



Danville-Pittsylvania Regional Industrial Facility Authority

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

REVISED

AGENDA

May 8, 2023

12:00 P.M.

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

County of Pittsylvania Members

**William V. (“Vic”) Ingram, Vice Chairman
Robert M. Tucker, Jr.
Darrell W. Dalton, Alternate**

City of Danville Members

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

Staff

**Kenneth F. Larking, Authority City Manager Officer
Stuart J. Turille, Jr., Pittsylvania County Administrator
Christian & Barton, L.L.P., Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer**

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

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

4. APPROVAL OF MINUTES OF THE MARCH 13, 2023 REGULAR MEETING.

5. NEW BUSINESS

- A. Consideration of Resolution No. 2023-05-08-5A, appointing Stuart J. Turille, Jr., as the County Administrator Officer of the Authority – Michael C. Guanzon, Esq., Christian & Barton, LLP, Legal Counsel to the Authority
- B. Consideration of Resolution No. 2023-05-08-5B, authorizing the Chairman of the Authority to execute a Performance Agreement for a \$1,500,000.00 VBRSP Site Development Grant from the Virginia Economic Development Partnership for the Authority's Southern Virginia Megasite at Berry Hill Lots 1 and 2 project, located in Pittsylvania County, Virginia, in furtherance of Resolution No. 2023-05-08-5C – Matthew D. Rowe, Director of Economic Development, Pittsylvania County
- C. Consideration of Resolution No. 2023-05-08-5C, approving the selection of Troutman Pepper Hamilton Sanders LLP as special counsel to the Authority regarding the Authority's environmental permit application for the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, where such fees paid to special counsel will be reimbursed from Virginia Economic Development Partnership Virginia Business Ready Sites Program grant funds – Michael C. Guanzon, Esq., Christian & Barton, L.L.P., legal counsel to the Authority
- D. Consideration of Resolution No. 2023-05-08-5D, approving Amendment No. 35-A, dated May 1, 2023, with Dewberry Engineers Inc., a New York corporation, for engineering services related to the Mega Park Master Plan Southern Virginia Megasite at Berry Hill, to provide due diligence services for the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, at a lump sum aggregate fee of \$732,000.00 – Mr. Bradner
- E. Consideration of Resolution No. 2023-05-08-5E, approving Amendment No. 36, dated May 1, 2023, with Dewberry Engineers Inc., a New York corporation, for engineering services related to the Mega Park Master Plan Southern Virginia Megasite at Berry Hill, to provide an easement plat and legal description showing

the Transco easement for Tax Parcel Nos. 1367-30-1931 and 1356-75-0037, owned by the Authority and located in Pittsylvania County, Virginia, at a lump sum fee of \$7,500.00 – Mr. Bradner

- F. Financial Status Reports as of April 30, 2023 – Michael L. Adkins, Authority Treasurer, and Tiffany Swanson-Jones, CPA, City of Danville, Virginia
- G. Presentation of Audit of the Authority's financial statements for year ending June 30, 2022 – Mr. Adkins
- H. Consideration of Resolution No. 2023-05-08-5H, approving Onsite Stream and Wetland Mitigation Solution Proposal with HGS, LLC, a wholly-owned subsidiary of Resource Environmental Solutions, LLC, a Louisiana limited liability company, for onsite and offsite stream and wetland mitigation solutions services for the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania County, Virginia, at a fee not to exceed \$483,000.00 – Mr. Bradner

6. CLOSED SESSION

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

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

Authority's projects subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and

- C. As permitted by Virginia Code § 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and
- D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel; and
- E. As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

RETURN TO OPEN SESSION

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

7. COMMUNICATIONS FROM:

- A. Authority Board Members
- B. Staff

8. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	05/08/2023
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Regular RIFA Meeting held on March 13, 2023.

ATTACHMENTS

Meeting Minutes – 03/13/2023

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 13, 2023

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:07 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 J. Lee Vogler, Jr., Sherman M. Saunders, and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Vice Chairman William V. Ingram, Robert Tucker and Alternate Darrell Dalton.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Interim County Administrator J. Vaden Hunt, City of Danville Chief Financial Officer Michael Adkins, City of Danville Accountant Tiffany Swanson-Jones, Pittsylvania County Director of Finance Kim Van Der Hyde, City of Danville Director of Economic Development Corrie Bobe, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, City of Danville Zoning Administrator Renee Burton, Legal Counsel to the Authority Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry, Linda Green from SVRA, and citizen Ken Bowman.

Chairman J. Lee Vogler, Jr., presided.

PUBLIC COMMENT PERIOD

Chairman Vogler recognized Ken Bowman who thanked the Board for letting him present his talking points last month, and he noticed in the minutes they were not attached; he spoke with the secretary who explained they were draft minutes, and the Board would get the comments. Mr. Bowman noted he would like a response back by at least the next meeting so he could see what the status was on those three. Mr. Bowman also thanked the Chairman for coming to a meeting this past week, speaking to the group of citizens in Chatham. Mr. Vogler stated the next agenda item was the approval of minutes from that meeting and Mr. Bowman was saying that within the minutes it did not include his remarks; Secretary to the Authority noted she would attach the comments to the minutes and that was what the Board would approve.

APPROVAL OF MINUTES OF THE FEBRUARY 13, 2023 REGULAR MEETING

Upon **Motion** by Mr. Tucker and **second** by Mr. Ingram, Minutes of the February 13, 2023 Regular Meeting, were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2023-03-13-5A APPROVING THE PROPOSED BUILDING IMPROVEMENTS AT 120 SLAYTON AVENUE

City of Danville Zoning Administrator, Renee Burton, explained she did a review of the Covenants for the exterior which was before the Board for approval. It shows EFIS panels, which were not generally acceptable materials, however, the review committee can still approve those if they choose. The rest of the items were brick and metal; metal, although not generally accepted in the Covenants, has been reviewed and accepted before. The EFIS was the only thing new and that was what was before the Board today if they choose to accept that material. Mr. Vogler asked if this was the kind of recommended ascetic for Economic

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Development and Ms. Bobe noted it was. It was fashioned very much after materials used in the surrounding buildings on the Institute's campus, such as Kyocera.

Mr. Saunders **moved** for adoption of *Resolution No. 2023-03-13-5A, approving the proposed building improvements to that certain part or parcel (PIN 78359), more commonly known as 120 Slayton Avenue, in the Authority's Cyber Park project located in Danville, Virginia, for the 30,000 square feet shell building. [No written Resolution.]*

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

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

5E. FINANCIAL STATUS REPORT AS OF FEBRUARY 28, 2023

Authority Treasurer Michael Adkins gave the Financial Status report as of February 28, 2023 starting with the \$7.3M Bonds for Cane Creek, which had no activity. Under General Expenditures for this fiscal year, RIFA paid Sellars Brothers \$4,512.50, legal expenses of \$12,474.50 to Christian & Barton, the installment payment on the annual audit of Brown Edwards of \$10,000, and RIFA also reimbursed the County and City for marketing expenses primarily related to Berry Hill; each locality received \$19,779.51. The monthly invoice for meals was \$635.80 and monthly utilities to the City of Danville were \$155.85. Under Funding Other than Bonds for Berry Hill, staff added an encumbrance for Amendment #35 with Dewberry of \$705,000; that was being funded with the VEDP grant. In addition to that, there was a payment to Dewberry for the ALTA Survey of \$21,950.00. Lot 4 Site Development had a check to Haymes Brothers in the amount of \$21,433.34; this was for the nineteenth payment for Lot 4. Lots 1 and 2 had a check to Dewberry Engineers for \$12,500.00 for work done under Amendment #30. Water and Sewer at Berry Hill had no expenditures for February, and Cyber Park Site Development had a check to Sellars Brothers for \$63,779.20 for work related to the grading of Lot 7B. Rent, Interest and Other Income show RIFA received the monthly rent from the Institute for the Hawkins' Building of \$21,846.50, the monthly payment of \$1,500 for storage rent from AEP and the money market interest for the month was \$158.57. Mr. Adkins noted on the interest, staff reached out to American National now that interest rates were quite a bit more than they were in the previous year, and renegotiated that interest rate on the money market accounts; they should see a substantial change in that next month. Under Miscellaneous Income, RIFA received five payments from Hopkins Lumber for the timber sales at Berry Hill for the month of February totaling \$168,440.58. Expenses this month included the payment to the Institute for Hawkins' Building maintenance of \$21,846.50.

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

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

6. CLOSED SESSION

At 12:16 p.m. Mr. Ingram **moved** that the Meeting of the Danville-Pittsylvania Regional

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Minutes

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Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

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

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects, located in Pittsylvania County, Virginia, and/or Danville, Virginia; and
- B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Southern Virginia Megasite at Berry Hill project, Cyber Park project and/or Cane Creek Centre project, where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2- 3705.1(8) (appraisals and cost estimates of real property in one or more of the Authority's projects subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and
- C. As permitted by Virginia Code § 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and
- D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel; and
- E. As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

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

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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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March 13, 2023

RETURN TO OPEN SESSION

On **Motion** by Mr. Saunders and **second** by Mr. Ingram and by unanimous vote at 1:40 p.m., the Authority returned to open meeting.

Mr. Ingram **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. Tucker and carried by the following vote:

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

7. COMMUNICATIONS

Mr. Guanzon noted he had an update on the Department of Historic Resources; they couldn't come to terms with the donation agreement with the state. Basically, they want RIFA to indemnify them that RIFA owns the artifacts, and they were collected in a certain way that met all the standards and regulations. Mr. Guanzon told them they could not indemnify them, and they said RIFA could take the items and donate them elsewhere. Mr. Guanzon noted he spoke with Mr. Harden from Dewberry, and staff, if there was a repository, museum or someone else they want to donate the items to. Mr. Harden explained there were components of all sorts of things, very few Indian, mostly pieces of pottery and glass. Mr. Guanzon stated they could be donated to the County museum or the City.

Ms. Bobe noted Mr. Larking and Mr. Hunt signed off on a \$2,600 invoice for lead and asbestos assessment for the house located in the Megasite. Staff would like to demolish this house; it has been sitting vacant for a number of years and the first step was to insure there were no environmental contaminants. Staff received that report and wanted to make the Board aware of the funding approved. Mr. Guanzon explained that was under the bylaws, the Board does not have to vote on this, staff just has to report on what they were doing.

Mr. Rowe explained logging has been going on at the Megasite, and RIFA has made close to \$1M from it. The loggers have asked whether or not RIFA would like for them to keep a crew onsite. Up to now, the agreements in place end at the end of March, and it was for land that was west of Trotter's Creek. The loggers asked if RIFA wanted them to go east of Trotter's

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Creek. Staff discussed this with Dewberry and it was probably in the best interest of RIFA to let the loggers continue; Brian Bradner of Dewberry noted his agreement. Mr. Rowe stated they would have Mr. Guanzon review it for legality, and have Mr. Larking and Mr. Hunt sign off on it.

Mr. Ingram thanked the staff for the work they do for RIFA.

Mr. Tucker noted his agreement, and thanked the staff for the wonderful work they do keeping the Board up to date on what was going on; their hard work was appreciated.

Mr. Dalton thanked the team for working together, doing a good job.

Mr. Saunders thanked the Board for what they do, and was feeling good about the direction RIFA was going.

Dr. Miller thanked staff for the work they were doing, and keeping RIFA out of trouble as well.

Mr. Vogler asked about the timeline for Tyson to be completed and Ms. Bobe noted the last she heard was end of the second quarter of this year, and Mr. Rowe stated he heard early fall, they have had some delays in construction.

Meeting adjourned at 1:49 p.m.

APPROVED:

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5A
Meeting Date:	05/08/2023
Subject:	Resolution 2023-05-08-5A
From:	Michael C. Guanzon, Esq., Legal Counsel to the Authority

SUMMARY

The Board will be asked to approve Resolution 2023-05-08-5A Appointing Stuart J. Turille, Jr., as the County Administrator Officer.

ATTACHMENTS

Resolution 2023-05-08-5A

A RESOLUTION APPOINTING STUART J. TURILLE, JR., AS THE COUNTY ADMINISTRATOR OFFICER 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 6 of Article VI of the Amended and Restated Bylaws of the Authority (the “**Bylaws**”), is required to appoint a County Administrator Officer (as defined in the Bylaws) in the event of a vacancy; and

WHEREAS, a vacancy in the office of County Administrator Officer occurred as of April 1, 2023, when the Board of Supervisors of Pittsylvania County, Virginia, appointed Stuart J. Turille, Jr., as the County Administrator of Pittsylvania County, Virginia, thereby succeeding J. Vaden Hunt, Esq. as the Interim County Administrator of Pittsylvania County, Virginia; and

WHEREAS, under paragraph 2 of Article VI of the Bylaws, the term of office of the County Administrator Officer (as defined in the Bylaws) shall be for the calendar year; and

WHEREAS, Stuart J. Turille, Jr., as county administrator for Pittsylvania County, Virginia, meets the County Administrator Officer Eligibility Criteria (as defined in the Bylaws), under paragraph 6(b) of Article VI of the Bylaws.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Board hereby appoints Stuart J. Turille, Jr., to serve the Authority in the office of County Administrator Officer and to have such powers and duties as prescribed to that person by the Bylaws.

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 regular meeting duly called and held on May 8, 2023, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 8th day of May 2023.

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

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5B
Meeting Date:	05/08/2023
Subject:	Resolution 2023-05-08-5B
From:	Matthew D. Rowe, Director of Economic Development, Pittsylvania County

SUMMARY

The Board will be asked to approve Resolution 2023-05-08-5B Authorizing Execution of a Performance Agreement for Lots 1 and 2 at the SVM.

ATTACHMENTS

Resolution 2023-05-08-5B

Exhibit

A RESOLUTION AUTHORIZING THE CHAIRMAN OF THE AUTHORITY TO EXECUTE A PERFORMANCE AGREEMENT FOR A \$1,500,000.00 VBRSP SITE DEVELOPMENT GRANT FROM THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FOR THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL LOTS 1 AND 2 PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, IN FURTHERANCE OF RESOLUTION NO. 2022-05-08-5C

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

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

WHEREAS, pursuant to Resolution No. 2022-05-08-5C, the Authority authorized the execution of that certain Engagement Letter from Troutman Pepper Hamilton Sanders LLP, a Georgia limited liability partnership ("**TroutmanPepper**") for certain special legal services for the Authority's Southern Virginia Megasite at Berry Hill project regarding environmental permit applications (the "**Project**"); and

WHEREAS, in furtherance of the Project and as a requirement for a \$1,500,000.00 grant from the Virginia Economic Development Partnership ("**VEDP**"), commonly known as the VBRSP Site Development Grant, the Authority has determined that the terms and conditions of a Performance Agreement with VEDP, substantially in the form attached hereto as **Exhibit A**, incorporated herein by this reference (the "**VBRSP Site Development Grant Performance Agreement**"), are reasonable and appropriate, including the following minimum provisions:

- (i) the Authority would be awarded a Virginia Business Ready Site Program Grant ("**VBRSP Grant**") of up to \$1,500,000.00 to assist with the costs associated with preparing and positioning a potential site for selection and development by prospective economic development projects;
 - (ii) the VBRSP Grant would be disbursed to the Authority in quarterly installments; and
 - (iii) the Authority would provide a local match to the VBRSP Grant (the "**Local Match**") equal to \$495,000.00, to be funded by an equal contribution from the City and the County
- ; and

WHEREAS, the Authority's Board of Directors has determined that it is in the best interests of the Authority and the citizens of the City and the County for the Authority to enter into the VBRSP Site Development Grant Performance Agreement.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes and approves the negotiation, and subject to approval and modification by the Authority's legal counsel as to legal form, and to the Authority's actual receipt of the Local Match funds from the City and the County, the execution and delivery of the VBRSP Site Development Grant Performance Agreement with VEDP, as described in this Resolution and substantially in the form set forth in **Exhibit A**, each of the Authority's Chairman and Vice Chairman, in consultation with each other, is authorized to further modify the VBRSP Site Development Grant Performance Agreement 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 VBRSP Site Development Grant Performance Agreement, and all other related documents to consummate the transaction, on behalf of the Authority, such execution of the VBRSP Site Development Grant Performance Agreement, 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 VBRSP Site Development Grant Performance Agreement, 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 VBRSP Site Development Grant Performance Agreement and the matters contemplated therein or related thereto on or before the date of this Resolution is adopted.

4. This Resolution shall take effect immediately upon its adoption

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on May 8, 2023, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority as of the 8th day of May 2023.

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

(SEAL)

Exhibit A

(Form of VBRSP Site Development Grant Performance Agreement)

VIRGINIA BUSINESS READY SITE PROGRAM GRANT

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the “Agreement”) made and entered this 1st day of May, 2023, by and among the **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY** (“the Grantee”), a political subdivision of the Commonwealth (“the Commonwealth”), and the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY** (“VEDP”) (together with the Grantee, “the Parties”), a political subdivision of the Commonwealth.

1. Definitions.

For the purposes of this Agreement, the following terms shall have the following definitions:

“Grant” means a grant awarded from the Virginia Business Ready Sites Fund, established pursuant to § 2.2-2240.2:1 of the Code of Virginia.

“Performance Date” means October 1, 2023.

“Project” means the Site work for which the Grant was awarded.

“RFP” means a request for proposal issued pursuant to the Virginia Public Procurement Act (§ 2.2-4300 *et seq.* of the Code of Virginia).

“Scope of Work” means the scope of work, project timeline, and project budget summarized, collectively, in Attachment A.

“Site” means the Southern Virginia MegaSite Lots 1 and 2 at 6100 Berry Hill Road in Danville, Virginia.

“Tier Level” means a site’s designated VBRSP level of readiness for marking and economic development purposes.

“VBRSP” means the Virginia Business Ready Sites Program (“VBRSP”), established pursuant to § 2.2-2240.2:1 of the Code of Virginia.

2. Award of Grant.

The Grantee has been awarded a Grant of and expects to receive \$1,500,000 through VEDP for the purpose of due diligence and site characterization of the Site. The Grant is awarded in accordance with the VBRSP, and receipt of the Grant is subject to the terms and conditions set forth herein. The proceeds of the Grant shall be used to reimburse the Grantee for necessary and reasonable costs expended in connection with the Scope of Work, and shall not be used for any other purposes.

3. Local Match.

As a condition of receipt of the Grant, the Grantee shall be required to provide a local match at least equal to 33 percent of the amount of the Grant disbursed. Such match shall be paid towards the costs of the Scope of Work on or before the Performance Date. Additionally, the Grantee shall be responsible for any costs necessary to complete the Scope of Work not covered by the proceeds of the Grant, any costs incurred due to changes not approved pursuant to Section 4 of this Agreement, and any costs associated with the reporting required by this Agreement.

4. Scope of Work.

Only expenditures set forth in the Scope of Work shall be considered eligible expenses that may be reimbursed by VEDP from the Grant. The Grantee shall notify VEDP immediately if it determines that there will likely be changes to the Scope of Work.

The Grantee shall submit proposed changes to the Scope of Work using the form in Attachment B. The Scope of Work shall only be amended upon agreement of both parties, in writing, prior to the commencement of the work related to the change. Grant Funds shall not be used to reimburse the Grantee for any work commenced prior to an approved change in the Scope of Work. All agreed upon changes to the Scope of Work shall be incorporated into this Agreement and shall be subject to all terms and conditions set forth herein.

The total amount of the Grant awarded to the Grantee shall not be subject to amendment. However, the Grantee shall notify VEDP immediately if it reasonably determines that cost increases will prohibit the completion of the agreed upon Scope of Work.

5. Progress Meetings.

The Grantee and VEDP shall meet regularly throughout the Project to discuss Project progress. The agendas for such meetings shall include discussions of the work accomplished since the previous progress meeting, the detailed look-ahead schedule of work planned through the next progress meeting, the overall Scope of Work, potential delays or impediments to the completion of the Project by the Performance Date, applications for progress payments, any questions raised by either Party, and any other issues deemed relevant or necessary by the Parties. Such meetings may be held at the request of the Grantee or VEDP. In lieu of a progress meeting, VEDP may request a progress report documenting the agenda topics typically discussed in the progress meetings.

6. Time of Completion.

The Parties agree that time is of the essence in completing the Scope of Work, and the Grantee shall be responsible for completing the Scope of Work on or before the Performance Date. The Performance Date contemplates ordinary delays for construction work, and such ordinary delays shall not relieve the Grantee from the obligation to complete the Scope of Work by the Performance Date. For extraordinary delays, aside from events of force majeure as set forth in Section 20(f) of this agreement, the Grantee shall submit in writing to VEDP a request for an extension of time of the Performance Date. Any such request shall set forth the particulars of the cause and details of the delay, and include documentation supporting the request. If VEDP determine that the request is reasonable, it may, in writing, grant an extension of the Performance Date set forth in this Agreement.

7. Performance.

The Grantee shall comply with the applicable provisions of the Virginia Public Procurement Act as set forth in Chapter 43 of Title 2.2 (§ 2.2-4300 et seq.) of the Code of Virginia. The Grantee is ultimately responsible for selecting responsive, qualified bidders to complete the Scope of Work; however, the Grantee shall not issue an RFP until VEDP has reviewed and approved such RFP to ensure alignment with the Scope of Work.

Responsive contractors selected to complete the work set forth in the Scope of Work shall be licensed and bonded, and shall have performed three projects over the last ten years of similar size and complexity. The Grantee shall require any responsive bidder to the RFP to supply to the Grantee, upon request, the

details of such projects, including scope of work, location, period of performance and contract amount, as well as references for such projects.

8. Access to Site.

Representatives of VEDP shall have access to the Site at reasonable times for their observation, inspection, and testing. The Grantee shall provide proper and safe conditions for such access.

9. Inspections.

If the Scope of Work, or any relevant federal, state, or local laws, regulations, or ordinances, requires any part of the work to be inspected, tested, or approved, the Grantee shall assume full responsibility for arranging for and obtaining such inspections, tests, or approvals, and shall furnish VEDP with certificates of completed inspections, tests, or approvals. The Grantee shall provide VEDP with at least three-days' notice of the planned schedule for all inspections, tests, and approvals, unless circumstances reasonably require less than three-days' notice. In accordance with Section 8, VEDP shall be granted access to the Site to observe inspections, tests, and approvals.

10. Progress Payments and Reports.

- (a) The Grantee shall submit quarterly requests for reimbursement, using the form attached as Exhibit C, beginning with the request due October 1, 2023. Subsequent requests shall be due on the first day of January, April, and July for the duration of the project until the final request for reimbursement is submitted pursuant to subsection 13. The Grantee shall provide receipts with sufficient detail as to allow VEDP to identify goods and services for which reimbursement is requested based upon the Scope of Work. VEDP may request any additional documentation reasonably necessary to authorize reimbursement.
- (b) If payment is requested for materials and equipment not incorporated into the work completed to date, but delivered and suitably stored at the Project site or at another location agreed to by the Grantee and a contractor in writing, the request for reimbursement shall be accompanied by a bill of sale, invoice, or other documentation warranting that the Grantee has received the materials and equipment free and clear of all liens. In receiving such materials, the Grantee shall ensure that the materials and equipment are covered by appropriate property insurance.
- (c) Within 10 business days of receipt of a request for disbursement, VEDP shall indicate in writing the acceptance of the application and state that the request is being processed for payment, or return the request to the Grantee indicating, in writing, the reasons that the request is being rejected. If the request is deemed acceptable, VEDP shall submit approved reimbursements for payment within 30 days of receipt of the request.
- (d) VEDP may reject a request for reimbursement for failure to provide substantive documentation for the requested reimbursement, or may refuse to make the entire reimbursement, or a portion thereof, to the extent that VEDP is made aware that construction has been found to be defective, or completed construction has been damaged and requires correction or replacement. VEDP shall promptly pay the amount of reimbursement withheld when Grantee remedies the situation that required the withholding.

- (e) VEDP may withhold up to five percent from each application for payment as retainage. Such amount shall be included in the final payment after completion of the Scope of Work.
- (f) The Grantee shall submit a progress report along with each request for a progress payment, using the form attached as Exhibit D. The report shall outline progress to-date and progress towards milestones set forth in the Scope of Work, and shall include photographs of the progress at the Site, copies of any inspections completed since the previous progress report, proof that suppliers were paid, and copies of contractor invoices. If the Grantee does not have any expenses to for which to request a reimbursement at the time that such a request is due pursuant to subsection (a), the Grantee shall still be required to submit a report pursuant to this Section, and shall explain in the report why there are no expenses reported for the prior quarter.

11. Substantial Completion.

When the Grantee considers the Project complete, the Grantee shall notify VEDP in writing that the work is substantially complete, except for any items specifically noted by Grantee to be incomplete, and shall request that VEDP issue a certificate of substantial completion. Promptly thereafter, VEDP and the Grantee shall inspect the work to determine the status of completion. If VEDP does not consider the work to be substantially complete, it shall notify the Grantee in writing, providing the reasons for the determination. If VEDP considers the work to be substantially complete, it shall issue a certificate of substantial completion, which shall fix the date of substantial completion, and shall provide, in writing, a list of items to be completed or corrected before final payment will be issued.

12. Final Inspection.

Upon written notice from the Grantee that the Scope of Work is complete, including the correction or completion of any items noted with the certificate of substantial completion issued pursuant to Section 11, VEDP shall make a visual inspection of the site. VEDP shall notify the Grantee of any issues revealed by the visual inspection to be incomplete or defective. Such visual inspection shall not replace any federal, state, or locally-mandated inspections.

13. Final Reimbursement.

After the Grantee has completed all corrections to the satisfaction of VEDP and delivered all required documentation, the Grantee may make application for final payment following the procedure for progress payments. The total aggregate amount of payments made to the Grantee shall not exceed \$1,500,000. If the total amount expended by the Grantee that is eligible for reimbursement is less than \$1,500,000, the Grantee shall only be entitled to payment equal to its actual expenses. If VEDP is satisfied that the Grantee has completed the Scope of Work and all other obligations under this Agreement have been fulfilled, VEDP shall, within 10 days of receipt of the final application for payment, provide notice to the Grantee that the work is acceptable and shall submit approved reimbursements for payment within 30 days of receipt of the request. Otherwise, VEDP shall indicate in writing the reasons for refusing to process the final grant payment, in which case the Grantee shall make the necessary corrections and resubmit the application.

14. Final Performance Report.

Within 30 days after the Performance Date, or the date of the completion of the Scope of Work if prior to the Performance Date, the Grantee shall submit a Final Performance Report, using the form attached as Exhibit E. The Final Performance Report shall include the following information:

- i. A summary of the work accomplished through the expenditure of the proceeds of the Grant;
- ii. A summary of any changes to the Scope of Work approved during the performance period, with an explanation of each such change;
- iii. If applicable, documentation confirming that the costs of the Scope of Work were less than anticipated, with an indication of the amount of the Grant proceeds not to be disbursed;
- iv. Documentation identifying and confirming that the required local cash match has been provided in full, or, if such match has not been provided in full, the reduction of the amount of the Grant necessary to achieve the required local cash match;
- v. Copies of all analyses, reports, and inspections related to the Scope of Work;
- vi. A letter from a licensed engineer or equivalent who has inspected the Site after completion of the Scope of Work indicating that the Site's Tier Level has increased, or, if it did not increase, establishing that it has advanced towards the next Tier Level and indicating what steps would be necessary to advance to such Tier Level; and
- vii. Plans for marketing the Site and a description of any new interest in the Site from prospective economic development projects.

The final payment due under this Agreement shall not be made unless and until such Performance Report is submitted in a timely manner.

15. Adjustments and Repayment.

The Grantee shall make any repayment due under this Section within 60 days of receipt of written notice from VEDP that repayment is due.

Repayment shall be required under any of the following circumstances:

- (a) If the Final Report indicates, or evidence reveals, that the local match actually provided is less than the required level of local match as set forth in Section 3 of this Agreement, the amount of the Grant shall be reduced by the amount necessary for the actual local match to reach the required level. If the Grant was previously disbursed, the Grantee shall repay to VEDP the amount necessary to make the local cash match actually provided equal the required level of the local match.
- (b) If VEDP reasonably determines that the Grantee is unable or unwilling to complete the Scope of Work by the Performance Date, VEDP may terminate this Agreement by delivering written notice of termination to the Grantee, and in such case the Grantee may, at the discretion of VEDP, be required to repay all or a portion of the Grant proceeds disbursed.

16. Termination of Agreement.

VEDP may terminate this agreement for cause. Cause will be justified if the Grantee fails to perform the work in accordance with the Scope of Work, including failure to ensure sufficient skilled workers, failure to abide by industry standards, failure to obtain suitable materials or equipment, or failure to adhere to the progress scheduled established under the Scope of Work (as it may be amended pursuant to this agreement). VEDP shall notify the Grantee in writing of the intent to terminate. The Agreement shall not be terminated if the Grantee sends written notice to VEDP within seven days of receipt of the intent to terminate, and begins, within those seven days, to correct its failure to perform and proceeds diligently to cure such failure within 30 days of receipt of the notice of intent to terminate. If the Agreement is

terminated under this agreement, the Grantee shall not be entitled to receive any further payment, and may be required to repay pursuant to Section 15(b) of this Agreement any Grant amounts previously received.

17. Stop Work.

If, through no act or fault of the Grantee, progress towards completion of the Scope of Work is suspended for a period of more than 90 days by VEDP or under an order of a court or other local, state, or federal legal authority, this Agreement may be terminated upon written agreement of the Parties. If the Agreement is terminated pursuant to this section, the Grantee shall be entitled to receive Grant payments equal to the costs incurred by the locality pursuant to the Scope of Work as of the day of the termination.

18. Notices.

Formal notices and communications between the parties shall be given either by (i) personal service, (ii) delivery by a reputable document delivery service that provides a receipt showing date and time of delivery, (iii) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (iv) delivery by electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed as noted below. Notices and communications personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices and communications mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices and communications delivered by email shall be deemed effective the next business day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices and communications shall be addressed to:

if to the Grantee, to:

County of Pittsylvania, Virginia
Department of Economic Development
Post Office Box 425
Chatham, Virginia 24531
Email: Matthew.Rowe@pittgov.org
Attention: Matthew Rowe, Economic
Development Director

if to VEDP, to:

with a copy to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Richmond, Virginia 23219
Email: mdreiling@vedp.org
Attention: Michael Dreiling, Vice President,
Real Estate Solutions

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Richmond, Virginia 23219
Email: generalcounsel@vedp.org
Attention: General Counsel

Each party may change the address for service of notice upon it by a notice in writing to the other parties hereto.

19. VEDP Not Responsible for Infrastructure Improvement.

The Grantee acknowledges and agrees that VEDP bears no responsibility for work performed related to due diligence, site characterization, or site development of the Site. VEDP shall not be liable to any contractor, subcontractor, supplier, laborer, architect, engineer, tenant, or other party for services performed or materials supplied in connection with any work performed related to due diligence, site characterization, or site development. VEDP shall not be liable for any debts or claims accruing in favor of any such parties against the Grantee or others or against any improvements made on the Site. VEDP shall not be an agent of the Grantee for any purposes and the Grantee shall not be deemed partners or joint venturers with VEDP. VEDP shall not be deemed to be in privity of contract with any contractor or provider of services related to site characterization or site development. VEDP shall have no liability, obligation, or responsibility whatsoever with respect to due diligence, site characterization, or site development activities. Any inspections of the site improvements made by or through VEDP are solely for purposes of administration of the Grant, and neither the Grantee or any third party is entitled to rely upon the same with respect to the quality, adequacy, or suitability of materials or workmanship, conformity with the plans and specifications, state of completion, or otherwise.

20. Miscellaneous.

- (a) This Agreement constitutes the entire agreement among the parties hereto as to the Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Grantee may not assign its rights and obligations under this Agreement without the prior written consent of VEDP.
- (b) This Agreement is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.
- (c) This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.
- (d) If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.
- (e) Attorney's fees shall be paid by the party incurring such fees.

- (f) Notwithstanding the foregoing provisions of this Agreement, if the Grantee does not complete work on the Project by the Performance Date or take any action required under this Agreement because of an “Event of Force Majeure” (as defined below), the time for achieving the applicable Target or taking such action will be extended day-for-day by the delay in meeting the applicable Target or taking such action caused by the Event of Force Majeure. “Event of Force Majeure” means without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; act of public enemies; orders of any kind of the government of the United States of America or of the Commonwealth or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.
- (g) If the Site subject to the Project is privately owned or otherwise not under the ownership and control of the Grantee, the Grantee shall provide evidence to VEDP prior to the start of work that the Grantee has obtained the necessary property interest in the land on which the Scope of Work is to be performed. If failure to provide such evidence results in a delay of the start of Work, the Grantee shall have no claim for compensation or additional damages on account of such delay, but shall be entitled to request an extension of the Performance Date as set forth in Section 6.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

**DANVILLE-PITTSYLVANIA REGIONAL
INDUSTRIAL FACILITY AUTHORITY**

By _____
Name: _____
Title: _____
Date: _____

**VIRGINIA ECONOMIC
DEVELOPMENT PARTNERSHIP
AUTHORITY**

By _____
Name: _____
Title: _____
Date: _____

Attachment A:	Scope of Work
Attachment B:	Change Order Form
Attachment C:	Progress Payment Application
Attachment D:	Progress Report
Attachment E:	Final Performance Report

EXHIBIT A

SCOPE OF WORK

Danville-Pittsylvania Regional Industrial Facility Authority was granted \$1,500,000 during the FY 2023 round of Virginia Business Ready Sites Program. The Authority will utilize VBRSP funding to address critical path items needed for regulatory approval for site readiness. The project scope of services includes legal assistance and strategy for US Army Corp permit review, cultural and historic resources work required for US Army Corp permit, endangered species report and work required for US Army Corp permit, mitigation concept plan for on and offsite Waters of the US from RES, and application preparation and submission to the US Army Corp of Engineers.

Budget

Critical regulatory items

Expenditure Description	Grant Funding Request	Matching Source 1	Total
		Name:	
		Danville-Pittsylvania RIFA	
		Source Type:	
		Previous Expenditures \$1,500,000	
Troutman Pepper Legal review and advice on environmental permit strategy and documentation for ACOE	\$50,000		\$50,000
Cultural and Historic Resources – Technical Review Meeting with DHR Threatened and Endangered Species Report Update Work for Final ACOE Permit	\$705,000		\$705,000
RES Onsite Mitigation Concept Plan (PRM Onsite)	\$186,000		\$186,000
RES Offsite Mitigation Concept Plan (PRM Offsite)	\$300,000		\$300,000
ACOE Permit Application Preparation and Submission	\$259,000		\$259,000
Totals	\$1,500,000	\$0	\$1,500,000

Deadlines

The following Schedule lists the target dates and performance milestones for the preparation and delivery of the Scope of Work.

Performance Milestone (Due Diligence and Design)	Target Delivery Date
Signed Performance Agreement	0
Project Start	+3 weeks
Draft Deliverable	+3 months
Final Completion	+4 months
Financial Closeout (Performance Date)	+7 months

EXHIBIT B

CHANGE ORDER FORM
VIRGINIA BUSINESS READY SITES PROGRAM

This is a request for a change to the Scope of Work document in the performance agreement for the grant funding from the Virginia Business Ready Site Program (VBRSP) Site Development Grant. We (grantee and property owner) acknowledge that the grant funding amount will not increase due to any cost change represented here and any additional cost accrued due to this change is our (the grantee and property owner) responsibility. Any change in cost requires the funding source is identified to VEDP; any additional funding will not result in any additional fees. The request for change in scope does not automatically mean the change to the scope of work is approved.

Change Order No. _____

Date of Issuance: _____

Site Name: _____

Grantee: _____

Grantee Contact Name: _____

Address: _____

Grantee Phone: _____

Grantee Email: _____

The Scope of Work is modified as follows upon execution of this Change Order:

Description/Reason for Change: _____

Benefits of Change: _____

Cost of Not Doing the Change: _____

Attachments: *[List documents supporting change]*

CHANGE IN SCOPE OF WORK COST	CHANGE IN SCOPE OF WORK TIMELINE <i>[note changes in Milestones if applicable]</i>
Original Price: \$ _____	Original Timeline: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
Price prior to this Change Order: \$ _____	Contract Times prior to this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
[Increase] [Decrease] of this Change Order: \$ _____	[Increase] [Decrease] of this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
New Price incorporating this Change Order: \$ _____	Contract Times with all approved Change Orders: Substantial Completion: _____ Ready for Final Payment: _____ days or dates

RECOMMENDED:

By: _____ By: _____
Engineer/Contractor

Title: _____ Title: _____
Date: _____ Date: _____

Approved by VEDP:

By: _____ Date: _____
Title: _____

ACCEPTED:

Grantee (Authorized Signature)

EXHIBIT C

PROGRESS PAYMENT AND REMITTANCE FORM
VIRGINIA BUSINESS READY SITES PROGRAM

Cover Sheet Sample:

EXHIBIT C						
Site Name						
Grantee						
Grantee Point of Contact						
Point of Contact Phone						
Point of Contact Email						
Description of Expense/Invoice	Vendor	Documentation Submitted	Date of Expense/Invoice	Invoice Total	Amount Requested from BRSP	Amount Documented as Match

Transmission Log Sample:

VIRGINIA BUSINESS READY SITE PROGRAM						
Transaction/Invoice	VBRSP Budget (\$)	Previously Paid (\$)	Available Funds (\$)	VEDP Request (\$)	Total Paid After Remittance	
	\$ -		\$ -		\$	-
	\$ -		\$ -		\$	-
	\$ -		\$ -		\$	-
	\$ -		\$ -		\$	-
	\$ -		\$ -		\$	-
	\$ -		\$ -		\$	-
	\$ -		\$ -		\$	-
	\$ -	\$ -	\$ -	\$ -	\$	-
	Total Award	Total Paid	Total Available	Total Requested	Total Paid After Remittance	
MATCHING FUNDS						
Expenditure Category	Other Funding: Committed Match (\$)	Other Funding: Previous Match (\$)	Other Funding: Current Match (\$)	Other Funding: Total Match (\$)		
	\$ -		\$	\$ -		
	\$ -		\$	\$ -		
	\$ -		\$	\$ -		
	\$ -		\$	\$ -		

EXHIBIT D

PROGRESS REPORT FORM
VIRGINIA BUSINESS READY SITES PROGRAM

PROJECT SUMMARY:

Project	
Grantee	
Performance Date	

SUMMARY OF SCOPE OF WORK

- 1) Provide a brief description of the current stage of project and any completed work with the BRSP funds or matching funds to date.
- 2) Please include a percentage of the project completed to date.
- 3) What are the immediately planned works?
- 4) Has the site been successfully marketed to a new economic development prospect and generated any additional private investment and job creation?
- 5) What is required next to complete all tasks by Performance Date?

TO BE CERTIFIED BY AN OFFICER OF THE GRANTEE:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Grantee: _____

By: _____

Name: _____

Title: _____

Date: _____

Please return to: Leah P. Harrison, Grants Manager – Incentives - Virginia Economic Development Partnership, 804.213.6682, lharrison@vedp.org.

EXHIBIT E

FINAL REPORT FORM
VIRGINIA BUSINESS READY SITES PROGRAM

PROJECT SUMMARY:

Project	
Grantee	
Performance Date	

PROJECT PERFORMANCE:¹

Performance Measurement	Pre-Award	Post Award
Contiguous Acreage		
Zoning		
Site Tier: ²		
Project Cost		

¹ Final, actual performance will be reported on VEDP’s public reporting website.

² Attach the site’s updated Characterization Letter.

Project Investment Breakdown	Amount
Total BRSP Funds Expended	\$
Total Match Expended	
Total Project Investment	\$

Total linear feet of ROW acquired	
Total linear feet of gas line constructed	
Total linear feet of water line constructed	
Total linear feet of sewer line constructed	
Total linear feet of rail line constructed	
Total linear feet of electrical line constructed	
Linear feet of road constructed	
Acreage of pad created	
Total increase in natural gas capacity (above starting)	
Total increase in water capacity (above starting)	
Total increase in sewer capacity (above starting)	
Total increase in electrical capacity (above starting)	
Engineering studies and reports completed	
Other work completed (Such as buildings demolished, water tanks constructed, traffic light installation, etc.)	

1) Provide a brief description of the full scope of work completed with the BRSP funds.

- 2) **Please provide a brief description of the full scope of work completed with matching funds, if scope differs from BRSP.**

- 3) **What was the biggest obstacle to project completion?**

- 4) **What additional scope of work, if any, is required to advance sire readiness? Has any funding been identified for this scope of work?**

- 5) **Please describe any additional prospect activity that has occurred during or since the project.**

TO BE CERTIFIED BY AN OFFICER OF THE GRANTEE:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Grantee: _____

By: _____

Name: _____

Title: _____

Date: _____

Please return to: Leah P. Harrison, Grants Manager – Incentives - Virginia Economic Development Partnership, 804.213.6682, lharrison@vedp.org.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	05/08/2023
Subject:	Resolution 2023-05-08-5C
From:	Michael C. Guanzon, Esq.

SUMMARY

The Board will be asked to approve Resolution 2023-05-08-5C Approving the Selection of Troutman Pepper Hamilton Saunders as Special Counsel to the Authority.

ATTACHMENTS

Resolution 2023-05-08-5C

A RESOLUTION APPROVING THE SELECTION OF TROUTMAN PEPPER HAMILTON SANDERS LLP AS SPECIAL COUNSEL TO THE AUTHORITY REGARDING THE AUTHORITY’S ENVIRONMENTAL PERMIT APPLICATION FOR THE AUTHORITY’S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, WHERE SUCH FEES PAID TO SPECIAL COUNSEL WILL BE REIMBURSED FROM VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP VIRGINIA BUSINESS READY SITES PROGRAM GRANT FUNDS

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

WHEREAS, as part of the Authority’s Southern Virginia Megasite at Berry Hill project (“**SVM**”) located in Pittsylvania County, Virginia, the Authority’s contracted engineers, Dewberry Engineers Inc., a New York corporation (“**Dewberry**”) are preparing environmental permit applications (the “**Applications**”) to be submitted to the United States Army Corps of Engineers; and

WHEREAS, the Virginia Economic Development Partnership (“**VEDP**”) is requiring the Authority to hire special counsel to review and advise on the Applications; and

WHEREAS, the Authority has selected Troutman Pepper Hamilton Sanders LLP, a Georgia limited liability partnership (“**TroutmanPepper**”), to act as special counsel to the Authority regarding the Applications; and

WHEREAS, TroutmanPepper has provided an engagement letter (the “**Engagement Letter**”) to act as special counsel to review and advise on the Applications, and the Authority desires to accept the Engagement Letter, subject to review and modifications by the Authority’s legal counsel; and

WHEREAS, under the Engagement Letter, the professional services by TroutmanPepper are generally described as “reviewing and advising on environmental permitting documentation associated with the Southern Virginia Megasite at Berry Hill”, with such professional services billed at an hourly rate of \$700.00, and a maximum budget equal to \$25,000.00 (“**TroutmanPepper Funding**”); and

WHEREAS, the Authority's Treasurer, as fiscal agent of the Authority, has determined that TroutmanPepper Funding is available within a line item previously approved by the Authority as “Southern Virginia Megasite - Funding Other Than Bonds”; and

WHEREAS, the Authority intends to apply for a Virginia Business Ready Sites Program grant (“**VBRSP Grant**”), where a portion of such VBRSP Grant funds, if received

Resolution No. 2023-05-08-5C

by the Authority, will be used to reimburse the Authority for TroutmanPepper Funding;
and

WHEREAS, the Authority's Board of Directors has determined that it is in the best interests of the Authority and the citizens of the City of Danville, Virginia and the County of Pittsylvania, Virginia, and in furtherance of the development and marketing of SVM, for the Authority to approve, to execute and to deliver the Engagement Letter with TroutmanPepper, consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the execution and delivery of the Engagement Letter with TroutmanPepper, subject to the approval by legal counsel to the Authority as to legal form. The Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, in consultation with the other, to further negotiate and amend the Engagement Letter, on behalf of the Authority, consistent with this Resolution and as approved by legal counsel to the Authority as to legal form, such execution of any such amendments by the Chairman (or Vice Chairman as the case may be) to conclusively establish the approval of any such amendments as consulted by and between the Chairman and Vice Chairman.

2. The Authority hereby authorizes and directs the City Manager Officer, the County Administrator Officer, 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 Engagement Letter, 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 Engagement Letter and the matters contemplated therein or related thereto on or before the date of this Resolution is adopted.

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

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on May 8, 2023, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority as of the 8th day of May 2023.

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

(SEAL)

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5D
Meeting Date:	05/08/2023
Subject:	Resolution 2023-05-08-5D
From:	Mr. Bradner

SUMMARY

The Board will be asked to approve Resolution 2023-05-08-5D Approving Amendment No.35-A with Dewberry Engineers.

ATTACHMENTS

Resolution 2023-05-08-5D

Exhibit

A RESOLUTION APPROVING AMENDMENT NO. 35-A, DATED MAY 1, 2023, WITH DEWBERRY ENGINEERS INC., A NEW YORK CORPORATION, FOR ENGINEERING SERVICES RELATED TO THE MEGA PARK MASTER PLAN SOUTHERN VIRGINIA MEGASITE AT BERRY HILL, TO PROVIDE DUE DILIGENCE SERVICES FOR THE AUTHORITY’S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, AT A LUMP SUM AGGREGATE FEE OF \$732,000.00

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, the Authority, under Resolution No. 2023-02-13-5A approved that certain Amendment No. 35 dated January 31, 2023 (“**Amendment No. 35**”), to Contract dated February 9, 2009 with Dewberry Engineers Inc., a New York corporation (“**Dewberry**”), for certain professional engineering services to include project development coordination, cultural resources and mussel and fish surveys, to further develop the Authority’s Southern Virginia Megasite at Berry Hill project (the “**SVM**”), located in Pittsylvania County, Virginia; and

WHEREAS, Dewberry has presented that certain Amendment No. 35-A, dated May 1, 2023 (“**Amendment No. 35-A**”) to Contract dated February 9, 2009, a copy of which is attached as **Exhibit A**, incorporated herein by this reference; and Amendment No. 35-A would serve as an addendum to Amendment No. 35, for additional services of drafting, reviewing and coordinating of a previously prepared Joint Permit Application for an expansion of the existing graded pad area (200 acres±) to approximately 700± graded pad acres, at an additional lump sum of \$27,000.00; and

WHEREAS, the professional services by Dewberry under Amendment No. 35 as supplemented by Amendment No. 35-A would be provided at the following fees:

Item	Description	Fee
Item 1	Project Development Coordination	\$25,000.00
Item 2	Draft JPA Update, Review and Coordination	\$27,000.00
Item 3	Cultural Resources	\$615,000.00
Item 4	Mussel and Fish Surveys	\$65,000.00
TOTAL		\$732,000.00

, referred to herein as (“**Amendment No. 35-A Funding**”) as more particularly described in Amendment No. 35-A; and

WHEREAS, the Authority's Treasurer, as fiscal agent of the Authority, has determined that Amendment No. 35-A Funding is available within a line item previously approved by the Authority as “**Mega Park – Funding Other than Bond Funds**”, which is an increase of \$27,000.00 from Amendment No. 35; and

Resolution No. 2023-05-08-5D

WHEREAS, the Authority has hereby determined, in open session, that Amendment No. 35-A, 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 and approve the negotiation, execution and delivery of Amendment No. 35-A, as applicable, consistent with this Resolution and subject to the approval by legal counsel to the Authority as to legal form.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby approves negotiation, execution and delivery of Amendment No. 35-A, subject to the approval by legal counsel to the Authority as to legal form. The Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, in consultation with the other, to further negotiate and amend Amendment No. 35-A, on behalf of the Authority, consistent with this Resolution and as approved by legal counsel to the Authority as to legal form, such execution of any such amendments by the Chairman (or Vice Chairman as the case may be) to conclusively establish the approval of any such amendments.
2. Authority hereby authorizes and directs the City Manager Officer, the County Administrator Officer, and the Authority’s 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. 35-A, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions; however, such authorization shall be subject to the same approval by legal counsel to the Authority as set forth above.
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. 35-A 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 May 8, 2023, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 8th day of May 2023.

SUSAN M. DeMASI

Secretary, Danville-Pittsylvania Regional Industrial
Facility Authority

(SEAL)

Resolution No. 2023-05-08-5D

Exhibit A

(Amendment No. 35-A)



Dewberry Engineers Inc. | 434.797.4497
551 Piney Forest Road | 434.797.4341 fax
Danville, VA 24540 | www.dewberry.com

May 1, 2023

Deleted: January 31

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Mr. Lee Vogler
Chairman
Danville-Pittsylvania Regional Industrial Facility Authority (RIFA)
P.O. Box 3300
Danville, Virginia 24543

**RE: Amendment #35-A for Engineering Services Related to the Mega Park Master Plan
Southern Virginia Megasite at Berry Hill - Due Diligence**

Dear Chairman Vogler,

Dewberry Engineers Inc. (Dewberry) appreciates the opportunity to assist the Danville-Pittsylvania Regional Industrial Facility Authority (RIFA) with continued due diligence and marketing of the Southern Virginia Megasite at Berry Hill (SVMS). We understand the additional services described within will be funded through a Virginia Business Ready Sites Fund Grant.

SCOPE OF SERVICES

Dewberry proposes to provide the following Scope of Services:

1. Project Development Coordination

- a. Mitigation Consultant: Dewberry will assist RIFA in selecting a mitigation consultant to develop and implement Permittee-Responsible Mitigation (PRM) for stream and wetland mitigation needs and nutrient credits for stormwater management at the SVMS. Following selection, we will coordinate with the mitigation consultant on anticipated mitigation requirements, review and offer comments on the mitigation solutions versus potential development scenarios and attend meetings and conference calls (estimate 10 meetings), as requested by RIFA.
- b. Contractor Solicitation Assistance: Dewberry will assist RIFA in soliciting and selecting a contractor to perform mass grading at SVMS; specifically, one very experienced in heavy earthwork and excavation. Assistance may include informal inquiries and/or formal requests and review of contractor submitted qualifications. Selection emphasis will be placed on experience, equipment, staffing, and ability to mobilize and meet expedited timelines.

2. Draft JPA Update, Review, and Coordination

Dewberry will update the previously prepared draft Joint Permit Application (JPA) for an expansion of the existing graded pad area (200 acres+) to approximately 700+ graded pad acres. The draft JPA will be revised with updated site information including studies (threatened & endangered Species/cultural resources), mitigation strategy, and recent Waters of the US (WOUS) rule changes. Troutman Pepper (Troutman) is to be contracted for legal services by RIFA to review and advise on environmental permitting strategy and documentation associated with the SVMS.

Dewberry will provide RIFA and Troutman with the draft Joint Permit Application (JPA) for general review and comment. The draft JPA will include relevant sections noted for completion once a specific user is identified and project details are known.

Following review Dewberry will attend meetings (estimate three (3) meetings) with Troutman and the RIFA team to discuss the draft JPA. Completion of a final JPA including project-specific documents and exhibits will be provided under a separate forthcoming contract amendment.

3. Cultural Resources

Dewberry's subconsultant, WSP USA Inc. (WSP) will conduct additional cultural resources work at SVMS to include the following:

- a. VDHR Consultation: WSP and Dewberry will attend a meeting with the Virginia Department of Historic Resources (VDHR) either virtually or in person. The purpose of the meeting will be to discuss the proposed mitigation effort, reach agreement on a level of effort and determine the necessity for additional field work and/or studies within the Megasite and Lot 3.
- b. Mitigation Plan: WSP will develop a cultural and historical resources mitigation plan for the Megasite and Lot 3. The plan will include a comparative analysis of archaeological sites and architectural resources impacted by the potential development of the Megasite and Lot 3. The comparative analysis report will include a qualitative study of the data for the existing structures and historic-period archaeological sites.

For archaeological sites, the analysis will include a review of the original Browning artifact collection. The study will also compare data collected from other studies within the area, using the data provided in their reporting, or direct review of the artifact collection, if available for loan from VDHR. The comparative analysis will include detailed studies of the artifacts, features, and structures present at these sites to develop an archaeological context.

For architectural resources, the comparative analysis will include studies of site arrangement, structure location, materials, type, and construction period, if known. A landscape analysis of this area could also be performed as part of the reporting. This report will include analysis of multiple historic sites that are individually listed as not eligible.

Deliverable

The comparative analysis report will be provided in PDF format only; one draft copy for review by VDHR and RIFA, and a final document will be provided after revisions following one round of comments.

- c. Phase I/II and Phase III Investigations (Megasite and Lot 3): The proposed level of effort (LOE) for the remaining archaeological features will include new or additional archaeological investigations at 10 archaeological sites. The work effort for each site includes laboratory processing and analysis of recovered artifacts. For the archaeological field investigations, the overall LOE will require approximately 8 weeks of fieldwork for a crew of 6 led by two field supervisors. Fieldwork at any sites located outside of the Megasite and Lot 3 is excluded from this LOE calculation.

The Phase II archaeological evaluation includes limited close-interval shovel testing and the excavation of 1-meter test units at three sites, which are potentially eligible for the NRHP. The Phase II LOE anticipates the requirement for additional close-interval shovel testing and the need to remap historical features previously identified at Site 44PY0332.

For the Phase I survey, a maximum of 243 shovel tests are anticipated, including an additional 60 radial shovel tests. For the Phase II evaluations, a maximum of 64 close-interval shovel tests and 52 square meters of test units are anticipated to be excavated across the sites. The LOE excludes any additional field investigations at Site 44PY0373, as VDHR previously determined that the portion of the site located does not contribute to the eligibility of the site.

The Phase III LOE consists of limited data recovery excavations at two sites that DHR has determined NRHP eligible (Sites 44PY0330 and 44PY0386). The data recovery excavations would involve block excavations targeting the areas at each site where surface features, subsurface features, and/or artifact concentrations have been previously identified. The block excavation effort is estimated to require 50 square meters, split between the two sites and include the documentation and excavation of any encountered features. Note: *Phase III data recovery excavation would only be implemented (following approval from RIFA staff) if required by VDHR for potential impacts to these two sites.*

Architectural Evaluations

For the architectural resources, additional fieldwork is not required. The resources within the development area were previously surveyed and evaluated with respect to the NRHP criteria or are not existing. WSP will prepare a VCRIS form for 071-5318 and review with VDHR.

Deliverables

The findings of the archaeological survey and evaluation will be presented in one combined report, that will include the results of evaluation of 071-5318. This report will address specific VDHR comments in their March 12, 2021, response to the 2020 technical report, and include the requested artifact density heat maps and other analysis tools to provide additional information on the tested sites, as well as supplemental profile and photos of site stratigraphy. The report will also include the additional analysis requested by VDHR for Site 44PY0331 and Site 44PY0332.

4. Mussel and Fish Surveys

- a. Mussel Survey: Dewberry will conduct an initial freshwater mussel survey of the proposed study area in general accordance with the USFWS and VDWR "Freshwater Mussel Guidelines for Virginia" last updated 2018. Initial coordination with VDWR indicates that any stream crossing or in-water work in the study area will require a survey beginning 400 meters (m) downstream of the in-water work to 100 m upstream of the work. The study area consists of the entire length of Trotters Creek from the Norfolk Southern Railroad crossing on the downstream end to the pipeline crossing for a total length of approximately 3,500 m. The entire length of McGuff Creek from the Norfolk Southern Railroad crossing to the upstream boundary of Lot 1 will also be surveyed, which is approximately 4,300 m. An intensive mussel survey that searches microhabitat types available will be required to fulfill the requirements of the USFWS and VDWR permits and freshwater mussel survey guidelines.

The survey length for each stream will be broken into 500 m segments. A semi-quantitative presence / absence survey of each segment will be conducted using a combination of visual and tactile search methods with a bathyscope and snorkel/mask if needed in deeper areas. A description of the instream microhabitats encountered, search time, species found, and catch per unit effort for each 500 m segment will be detailed in the report.

Representative photographs of each mussel species encountered will be documented. If a federally listed mussel is found, the survey will end, GPS coordinates of mussel location will be recorded, a photograph of the mussel will be taken, and Dewberry will coordinate with RIFA and on further steps.

- b. Fish Survey: Dewberry will conduct a freshwater fish survey of the proposed study area in general accordance with the USFWS and VDWR guidelines. A survey of the stream will begin 400 m downstream of the area proposed for in-water work and will end 100 m upstream of the in-water work (same location as mussel survey). The stream will be sampled using an Aquashock AP1 electric backpack shocker unit with dip nets and a seine. We will use a combination of

backpack electrofishing and seining techniques to sample habitat types and flow regimes targeting Roanoke Logperch. A minimum of five sampling passes will be made for each type of habitat encountered. We will use backpack electrofishing along each stream bank and active seining techniques in deep pools and slow runs. Shallow riffles will be sampled using the backpack electrofisher into a downstream block seine. Individual fish will be collected, temporarily held in a five-gallon bucket, identified, and immediately returned to the stream.

Fish species will be identified and recorded for total numbers and catch per unit effort. Representative photographs of each fish species encountered will be documented. If a Roanoke Logperch is found, the survey will end, GPS coordinates of fish location will be recorded, a photograph of the fish will be taken, and Dewberry will coordinate with RIFA on further steps.

c. Protected Species Report: Dewberry will prepare the Draft and Final Protected Species Report in general accordance with USFWS and VDW R guidance to include the following elements.

1. Creation of figures showing the project boundaries, location of areas surveyed.
2. List of species found, number of individuals, and catch per unit effort.
3. Target species description, habitat, threats, and current distribution.
4. Representative photographs of mussel and fish species found.
5. Photographs of the project study area.
6. Name of and distance to nearest downstream waterway.
7. Description of any beaver activity.
8. A listing of substrate types and identification of the dominant and subdominant substrate types.
9. Description of the overall quality of available in-stream habitat.
10. Description of stream buffers present along stream reach.
11. Identification of any streams classified as 303(d) waters, and an explanation for its classification.
12. A project vicinity map.
13. A map on aerial background identifying surveyed stream reaches and proximity to any known species records, 303(d) occurrences in the area.
14. Qualifications of investigators.
15. A Biological Conclusion with supporting information for Atlantic Pigtoe, James Spiny mussel, and Roanoke Logperch.

Assumptions

1. Access to properties within the project study area is granted, and no owners or tenants refuse access to field personnel.
2. Weather and stream conditions are adequate for sampling to be performed. If extended periods of rain and high flow occur, additional time may be required to complete the surveys.
3. The survey window for freshwater mussels in Virginia is April 1st – October 31st. Surveys conducted outside of this timeframe requires prior approval.

FEES AND CONTRACT TERMS

Dewberry will provide the tasks listed above in the Scope of Services for the following lump sum fees:

1. Project Development Coordination.....	\$ 25,000
2. <u>Draft JPA Update, Review, and Coordination</u>	<u>\$ 27,000</u>
3. Cultural Resources	\$ 615,000
4. Mussel and Fish Surveys	<u>\$ 65,000</u>
Total	<u>\$ 732,000</u>

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Chairman Lee Vogler
May 1, 2023

This proposal is subject to the 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, except as amended in this proposal, 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.

SPECIAL CONDITIONS AND QUALIFICATIONS

1. Dewberry will process any plan, plat, report, or other submittals subject to this proposal/contract in a professional and timely manner; however, Dewberry makes no representations or warranties with respect to the length of time required for the review and approval of any plan, plat, study, waiver and other submittals by the reviewing authorities and entities, public or private. Any schedules required by the Client and prepared by Dewberry are prepared strictly with the understanding that such schedules are based on prior experience and are prepared for planning purposes as information only for the convenience of the Client are subject to change.
2. This proposal is based upon our current understanding of local, state, and federal requirements and regulations at the time of this proposal and our understanding of the project as described herein. Any modifications to these requirements and regulations, or other requirements not provided for herein that require additional services will be performed by Dewberry on a negotiated fee basis.

EXCLUSIONS

- Development of plans for permitting and construction.
- Additional WOUS studies or PRM mitigation plans and permits.
- Permit and mitigation fees and/or purchase of mitigation credits.
- Environmental Impact Statement (EIS)
- Environmental Impact Review (EIR)
- Environmental Justice Studies
- Additional cultural, historical, and threatened and endangered species studies and/or mitigation plans, except as specifically included in the above-referenced scope of services.
- Water chemistry and biological surveys.
- Mussel relocation or additional consultation with regulatory agencies needed if a listed mussel is found. This effort will be provided as an additional service to this contract.

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 or wish to discuss the proposal or project further. The return of an executed copy of this proposal will serve as our authorization to proceed. We are prepared to begin work immediately.

Sincerely,

Brian K. Bradner, PE
Vice President | Business Unit Manager

Shawn R. Harden, PE
Senior Associate

cc: Carolyn A. Howard, PE, Senior Associate, Dewberry

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Chairman Lee Vogler
May 1, 2023

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

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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 5E
Meeting Date:	05/08/2023
Subject:	Resolution 2023-05-08-5E
From:	Mr. Bradner

SUMMARY

The Board will be asked to approve Resolution 2023-05-08-5E Approving Amendment No. 36 with Dewberry.

ATTACHMENTS

Resolution 2023-05-08-5E

Exhibit

A RESOLUTION APPROVING AMENDMENT NO. 36, DATED MAY 1, 2023, WITH DEWBERRY ENGINEERS INC., A NEW YORK CORPORATION, FOR ENGINEERING SERVICES RELATED TO THE MEGA PARK MASTER PLAN SOUTHERN VIRGINIA MEGASITE AT BERRY HILL, TO PROVIDE AN EASEMENT PLAT AND LEGAL DESCRIPTION SHOWING THE TRANSCO EASEMENT FOR TAX PARCEL NOS. 1367-30-1931 AND 1356-75-0037, OWNED BY THE AUTHORITY AND LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, AT A LUMP SUM FEE OF \$7,500.00

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, the Authority’s contracted engineers, Dewberry Engineers Inc., a New York corporation (“**Dewberry**”), are providing engineering services for the development of the Authority’s Southern Virginia Megasite at Berry Hill (the “**SVM**”); and

WHEREAS, Dewberry has presented that certain Amendment No. 36, dated May 1, 2023 (“**Amendment No. 36**”) 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 or cause to be provided certain professional engineering services for an easement plat and legal description showing the Transco easement for Tax Parcel Nos. 1367-30-1931 and 1356-75-0037 in the SVM; and

WHEREAS, such easement plat and legal description would be used for preparing documents and instruments to be ultimately recorded in the land records of Pittsylvania County, Virginia (the “**County**”), and used for description purposes; and

WHEREAS, under Amendment No. 36, the professional services by Dewberry are generally described as “**Surveying Services**” at a lump sum fee of \$7,500.00 (“**Amendment No. 36 Funding**”); and

WHEREAS, the Authority's Treasurer, as fiscal agent of the Authority, has determined that Amendment No. 36 Funding is available within a line item previously approved by the Authority as “**Mega Park – Funding Other than Bond Funds**”; and

WHEREAS, the Authority has hereby determined, in open session, that Amendment No. 36, in furtherance of the development and marketing of the SVM, serves the purpose of the Authority to enhance the economic base of 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 and approve the negotiation, execution and delivery of Amendment No. 36, as applicable,

Resolution No. 2023-05-08-5E

consistent with this Resolution and subject to the approval by legal counsel to the Authority as to legal form.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby approves negotiation, execution and delivery of Amendment No. 36, subject to the approval by legal counsel to the Authority as to legal form. The Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, in consultation with the other, to further negotiate and amend Amendment No. 36, on behalf of the Authority, consistent with this Resolution and as approved by legal counsel to the Authority as to legal form, such execution of any such amendments by the Chairman (or Vice Chairman as the case may be) to conclusively establish the approval of any such amendments.

2. Authority hereby authorizes and directs the City Manager Officer, the County Administrator Officer, and the Authority's 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. 36, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions; however, such authorization shall be subject to the same approval by legal counsel to the Authority as set forth above.

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. 36 and the matters contemplated therein.

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

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CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on May 8, 2023, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 8th day of May 2023.

SUSAN M. DeMASI

Secretary, Danville-Pittsylvania Regional Industrial
Facility Authority

(SEAL)

Exhibit A

(Amendment No. 36)

May 1, 2023

Mr. Lee Vogler
Chairman
Danville-Pittsylvania Regional Industrial Facility Authority (RIFA)
P.O. Box 3300
Danville, VA 24543

**Re: Amendment #36 – Transco Pipeline Easement Plat
Southern Virginia Megasite at Berry Hill**

Dear Mr. Vogler,

Dewberry Engineers Inc. (Dewberry) submits herein our proposal to provide easement plat and legal description showing the Transco easement for RIFA parcels 1367-30-1931 and 1356-75-0037.

Scope of Services to Be Provided by Dewberry

Dewberry proposes to prepare an easement plat and legal description showing the Transco easement, crossing the above-referenced parcels. The easement will be determined by field surveying flags placed in the field by Transco personnel. The surveyed flag locations will be used to define the outside edge of the Transco easement. The plat will be provided to RIFA for recording purposes.

Fee and Special Conditions

Dewberry proposes to provide the surveying services as outlined above for the lump sum fee of \$7,500.00.

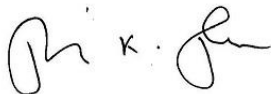
This proposal is subject to the terms, provisions, and conditions of our current Agreement for Professional Services to develop the Berry Hill property, dated February 9, 2009, shall remain in full force and effect, except as amended in this proposal, and the parties ratify and confirm that the Agreement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

Additional Services

Any item not contained in the Scope of Services shall be deemed as additional services. Additional services shall be provided with an amendment to this proposal.

The return of a signed proposal will serve as our authorization to proceed. We appreciate the opportunity to submit this proposal. If you have any questions, please call me.

Sincerely,



Brian K. Bradner, PE
Vice President | Business Unit Manager



Shawn R. Harden, PE
Senior Associate

SRH/vnl

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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 5F
Meeting Date:	May 8, 2023
Subject:	Financial Status Reports – April 30, 2023
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through April 30, 2023 will be provided at the meeting. The financial status reports as of April 30, 2023 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of April 30, 2023 as presented.

ATTACHMENTS

Financial Status Reports

Danville - Pittsylvania Regional Industrial Facility
Authority

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2023
- C. Mega Park – Funding Other than Bond Funds
- D. SVM at Berry Hill – Lot 4 Site Development
- E. SVM at Berry Hill – Lots 1 & 2 Site Development
- F. SVM at Berry Hill – Water & Sewer
- G. Cyber Park Site Development
- H. Rent, Interest, and Other Income Realized FY2023
- I. Monthly Checks
- J. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of April 30, 2023

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

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	<u><u>\$ 5,271,916.00</u></u>

Funding Summary - Cane Creek Parkway

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

Danville-Pittsylvania Regional Industrial Facility Authority
General Expenditures for Fiscal Year 2023
As of April 30, 2023

	<u>Funding</u>	<u>Budget</u>	<u>FY Expenditures</u>	<u>Current Month Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding						
City Contribution	\$ 75,000.00					
County Contribution	75,000.00					
Transfer from Unrestricted Fund Balance	100,000.00					
 Contingency						
Miscellaneous contingency items		\$ 6,494.16	\$ 12,932.01		\$ -	\$ (6,437.85)
Total Contingency Budget		6,494.16	12,932.01	-	-	(6,437.85)
 Legal		115,100.00	122,511.98	150.00	-	(7,411.98)
Accounting		23,800.00	10,000.00		-	13,800.00
Marketing		96,505.84	136,064.86		-	(39,559.02)
Postage & Shipping		100.00	53.23	-	-	46.77
Meals		4,000.00	3,375.18	340.98	-	624.82
Utilities		1,000.00	1,517.06	165.47	-	(517.06)
Insurance		3,000.00	-	-	-	3,000.00
Total	\$ 250,000.00	\$ 250,000.00	\$ 286,454.32	\$ 656.45	\$ -	<u><u>\$ (36,454.32)</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of April 30, 2023

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 Berry Hill Industrial Park - Phase II Land and Engineering	2,700,000.00				
TIC #2264 Berry Hill Industrial Park - Phase II Land and Engineering deobligated	(699,873.73)				
TIC #2264 Local Match for Property & Improvements (County)	500,000.00				
TIC #2264 Local Match for Property & Improvements (City)	500,000.00				
VA Economic Development Partnership MEI Grant Funds	577,503.14				
Virginia Resources Authority - TRRF Loan #3658	4,500,000.00				
VBRSP Site Development Grant from VEDP FY2023	1,500,000.00				
Transfer from Unrestricted Funds - "Other Income"	409,940.86				
Land					
Klutz property		\$ 8,394,553.50	\$ 8,394,553.50	\$ -	
Canter property ²		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
401 Buford Road		246,082.96	246,082.96	-	
Off State Road 1055		181,890.19	181,890.19	-	
604 Buford Road		361,896.60	361,896.60	-	
ROW purchase for connector road		832,300.25	832,300.25	-	
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		1,453,380.00	693,630.00	759,750.00	
Appalachian Power Company		5,178,500.00	5,178,500.00	-	
Banister Bend Farm, LLC		199,064.00	199,064.00	-	
Virginia Department of Transportation (VDOT)		279,399.00	279,399.00	-	
Transcontinental (Williams Transco)		40,000.00	40,000.00	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 24,219,095.10	\$ 23,164,537.83	\$ 22,401,817.12	\$ 762,720.71	\$ 1,054,557.27

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

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

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

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

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

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

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

⁸ As approved by RIFA Board on 10/16/2014

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Lot 4 Site Development
As of April 30, 2023

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
Tobacco Commission FY12 Megasite Allocation	\$ 6,208,153.00				
Local Match for TIC FY12 Megasite Allocation - County Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - City Portion ¹	750,000.00				
Local Match for TIC FY12 Megasite Allocation - RIFA Portion ²	181,000.00				
Transfer in from "Mega Park - Funding Other than Bond Funds" Budget ³	11,203.15				
Transfer to Other Income - Unrestricted Funds	152,170.40				
Transfer from SVM Berry Hill Lots 1 & 2	138,000.00				
Expenditures					
Dewberry Engineers Inc.		1,707,562.81	1,707,562.81	-	
Jones Lang LaSalle		95,000.00	95,000.00	-	
Jones Lang LaSalle - Economic Analysis		12,000.00	12,000.00	-	
VA Water Protection Permit Fee		57,840.00	57,840.00	-	
Wetlands Studies and Solutions, Inc.		77,027.64	77,027.64	-	
Banister Bend Farm, LLC - Wetland and Stream Credits		122,968.00	122,968.00	-	
DEQ - Construction Activity General Permit		11,860.00	11,860.00	-	
Haymes Brothers, Inc. - Construction on Phase 1 Graded Pad		4,243,151.21	4,243,151.21	-	
Haymes Brothers, Inc. - Phase 1 Pad A Extension/Expansion		1,679,616.89	1,679,616.89	-	
Haymes Brothers, Inc. - Phase 1 Development		290,500.00	290,500.00	-	
Transfers to "General Expenditures Fiscal Year 2015" Contingency ³					
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)	-	
Jones Lang LaSalle - Economic Analysis		(12,000.00)	(12,000.00)	-	
Total	\$ 8,190,526.55	\$ 8,190,526.55	\$ 8,190,526.55	\$ -	\$ -

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

² The RIFA Board approved on 2/11/2013 to transfer the remaining funds of \$175,316.17 from the "Funds Available for Appropriation" budget sheet and funds of \$5,683.83 from the "Rent, Interest, and Other Income Realized" budget sheet to use for the RIFA local match to Tobacco Commission grant #2491 for Berry Hill Mega Park Lot 4 Site Development.

³ As approved by RIFA Board on 10/16/2014 (\$108,603.35 of expenditures for Dewberry Engineers, Inc. was also transferred from remaining unexpended and unencumbered costs under Amendment #4)

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of April 30, 2023

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
TIC #3358 Berry Hill Industrial Park - Site Improvements for Project Lignum	\$ 2,292,856.56				
TIC #3358 Local Match (County)	970,707.92				
TIC #3358 Local Match (City)	970,707.92				
VBRSP Site Development Grant from VEDP	1,312,400.00				
VBRSP Site Development Grant from VEDP (City)	216,546.00				
VBRSP Site Development Grant from VEDP (County)	216,546.00				
Transfers to/from other funding sheets	(1,753,632.10)				
Expenditures					
Dewberry Engineers Inc.		418,676.00	394,540.00	24,136.00	
Virginia Nutrient Bank		84,420.00	84,420.00	-	
Jimmy R. Lynch & Sons, Inc.		3,716,936.30	2,538,252.20	1,178,684.10	
Treasurer of Virginia		6,100.00	6,100.00	-	
Total	\$ 4,226,132.30	\$ 4,226,132.30	\$ 3,023,312.20	\$ 1,202,820.10	\$ -

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Water & Sewer
As of April 30, 2023

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

Danville-Pittsylvania Regional Industrial Facility Authority
Cyber Park Site Development
As of April 30, 2023

		<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>						
MEP TROF Loan	\$	270,000.00				
Transfer from Other Income		132,090.00				
Transfer from SVM at BH Lots 1& 2		1,988,100.25				
 <i>Expenditures</i>						
Dewberry Engineers Inc.			94,250.00	91,050.00	3,200.00	
Making Everything Possible LLC (Incentives)			270,000.00	270,000.00	-	
Virginia Nutrient Bank			37,840.00	37,840.00	-	
Sellers Brothers			1,988,100.25	1,168,332.84	819,767.41	
<i>Total</i>	\$	2,390,190.25	\$ 2,390,190.25	\$ 1,567,222.84	\$ 822,967.41	<u><u>\$ -</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized for Fiscal Year 2023

As of April 30, 2023

<i>Source of Funds</i>	<u>Funding</u>			<u>Expenditures</u> <u>FY2023</u>	<u>Unexpended /</u> <u>Unencumbered</u>
	<u>Carryforward</u> <u>from FY2022</u>	<u>Receipts</u> <u>Current Month</u>	<u>Receipts</u> <u>FY2023</u>		
<u>Carryforward</u>	\$ 747,607.08				
<u>Current Lessees</u>					
Institute for Advanced Learning and Research (IALR) ¹		\$ 24,352.44	\$ 223,476.88		
Mountain View Farms of Virginia, L.C.		-	1,200.00		
Capital Outdoor, Inc.		-	2,000.00		
American Electric Power		1,500.00	16,500.00		
<i>Total Rent</i>		\$ 25,852.44	\$ 243,176.88		
<u>Interest Received</u> ²		\$ 8,805.74	\$ 14,284.10		
<u>Miscellaneous Income</u>		\$ 97,531.70	\$ 2,146,874.89		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				\$ 199,124.44	
Incentive Disbursements to Morgan Olson, LLC				\$ 305,596.00	
Incentive Disbursements to MEP LLC				\$ 1,427.63	
Transfers to other funding sheets				\$ 712,768.15	
Totals	\$ 747,607.08	\$ 132,189.88	\$ 2,404,335.87	\$ 1,218,916.22	\$ 1,933,026.73
				Restricted ¹	\$ 337,179.14
				Unrestricted	\$ 1,102,078.45
				Committed	\$ 493,769.14

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Monthly Disbursements
April 2023

Check Number	Date	Vendor Name	Paid Amount
WIRE	04/04/2023	City of Danville	65.74
WIRE	04/04/2023	City of Danville	64.93
2559	04/04/2023	IALR	340.98
2560	04/04/2023	IALR	24,352.44
2561	04/04/2023	Dewberry Engineers Inc.	6,250.00
2562	04/04/2023	Dewberry Engineers Inc.	3,200.00
2563	04/04/2023	Jimmy R. Lynch and Sons Inc.	485,568.60
2564	04/04/2023	Clement & Wheatley	150.00
2565	04/18/2023	Jimmy R. Lynch and Sons Inc.	427,364.90
2566	04/18/2023	Sellers Brothers Inc.	110,560.00
WIRE	04/25/2023	City of Danville	36.00

Danville-Pittsylvania Regional Industrial Facility Authority

Statement of Net Position^{1, 2}

April 30, 2023*

	Unaudited FY 2023
Assets	
<u>Current assets</u>	
Cash - checking	\$ 144,766
Cash - money market	2,021,106
Accounts receivable	1,201,101
<i>Total current assets</i>	<u>3,366,973</u>
<u>Noncurrent assets</u>	
Restricted cash - project fund CCC bonds	20,802
Restricted cash - debt service fund CCC bonds	22,458
Capital assets not being depreciated	23,180,794
Capital assets being depreciated, net	20,931,413
Construction in progress	28,968,146
<i>Total noncurrent assets</i>	<u>73,123,613</u>
 Total assets	 <u>76,490,586</u>
Liabilities	
<u>Current liabilities</u>	
Accrued interest	137,739
Unearned income	600
Economic development payable - current portion	147,000
Bonds payable - current portion	515,000
<i>Total current liabilities</i>	<u>800,339</u>
<u>Noncurrent liabilities</u>	
Bonds payable - less current portion	205,000
Loans payable - less current portion	4,500,000
<i>Total noncurrent liabilities</i>	<u>4,705,000</u>
 Total liabilities	 <u>5,505,339</u>
Net Position	
Net investment in capital assets	72,381,155
Restricted - debt reserves	22,458
Unrestricted	<u>(1,418,366)</u>
 Total net position	 <u>\$ 70,985,247</u>

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
April 30, 2023*

	Unaudited FY 2023
Operating revenues	
Virginia Tobacco Commission Grants	1,618,637
Rental income	244,468
Other Income	1,578,134
Total operating revenues	<u>3,441,239</u>
Operating expenses ⁴	
Mega Park expenses ³	2,486,977
Cane Creek Centre expenses ³	9,339
Cyber Park expenses ³	1,450,873
Professional fees	69,047
Other operating expenses	8,205
Total operating expenses	<u>4,024,441</u>
Operating income (loss)	<u>(583,202)</u>
Non-operating revenues (expenses)	
Interest income	14,284
Interest expense	(89,523)
Total non-operating expenses, net	<u>(75,239)</u>
Net income (loss) before capital contributions	<u>(658,441)</u>
Capital contributions	
Contribution - City of Danville	1,654,354
Contribution - Pittsylvania County	1,654,354
Total capital contributions	<u>3,308,708</u>
Change in net position	<u>2,650,267</u>
Net position at July 1, 2022	<u>68,334,980</u>
Net position at April 30, 2023	<u><u>\$ 70,985,247</u></u>

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
April 30, 2023*

	Unaudited FY 2023
Operating activities	
Receipts from grant reimbursement requests	\$ 1,341,586
Receipts from leases	263,641
Other receipts	1,048,220
Payments to suppliers for goods and services	(5,189,322)
Net cash used by operating activities	(2,535,875)
Capital and related financing activities	
Purchase/disposal of capital assets	-
Proceeds from long-term debt	
Capital contributions	3,382,382
Interest paid on bonds	(42,472)
Principal repayments on bonds	(490,000)
Net cash provided by capital and related financing activities	2,849,910
Investing activities	
Interest received	14,284
Net cash provided by investing activities	14,284
Net increase (decrease) in cash and cash equivalents	328,319
Cash and cash equivalents - beginning of year (including restricted cash)	1,880,813
Cash and cash equivalents - through April 30, 2023 (including restricted cash)	\$ 2,209,132
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (583,202)
Changes in assets and liabilities:	
Change in prepaids	2,809
Change in other receivables	(785,000)
Change in accounts payable	(1,167,690)
Change in unearned income	(2,792)
Net cash used by operating activities	\$ (2,535,875)

Components of cash and cash equivalents at April 30, 2023:

American National - Checking	\$ 144,766
American National - General money market	2,021,106
Wells Fargo - \$7.3M Bonds CCC Debt service fund	22,458
Wells Fargo - \$7.3M Bonds CCC Project fund	20,802
	\$ 2,209,132

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5G
Meeting Date:	May 8, 2023
Subject:	FY2022 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, 2022, 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 Treasurer will 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, 2022

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, 2022

Danville-Pittsylvania Regional Industrial Facility Authority

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Report on the Audit of Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Report on Summarized Comparative Information

We have previously audited the Authority's 2021 financial statements, on which, in our report dated December 7, 2021, we expressed an unmodified opinion. The 2021 financial information is provided for comparative purposes only.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2023 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
April 12, 2023

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position
June 30, 2022

	2022	(For Comparative Purposes Only) 2021
Assets		
<u>Current assets</u>		
Cash and cash equivalents	\$ 1,571,171	\$ 2,264,706
Due from other governments	734,047	493,454
Other receivables	21,966	583
Prepays	2,809	-
<i>Total current assets</i>	<u>2,329,993</u>	<u>2,758,743</u>
<u>Noncurrent assets</u>		
Restricted cash and cash equivalents	309,643	60,051
Due from Pittsylvania County	1,906,508	1,465,304
Capital assets not being depreciated	23,180,794	24,352,275
Capital assets being depreciated, net	20,931,414	21,672,622
Construction in progress	28,968,146	27,458,332
<i>Total noncurrent assets</i>	<u>75,296,505</u>	<u>75,008,584</u>
Total assets	<u>77,626,498</u>	<u>77,767,327</u>
Liabilities		
<u>Current liabilities</u>		
Accounts payable - general	575,309	332,469
Accounts payable - construction	576,219	92,186
Accrued interest payable	90,989	29,396
Retainage payable	16,161	93,664
Unearned revenue - current	269,632	3,475
Bonds payable - current	490,000	465,000
<i>Total current liabilities</i>	<u>2,018,310</u>	<u>1,016,190</u>
<u>Noncurrent liabilities</u>		
Due to City of Danville	1,906,508	1,465,304
Unearned revenue	147,000	147,000
Bonds payable	5,220,000	5,710,000
<i>Total noncurrent liabilities</i>	<u>7,273,508</u>	<u>7,322,304</u>
Total liabilities	<u>9,291,818</u>	<u>8,338,494</u>
Net position		
Net investment in capital assets	67,391,156	67,344,589
Restricted - debt reserves	288,841	23,691
Unrestricted	654,683	2,060,553
Total net position	<u>\$ 68,334,680</u>	<u>\$ 69,428,833</u>

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

		(For Comparative Purposes Only)
	2022	2021
Operating revenues		
Virginia Tobacco Commission grants	\$ 694,916	\$ 701,683
Economic development incentives - City of Danville	320,896	1,625,467
Economic development incentives - County of Pittsylvania	320,896	1,625,467
Other income	484,493	1,097,441
Total operating revenues	<u>1,821,201</u>	<u>5,050,058</u>
Operating expenses		
Depreciation and amortization	848,758	828,967
Economic development - Cyber Park	437,547	29,506
Economic development - Cane Creek Centre	1,488,777	335,172
Economic development - Mega Park	810,014	35,231
Other operating expenses	602,207	517,156
Total operating expenses	<u>4,187,303</u>	<u>1,746,032</u>
Operating income (loss)	<u>(2,366,102)</u>	<u>3,304,026</u>
Non-operating revenues (expenses)		
Interest income	278	594
Interest expense	(120,385)	(66,312)
Total non-operating expenses	<u>(120,107)</u>	<u>(65,718)</u>
Net income (loss) before capital contributions	<u>(2,486,209)</u>	<u>3,238,308</u>
Capital contributions		
Contribution - City of Danville	696,028	311,915
Contribution - Pittsylvania County	696,028	311,915
Total capital contributions	<u>1,392,056</u>	<u>623,830</u>
Change in net position	(1,094,153)	3,862,138
Net position at July 1	<u>69,428,833</u>	<u>65,566,695</u>
Net position at June 30	<u><u>\$ 68,334,680</u></u>	<u><u>\$ 69,428,833</u></u>

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

	2022	(For Comparative Purposes Only) 2021
Operating activities		
Receipts from operating grants and activities	\$ 432,857	\$ 1,555,567
Payments to suppliers for goods and services	(1,859,141)	(172,069)
Other payments	592,375	3,900,002
Net cash provided by (used in) operating activities	(833,909)	5,283,500
Capital and related financing activities		
Purchase of capital assets	(676,519)	(9,395,707)
Capital contributions	1,589,999	555,047
Interest paid on bonds	(58,792)	(74,413)
Proceeds from loan	-	4,500,000
Principal repayments on bonds	(465,000)	(445,000)
Net cash provided by (used in) capital and related financing activities	389,688	(4,860,073)
Investing activities		
Interest received	278	594
Net cash provided by investing activities	278	594
Net increase (decrease) in cash and cash equivalents	(443,943)	424,021
Cash and cash equivalents - beginning of year	2,324,757	1,900,736
Cash and cash equivalents - end of year	\$ 1,880,814	\$ 2,324,757
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 1,571,171	\$ 2,264,706
Restricted cash and cash equivalents	309,643	60,051
	\$ 1,880,814	\$ 2,324,757

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

	2022	(For Comparative Purposes Only) 2021
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (2,366,102)	\$ 3,304,026
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	848,758	828,967
Non-cash economic incentive expenses	705,506	208,575
Operating in-kind expenses	68,297	68,783
Changes in assets and liabilities:		
Change in prepaids	(2,809)	-
Change in other receivables	(261,976)	1,206,228
Change in accounts payable - general	174,500	19,265
Change in unearned revenue	(83)	(352,344)
Net cash provided by (used in) operating activities	\$ (833,909)	\$ 5,283,500
Supplemental cash flow information		
Capital asset additions financed by retainage payable	\$ 16,161	\$ 93,664
Capital asset additions financed by accounts payable	\$ 644,559	\$ 92,186
Refunding of bonds payable	-	4,500,000

Danville-Pittsylvania Regional Industrial Facility Authority
Notes to Financial Statements
June 30, 2022

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.

Danville-Pittsylvania Regional Industrial Facility Authority
Notes to Financial Statements
June 30, 2022

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 \$734,047 due from the Virginia Tobacco Commission or other grantor agencies at June 30, 2022.

Prepays

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.

Danville-Pittsylvania Regional Industrial Facility Authority
Notes to Financial Statements
June 30, 2022

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. Accordingly, all deposits are considered fully collateralized.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of the following at June 30, 2022:

Bond funds to be used for improvements to Cane Creek Centre	\$ 288,841
Restricted funds for Cane Creek Centre debt service	<u>20,802</u>
	<u>\$ 309,643</u>

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, 2022, 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, 2022, the Authority had \$456,822 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, 2022. The Authority does not have a policy related to interest rate risk.

Danville-Pittsylvania Regional Industrial Facility Authority
Notes to Financial Statements
June 30, 2022

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, 2022, the Authority reflects amounts due to the City of Danville of \$1,906,508 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 2023, 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, 2022, was as follows:

	June 30, 2021 Balance	Increases	Decreases	June 30, 2022 Balance
<i>Capital assets not being depreciated:</i>				
Cyber Park - Land	\$ 5,614,792	\$ -	\$ -	\$ 5,614,792
Cane Creek Centre - Land	4,943,628	-	1,171,481	3,772,147
Industrial Park - Land	13,793,855	-	-	13,793,855
<i>Total capital assets not being depreciated</i>	<u>24,352,275</u>	<u>-</u>	<u>1,171,481</u>	<u>23,180,794</u>
<i>Capital assets being depreciated:</i>				
Buildings	25,617,874	-	-	25,617,874
Building Improvements	310,697	-	-	310,697
Land Improvements	6,265,238	107,550	-	6,372,788
Infrastructure	2,006,965	-	-	2,006,965
Machinery and equipment	1,135,690	-	-	1,135,690
<i>Total capital assets being depreciated</i>	<u>35,336,464</u>	<u>107,550</u>	<u>-</u>	<u>35,444,014</u>
<i>Less accumulated depreciation for:</i>				
Buildings	10,996,837	601,811	-	11,598,648
Building Improvements	110,706	8,126	-	118,832
Land Improvements	1,971,944	160,347	-	2,132,291
Infrastructure	561,946	40,139	-	602,085
Machinery and equipment	22,409	38,335	-	60,744
<i>Total accumulated depreciation</i>	<u>13,663,842</u>	<u>848,758</u>	<u>-</u>	<u>14,512,600</u>
<i>Total capital assets being depreciated, net</i>	<u>21,672,622</u>	<u>(741,208)</u>	<u>-</u>	<u>20,931,414</u>
<i>Total capital assets, net</i>	<u>\$ 46,024,897</u>	<u>\$ (741,208)</u>	<u>\$ 1,171,481</u>	<u>\$ 44,112,208</u>

Danville-Pittsylvania Regional Industrial Facility Authority
Notes to Financial Statements
June 30, 2022

6. Construction in Progress

Construction in progress consisted of the following at June 30:

	June 30, 2021 Balance	Increases	Decreases	June 30, 2022 Balance
Cane Creek Centre	\$ -	\$ 24,700	\$ -	\$ 24,700
Cyber Park	-	79,565	-	79,565
Southern Virginia Megasite	27,458,332	1,405,549	-	28,863,881
	<u>\$ 27,458,332</u>	<u>\$ 1,509,814</u>	<u>\$ -</u>	<u>\$ 28,968,146</u>

7. Long-Term Debt

The following schedule represents all bonds payable:

Description	Original Issue	Annual Amount	Interest Rate	Maturity	Outstanding June 30, 2022
2019 Revenue Refunding bonds	\$ 2,545,000	\$ 205,000 – 515,000	2.27%	1/1/2025	\$ 1,210,000
2021 Revenue Bond	4,500,000	501,656 – 536,455	1.50%	1/1/2036	4,500,000

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.

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 accruals until the first principal and interest 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.

Long-term debt activity for the year ended June 30, 2022 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Revenue bonds – direct borrowing	\$ 6,175,000	\$ -	\$ 465,000	\$ 5,710,000	\$ 490,000

Danville-Pittsylvania Regional Industrial Facility Authority
Notes to Financial Statements
June 30, 2022

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
2023	\$ 490,000	\$ 102,159	\$ 592,159
2024	515,000	85,549	600,549
2025	205,000	73,956	278,956
2026	-	71,418	71,418
2027	-	72,493	72,493
2028-2032	900,000	375,116	1,275,116
2033-2036	3,600,000	142,355	3,742,355
	<u>\$ 5,710,000</u>	<u>\$ 923,046</u>	<u>\$ 6,633,046</u>

8. Economic Development

In August 2021, the Authority entered into a local performance agreement with Tyson Foods, Inc., a publicly traded, global firm with a substantial portfolio across beef, chicken, pork and prepared foods. The company and its subsidiaries have more than 139,000 employees globally and operate across 10 countries with more than 130 production facilities, 80 of which are in the U.S. with two currently in Virginia. Tyson Farms, Inc., a subsidiary of Tyson Foods, Inc., will construct a 325,000-square-foot, state-of-the-art food processing facility in the Authority's Cane Creek Centre. The subsidiary plans to make total capital investments in the facility of at least \$295,452,718 and to create 376 full-time jobs. The terms of the agreement provides a land grant with a value of \$705,506, State grant and loan for \$1,529,000, an Industrial Enhancement Grant of up to \$10,344,160 in the form of tax rebates, an Enterprise Zone Grant for \$240,000, fee waivers for up to \$150,000, and a free graded pad with an approximate value of \$9,600,000. In addition to other local incentives, the Authority will apply for State grants for the benefit of the Company totaling approximately \$8,396,300.

9. Short-Term 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, 2023 is estimated to be \$21,892.

Danville-Pittsylvania Regional Industrial Facility Authority
Notes to Financial Statements
June 30, 2022

10. Long-Term 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 \$4,441,968 at June 30, 2022 and accumulated depreciation of \$2,593,842, 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 2022, \$263,471 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, 2022, the Authority had approximately \$10 million in outstanding engineering and consulting contracts, of which \$6,179,358 had not been expended.

12. Subsequent Events

In July 2022, the Authority purchased land to be used as a right-of-way for the highway connector road in the Southern Virginia Megasite at Berry Hill for \$831,630. Contemporaneously, the Virginia Electric & Power Company (VEPCO) purchased a utility easement from the Authority for the purpose of installing, constructing, repairing and replacing electrical utility facilities on the same land for \$831,630. VEPCO donated the land to the Virginia Department of Transportation at closing.

Danville-Pittsylvania Regional Industrial Facility Authority
Notes to Financial Statements
June 30, 2022

12. Subsequent Events (Continued)

In August 2022, the Authority entered into a ground lease with the Industrial Development Authority of Danville, Virginia and the Industrial Development Authority of Pittsylvania County, Virginia for a portion of real property containing approximately 10.17 acres in Lot 10B of the Authority's Cyber Park project located in the City of Danville, Virginia, in order to facilitate construction financing.

13. 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.

* * * * *

**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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 12, 2023.

Report on 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.**

Report on 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 financial statements. 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
April 12, 2023

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

SUMMARY OF COMPLIANCE MATTERS Year Ended June 30, 2022

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, 2022

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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, 2022, 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 the 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.

This communication is intended solely for the information and use of the Authority, management, and the appropriate state and federal regulatory agencies 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
April 12, 2023

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

PRIOR YEAR COMMENTS AND SUGGESTIONS

June 30, 2022

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 \$29,000,000 as of June 30, 2022.*

(Continued)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

PRIOR YEAR COMMENTS AND SUGGESTIONS

June 30, 2022

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 times 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.

Status: *The comment above is no longer applicable. Management is having discussions with the Board during meetings of fraud risks and relevant controls, as described above. We recommend continuing that periodic discussion.*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

ACCOUNTING AND OTHER MATTERS

June 30, 2022

NEW GASB PRONOUNCEMENTS

In this section, we would like to make you aware of certain confirmed and potential changes that are on the horizon that may affect your financial reporting and audit. The effective dates below are updated based on **Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*** due to the COVID-19 pandemic.

The GASB issued **Statement No. 91, *Conduit Debt Obligations*** in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

(Continued)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

ACCOUNTING AND OTHER MATTERS

June 30, 2022

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

The GASB issued **Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*** in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). The PPP term is defined as the period during which an operator has a noncancellable right to use an underlying PPP asset, plus, if applicable, certain periods if it is reasonably certain, based on all relevant factors, that the transferor or the operator either will exercise an option to extend the PPP or will not exercise an option to terminate the PPP.

(Continued)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

ACCOUNTING AND OTHER MATTERS

June 30, 2022

A transferor generally should recognize an underlying PPP asset as an asset in financial statements prepared using the economic resources measurement focus. However, in the case of an underlying PPP asset that is not owned by the transferor or is not the underlying asset of an SCA, a transferor should recognize a receivable measured based on the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, a transferor should recognize a receivable for installment payments, if any, to be received from the operator in relation to the PPP. Measurement of a receivable for installment payments should be at the present value of the payments expected to be received during the PPP term. A transferor also should recognize a deferred inflow of resources for the consideration received or to be received by the transferor as part of the PPP. Revenue should be recognized by a transferor in a systematic and rational manner over the PPP term. This Statement requires a transferor to recognize a receivable for installment payments and a deferred inflow of resources to account for a PPP in financial statements prepared using the current financial resources measurement focus. Governmental fund revenue would be recognized in a systematic and rational manner over the PPP term.

This Statement also provides specific guidance in financial statements prepared using the economic resources measurement focus for a government that is an operator in a PPP that either (1) meets the definition of an SCA or (2) is not within the scope of Statement 87, as amended (as clarified in this Statement). An operator should report an intangible right-to-use asset related to an underlying PPP asset that either is owned by the transferor or is the underlying asset of an SCA. Measurement of the right-to-use asset should be the amount of consideration to be provided to the transferor, plus any payments made to the transferor at or before the commencement of the PPP term, and certain direct costs. For an underlying PPP asset that is not owned by the transferor and is not the underlying asset of an SCA, an operator should recognize a liability measured based on the estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, an operator should recognize a liability for installment payments, if any, to be made to the transferor in relation to the PPP. Measurement of a liability for installment payments should be at the present value of the payments expected to be made during the PPP term. An operator also should recognize a deferred outflow of resources for the consideration provided or to be provided to the transferor as part of the PPP. Expense should be recognized by an operator in a systematic and rational manner over the PPP term.

This Statement also requires a government to account for PPP and non-PPP components of a PPP as separate contracts. If a PPP involves multiple underlying assets, a transferor and an operator in certain cases should account for each underlying PPP asset as a separate PPP. To allocate the contract price to different components, a transferor and an operator should use contract prices for individual components as long as they do not appear to be unreasonable based on professional judgment or use professional judgment to determine their best estimate if there are no stated prices or if stated prices appear to be unreasonable. If determining the best estimate is not practicable, multiple components in a PPP should be accounted for as a single PPP.

This Statement also requires an amendment to a PPP to be considered a PPP modification, unless the operator's right to use the underlying PPP asset decreases, in which case it should be considered a partial or full PPP termination. A PPP termination should be accounted for by a transferor by reducing, as applicable, any receivable for installment payments or any receivable related to the transfer of ownership of the underlying PPP asset and by reducing the related deferred inflow of resources. An operator should account for a termination by reducing the carrying value of the right-to-use asset and, as applicable, any liability for installment payments or liability to transfer ownership of the underlying PPP asset. A PPP modification that does not qualify as a separate PPP should be accounted for by remeasuring PPP assets and liabilities.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

ACCOUNTING AND OTHER MATTERS

June 30, 2022

An APA that is related to designing, constructing, and financing a nonfinancial asset in which ownership of the asset transfers by the end of the contract should be accounted for by a government as a financed purchase of the underlying nonfinancial asset. This Statement requires a government that engaged in an APA that contains multiple components to recognize each component as a separate arrangement. An APA that is related to operating or maintaining a nonfinancial asset should be reported by a government as an outflow of resources in the period to which payments relate.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

The GASB issued **Statement No. 96, *Subscription-Based Information Technology Arrangements*** in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will *not* exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term—which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.

(Continued)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

ACCOUNTING AND OTHER MATTERS

June 30, 2022

- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.
- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

In classifying certain outlays into the appropriate stage, the nature of the activity should be the determining factor. Training costs should be expensed as incurred, regardless of the stage in which they are incurred.

If a SBITA contract contains multiple components, a government should account for each component as a separate SBITA or nonsubscription component and allocate the contract price to the different components. If it is not practicable to determine a best estimate for price allocation for some or all components in the contract, a government should account for those components as a single SBITA.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

The GASB issued ***Statement No. 99, Omnibus 2022*** in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

(Continued)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

ACCOUNTING AND OTHER MATTERS

June 30, 2022

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB issued **Statement No. 100, *Accounting Changes and Error Corrections*** in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

(Continued)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

ACCOUNTING AND OTHER MATTERS

June 30, 2022

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued **Statement No. 101, *Compensated Absences*** in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

ACCOUNTING AND OTHER MATTERS

June 30, 2022

CURRENT GASB PROJECTS

GASB currently has a variety of projects in process. Some of these projects discussed below.

Conceptual Framework – Recognition. The project’s objective is to develop recognition criteria for *whether* information should be reported in state and local governmental financial statements and *when* that information should be reported. This project ultimately will lead to a Concepts Statement on recognition of elements of financial statements. This project is currently in exposure draft re-deliberations period.

Financial Reporting Model. The objective of this project is to make improvements to the financial reporting model, including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and other reporting model-related pronouncements (Statements No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, No. 41, *Budgetary Comparison Schedules – Perspective Differences*, and No. 46, *Net Assets Restricted by Enabling Legislation, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*). The objective of these improvements would be to enhance the effectiveness of the model in providing information that is essential for decision-making and enhance the ability to assess a government’s accounting and address certain application issues, based upon the results of the pre-agenda research on the financial reporting model. This project is currently in exposure draft re-deliberations period.

Revenue and Expense Recognition. The objective of this project is to develop a comprehensive application model for the classification, recognition, and measurement of revenues and expenses. The purpose for developing a comprehensive model is (1) to improve the information regarding revenues and expenses that users need to make decisions and assess accountability, (2) to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed, (3) to evaluate revenue and expense recognition in the context of the conceptual framework, and (4) to address application issues identified in practice, based upon the results of the pre-agenda research on revenue for exchange and exchange-like transactions. This project is currently in the preliminary views re-deliberations period.

Going Concern Uncertainties and Severe Financial Stress. The objective of this project is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a government’s exposure to severe financial stress is necessary to disclose. This project is currently in the initial deliberations period.

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, 2022. 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 July 12, 2022. 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, 2022. 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.

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.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

- 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. Management has determined that the effects of the following unrecorded misstatement is immaterial to the financial statements taken as a whole.

- A \$66,000 overstatement of current year Virginia Tobacco Commission grant revenue and a corresponding understatement of beginning net position.

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 April 12, 2023, a copy of which is attached.

Significant Audit Findings (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.

Restriction on Use

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
April 12, 2023



DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

April 12, 2023

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, 2022, and the respective changes in financial position and cash flows for the years 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 April 12, 2023, 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 July 12, 2022, 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.



DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

- 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 an uncorrected misstatement is immaterial to the financial statements as a whole.
 - a) A \$66,000 overstatement of current year Virginia Tobacco Commission grant revenue and a corresponding understatement of beginning net position.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.
- 11) We have provided the planning communication letter to all members of those charged with governance as requested.

Information Provided

- 12) 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.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) 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.
- 15) 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.
- 16) 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.



DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

- 17) 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.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19) 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

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) 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.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.
- 25) 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.
- 26) 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.
- 27) 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.
- 28) 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.
- 29) 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.



DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

- 30) 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.
- 31) 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.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 33) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 37) 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.
- 38) We are not aware of any conditions that would result in an impairment of any capital assets.
- 39) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board Statements (GASBS) 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.
- 40) 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.
- 41) 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.
- 42) 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, 2022. We are in agreement with the changes in the due to/from account based on contributions by each locality in fiscal year 2022.
- 43) 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.



DANVILLE-PITTSYLVANIA
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- 44) 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.
- 45) 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.
- 46) We reaffirm the representations made to you in our letter dated December 7, 2021 regarding your audit for the fiscal year ended June 30, 2021.

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

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

Signature: Hunt Mills Jr.
Title: Pittsylvania County – County Administrator

Signature: Rimbury S. Vandenberg
Title: Pittsylvania County – Finance Director

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5H
Meeting Date:	05/08/2023
Subject:	Resolution 2023-05-08-5H
From:	Mr. Bradner

SUMMARY

The Board will be asked to approve Resolution 2023-05-08-5H Onsite Stream and Wetland Mitigation Solution Proposal With HGS, LLC

ATTACHMENTS

Resolution 2023-05-08-5H
Exhibit

A RESOLUTION APPROVING ONSITE STREAM AND WETLAND MITIGATION SOLUTION PROPOSAL WITH HGS, LLC, A WHOLLY-OWNED SUBSIDIARY OF RESOURCE ENVIRONMENTAL SOLUTIONS, LLC, A LOUISIANA LIMITED LIABILITY COMPANY, FOR ONSITE AND OFFSITE STREAM AND WETLAND MITIGATION SOLUTIONS SERVICES FOR THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, AT A FEE NOT TO EXCEED \$483,000.00

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, the Authority, as part of its Southern Virginia Megasite at Berry Hill Master Plan, requires certain wetland mitigation planning for the development of the Authority’s Southern Virginia Megasite at Berry Hill (the “**SVM**”); and

WHEREAS, HGS, LLC, a wholly-owned subsidiary of Resource Environmental Solutions, LLC, a Louisiana limited liability company (“**RES**”), has presented that certain Onsite Stream and Wetland Mitigation Solution Proposal, dated March 20, 2023 (the “**RES Proposal**”), a copy of which is attached as **Exhibit A**, incorporated herein by this reference, under which RES will provide or cause to be provided certain onsite and offsite stream and wetland mitigation solutions in the SVM (the “**Wetland Mitigation Services**”); and

WHEREAS, under the RES Proposal, the Wetland Mitigation Services by RES are generally described as “**Conceptual Mitigation Plan (Onsite)**” at a lump sum fee of \$183,00.00 and “**Concept Mitigation Plan (Offsite)**” at an estimated budget of \$300,000.00 (total fees and budget, collectively, “**RES Proposal Funding**”), but in no event shall RES Proposal Funding exceed \$483,000.00; and

WHEREAS, under the RES Proposal, RES will provide or cause to be provided updated documentation regarding the Concept Mitigation Plan (Offsite) budget and fees for review and acceptance by the Authority; and

WHEREAS, the Authority's Treasurer, as fiscal agent of the Authority, has determined that RES Proposal Funding is available within a line item previously approved by the Authority as “**Mega Park – Funding Other than Bond Funds**”; and

WHEREAS, the Authority intends to apply for a Virginia Business Ready Sites Program grant (“**VBRSP Grant**”), where a portion of such VBRSP Grant funds, if received by the Authority, will be used to reimburse the Authority for RES Proposal Funding; and

WHEREAS, the Authority has hereby determined, in open session, that the RES Proposal, in furtherance of the development and marketing of the SVM, serves the purpose

Resolution No. 2023-05-08-5H

of the Authority to enhance the economic base of Pittsylvania County (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 and approve the execution and delivery of the RES Proposal, as applicable, consistent with this Resolution and subject to the approval by legal counsel to the Authority as to legal form.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby approves the execution and delivery of the RES Proposal, subject to the approval by legal counsel to the Authority as to legal form. The Authority hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, in consultation with the other, to further negotiate and amend the RES Proposal, on behalf of the Authority, consistent with this Resolution and as approved by legal counsel to the Authority as to legal form, such execution of any such amendments by the Chairman (or Vice Chairman as the case may be) to conclusively establish the approval of any such amendments.

2. Authority hereby authorizes and directs the City Manager Officer, the County Administrator Officer, and the Authority’s 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 RES Proposal, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions; however, such authorization shall be subject to the same approval by legal counsel to the Authority as set forth above.

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 RES Proposal 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 May 8, 2023, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 8th day of May 2023.

(SEAL)

SUSAN M. DeMASI

Secretary, Danville-Pittsylvania Regional Industrial
Facility Authority

Exhibit A

(RES Proposal)



March 20, 2023

Mr. Lee Vogler, Chairman
Danville – Pittsylvania Regional Industrial Facility Authority (RIFA)
PO Box 3300
Danville, VA 24543
Via Email: BBradner@Dewberry.com

**RE: Onsite Stream and Wetland Mitigation Solution Proposal – Phase I (Final Mitigation Plan)
Southern Virginia Megasite (SVMS), Danville, VA**

Dear Mr. Vogler:

HGS, LLC, a wholly-owned subsidiary of Resource Environmental Solutions, LLC (RES), is a specialty turnkey contractor (Class A Contractor #2705-0809-81) capable of delivering a wide array of ecological projects. RES uses this turnkey approach to meet various regulatory drivers for clients, and this proposal describes cost-effective solutions for a portion of the anticipated stream and wetland mitigation needs for the SVMS, as further described below. We understand this proposal is being funded by a Virginia Business Ready Sites Program (VBRSP) Grant.

RES is a specialist in Permittee Responsible Mitigation (PRM) solutions for large stream and wetland mitigation needs. Not only do we perform customized PRM solutions, but we contractually take on all short-term and long-term success criteria such that all liability is transferred to RES from our client(s) obligations. It is this style of turnkey project that is proposed herein utilizing onsite resources at the SVMS. RES is presently identifying additional (offsite) stream and wetland PRM sites to compensate for all anticipated wetland and stream impacts associated with the SVMS development.

Onsite Turnkey Mitigation Solution

RES' turnkey PRM projects result from an in-depth analysis of the watershed with subsequent site visits, stream and wetland assessments, and soil analysis, as necessary, to determine the most cost-effective restoration projects, marked by high credit yields and low construction costs. Once contracted, RES designs and builds the projects in-house, with financial assurances throughout, and perpetual monitoring and maintenance post-construction—all with an up-front, fixed-fee cost.

Turnkey delivery for large credit needs brings our clients cost-effective projects and solutions that meet mitigation demands by respective deadlines, facilitating our client's construction schedules. Importantly, RES is solely responsible for all performance liability and we will assist with permit closeout while providing for long-term stewardship of each PRM project site.

Onsite Stream PRM, SVMS

From onsite knowledge provided by Dewberry, RES visited areas of the SVMS that are not likely to be affected by the overall development and are possible candidates for restoration, enhancement, and/or preservation and conservation.

Several stream areas were evaluated by RES for mitigation potential with favorable results. The majority of onsite streams evaluated are high quality, with minimal degradation, and surrounded by high-quality forest and wetland areas. Restoration is not needed, therefore, and these streams are candidates for preservation. Some stream reaches, however, were noted as needing restoration, and marked by active erosion, migration both laterally and vertically, and floodplain disconnection. Functional habitat is limited in these degraded systems by the heavy bedload and lack of stability. Without intervention, these restoration candidate streams will continue to degrade, impacting downstream reaches and impairing the watershed as a whole. Onsite potential credit yields for stream mitigation are provided as follows:

**Table 1. Potential Onsite Credit Yields**

Mitigation Type	Credit Yield
Preservation	~6,192
Restoration	~4,511
Total	~10,703
Wetland Preservation	~11

Under this proposal, we are proposing to complete all work (feasibility, survey, design, etc.) to develop a Conceptual Mitigation Plan (CMP) for the initial Joint Permit Application (JPA) submittal and will develop a Final Mitigation Plan (FMP) for the identified onsite stream restoration, preservation, and wetland preservation. The CMP will ultimately yield **an estimated total of 10,703 stream mitigation credits and 11 wetland credits**. The final stream and wetland credit yields will be determined upon further field assessments, feasibility, including invasive species inventory and included in the FMP. Implementation of the final mitigation plan including construction, maintenance and monitoring will be provided under a separate proposal. RES is proposing to invoice monthly on a fixed fee, percent complete, basis.

Table 2. Milestone Payment Schedule

Milestone	Payment Amount	Estimated Date
Conceptual Mitigation Plan (Onsite)	\$183,000.00	May 2023 Concept Plan, Final Mitigation Plan will be determined based on permit application review.
Concept Mitigation Plan (Offsite)	Budget Estimate - \$300,000.00. Detailed scope of work and fee will be provided in separate proposal.	TBD

This pricing is valid if the PRM solution is contracted within 60 days of the date of this proposal.

Closing

In closing, RES sincerely thanks you for your consideration of this proposal. I will be available to answer any follow-up questions in person or otherwise. We sincerely hope to work with you and the Authority in this endeavor.

Sincerely,

Rick Atkinson

State Business Manager – Virginia

RES | res.us

D: 804.729.8989 | M: 804.389.9122

Danville-Pittsylvania Regional Industrial Facility Authority Executive Summary

Agenda Item No.: Item 6

Meeting Date: 05/08/2023

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: 05/08/2023
Subject: Communications
From: Chairman

Communications:

- A. Authority Board Members
- B. Staff