginia; and

WHEREAS, RealtyLink, or its permitted assignee (hereinafter, "**Tenant**"), desires to amend the Ground Lease, under the following minimum business terms (the "**Sixth Amendment**", as more fully described on **Exhibit A** attached hereto and incorporated herein by this reference; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of Pittsylvania County, Virginia, and the City of Danville, Virginia, and in furtherance of the development of Cane Creek, for the Authority to approve and to deliver the Sixth Amendment to the Ground Lease, as applicable, consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby supports the delivery of the Sixth Amendment to the Ground Lease, as applicable, substantially in the form of **Exhibit A**, each of the Authority's Chairman and Vice Chairman, in consultation with the other, is authorized to further modify the Sixth Amendment to the Ground Lease 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 Sixth Amendment to the Ground Lease, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the Sixth Amendment to Ground Lease, 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 Sixth Amendment to the Ground Lease, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to the Sixth Amendment to the Ground Lease 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.

- # -

Resolution No. 2022-01-10-7A

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 January 10, 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 10th day of January 2022.

____

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

(SEAL)

Resolution No. 2022-01-10-7A

Exhibit A

(Sixth Amendment to Ground Lease)

THIS SIXTH AMENDMENT TO GROUND LEASE (this "**Amendment**") is made as of January 10, 2022, by and among **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("**Landlord**"), **VA DANVILLE GREENLIGHT, LLC,** a South Carolina limited liability company, or its permitted assignee ("**Tenant**").

W I T N E S S E T H :

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. - Recitals. The parties recite the following facts:

a. Landlord and Tenant entered into that certain Ground Lease dated April 27, 2021 as amended by that certain Amendment to Ground Lease dated August 31, 2021, and as further amended by that certain Second Amendment to Ground Lease dated September 30, 2021, and as further amended by that certain Third Amendment to Ground Lease dated October 25, 2021, and as further amended by that certain Fourth Amendment to Ground Lease dated November 30, 2021, and as further amended by that certain Fifth Amendment to Ground Lease dated December 30, 2021 (as amended, the "**Ground Lease**"), for the lease of the Leased Property (as defined therein), commonly known as New Lot 3C and Lot 3D in Landlord's Cane Creek Centre Industrial Park, located in Pittsylvania County, Virginia.

b. The parties wish to extend the term under the Ground Lease under the terms and conditions below.

Section 2. - Definitions. Unless otherwise provided in this Amendment, the terms used in this Amendment shall have the same meaning given to such term in the Ground Lease.

Section 3. - Extension of the date of the Termination. The Ground Lease is hereby amended to provide that the Ground Lease will terminate at 5:00 PM on ________________________, 2022.

Section 4. - Extension Fee. Within five (5) days of the date of this Amendment, Tenant shall pay (or cause to be paid) to Landlord an extension fee in the amount of ___________________________ and ____/100 Dollars ($_________________), which such extension fee shall be: *[select one with a "x"]* (____) non-refundable and non-applicable to the Purchase Price OR (_____) non-refundable but credited toward the Purchase Price.

Section 4. - Effect on the Ground Lease. Except as amended in this Amendment, all other terms, provisions, and conditions of the Ground Lease shall remain in full force and effect, and the parties ratify and confirm that the Ground Lease, as amended by this Amendment, is and remains in full force and effect.

Section 6. - Counterparts. This Amendment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment.

[**SIGNATURES ARE ON THE FOLLOWING PAGES.**]

WITNESS the following signatures to this **SIXTH AMENDMENT TO GROUND LEASE** as of the date first above written:

__Landlord__:

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

By: ______________________________
Name: ___________________________________
Chairman

__Tenant__:

VA DANVILLE GREENLIGHT, LLC, a South Carolina limited liability company

By: ______________________________
Philip J. Wilson
Manager

Acknowledged and agreed to:

AEROFARMS DANVILLE, LLC, a Virginia limited liability company

By: ______________________________
Name: ______________________________
Its: ______________________________