DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY AGENDA

City of Danville, Virginia
County of Pittsylvania, Virginia

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

June 12, 2023

12:00 PM

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, City Manager Officer
Stuart J. Turille, Jr., County Administrator Officer
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**

   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**

A. Approval of Minutes of the May 8, 2023 Regular Meeting.

5. **NEW BUSINESS**

A. Consideration of Resolution No. 2023-06-12-5A approving the grant to the City of Danville, Virginia, of a non-exclusive, permanent 10-foot wide electrical utility easement to serve that certain real property owned by the Authority (Tax Parcel ID 78567, 211 Slayton Avenue), and the building commonly known as The Center for Manufacturing Advancement, located in the Authority's Cyber Park project in Danville, Virginia - Michael C. Guanzon, Christian & Barton, L.L.P., Legal Counsel to the Authority

B. Consideration of Resolution No. 2023-06-12-5B, approving the negotiation, execution and delivery of an option and ground lease agreement with Crown Castle Towers 06-2 LLC, a Delaware limited liability company, for the construction and operation of a communications facility on a portion of that certain real property containing approximately 2,000 square feet (part of GPIN 1356-75-0037) in the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, with an option period of 24 months and option fee equal to $1,000.00 - Matthew D. Rowe, Director of Economic Development, Pittsylvania County

C. Consideration of Resolution No. 2023-06-12-5C, approving the Fiscal Year 2024 General Expenditures Budget - Michael L. Adkins, Authority Treasurer, and Tiffany Swanson-Jones, CPA, City of Danville, Virginia (*No written resolution.)*

D. Financial Status Reports as of May 31, 2023 - Mr. Adkins

6. **CLOSED MEETING**

   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.*

7. RETURN TO OPEN SESSION

A. Confirmation of Motion and Vote to Reconvene in Open Meeting.

B. Motion to Certify Closed Meeting.

8. COMMUNICATIONS

A. Authority Board Members

B. Staff

9. ADJOURN

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 4.A.

DATE: June 12, 2023

FROM: Susan DeMasi | Authority Secretary

RE: Approval of Minutes of the May 8, 2023 Regular Meeting.

SUMMARY

The Board will be asked to approve the Minutes of the May 8, 2023 Meeting.

ATTACHMENTS

1. Minutes

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
May 8, 2023

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, 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, County Administrator Stuart Turille, City of Danville Chief Financial Officer Michael Adkins, City of Danville Accountant Tiffany Swanson-Jones, City of Danville Accountant Meredith Franklin, Pittsylvania County Director of Finance Kim Van Der Hyde, City of Danville Director of Economic Development Corrie Bobe, Danville Assistant Director of Economic Development Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, Legal Counsel to the Authority Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden, Brian Bradner and Carolyn Howard from Dewberry, and Linda Green from SVRA.

Chairman J. Lee Vogler, Jr., presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE MARCH 13, 2023 REGULAR MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Ingram, Minutes of the March 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. 2023-05-08-5A APPOINTING STUART J. TURILLE, JR., AS THE COUNTY ADMINISTRATOR OFFICER

Legal Counsel to the Authority Michael Guanzon explained that the by-laws provide for the County Administrator Officer of RIFA; when that office became vacant, Vaden Hunt held it as the Interim County Administrator. The Board of Supervisors hired Mr. Turille, and under the by-laws, the Board needs to vote and appoint Mr. Turille as the RIFA County Administrator Officer.

Mr. Ingram **moved** for adoption of *Resolution No. 2023-05-08-5A, appointing Stuart J. Turille, Jr., as the County Administrator Officer 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)

5B. CONSIDERATION OF RESOLUTION NO. 2023-05-08-5B AUTHORIZING EXECUTION OF A PERFORMANCE AGREEMENT FOR A VBRSP GRANT FROM VEDP FOR $1,500,000

Pittsylvania County Director of Economic Development Matt Rowe noted for clarification, this would not be for Lots 1 and 2 of the Project, but for the entire industrial park. In the past, this Board authorized and approved Mr. Larking and Mr. Hunt to move forward with negotiating with the Virginia Economic Development Partnership on this particular grant agreement. With everyone's guidance, staff reached an agreeable point between RIFA and VEDP. They have an understanding on the scope, and that has been identified in the grant. At this point, staff was asking for authorization to execute. There will be additional items in today's agenda, based upon the negotiated budget, and how to actively utilize those funds. This allows RIFA to take a park from shovel ready status, where it was now, and continue to address additional due diligence items that further development.

Mr. Tucker **moved** for adoption of *Resolution 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.*

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)

5C. CONSIDERATION OF RESOLUTION 2023-05-08-5C, APPROVING TROUTMAN PEPPER HAMILTON SANDERS LLP AS SPECIAL COUNSEL TO THE AUTHORITY

Mr. Guanzon stated now that the application was approved by RIFA, this Resolution was to hire as special legal counsel, the law firm of Troutman Pepper Hamilton Sanders, customarily known as Troutman Pepper. VEDP strongly recommended that RIFA engage legal counsel that specialized in this type of work, to give guidance to RIFA and to Dewberry, who prepared the draft application for the environmental permits. They were very experienced, not only in putting together and reviewing these types of applications, but they have a lot of history with the various government agencies that will be reviewing them; they have a lot of industry experience and knowledge as to what would be the most favorable presentation of the application. The budget for this work was about $25,000, and the cost would be reimbursed from the $1.5M grant. If approved, staff will go ahead and obtain an engagement letter with Troutman.

Mr. Saunders asked Mr. Guanzon how he felt about this and Mr. Guanzon stated he thought it was good; although he has been asked to assist in a very generalized area, this was very specialized and outside of what he and his firm focus on. This was the strong recommendation of VEDP; his role would be to work with Dewberry and RIFA staff, making sure they were keeping the law firm informed.

Dr. Miller asked if that $25,000 was all they were charging and Mr. Guanzon noted that was what staff budgeted based on the grant and what they expected; when RIFA lands the next recruit, they would have to re-engage them for additional services. There were about 1,100 pages of a draft application; they will look at it, and make suggestions as to how to make it look more favorable to attract someone. What was put in the application has to fit the actual company that was coming in, their layout, their purposes and questions like that. The number of steps that RIFA can get out of the way now, the better as these things happen so quickly. Mr. Rowe noted they do have a buffer for this; the actual amount budgeted in the grant was $50,000; if additional work needed to be done based on the additional due diligence, RIFA has another $25,000 budgeted.

Mr. Saunders **moved** for adoption 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.*

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)

5D. CONSIDERATION OF RESOLUTION 2023-05-08-5D, APPROVING AMENDMENT NO. 35-A, DATED MAY 1, 2023, WITH DEWBERRY ENGINEERS INC.,

Brian Bradner from Dewberry Engineers explained this was a revision to the Amendment that RIFA approved in February; the approval in February was subject to the finalization of the performance agreement as associated with the grant. In the packet was a red-lined copy with final additions that were made to the Amendment; those additions were a coordination Dewberry will be doing with Troutman Pepper. In addition, there were some updates that needed to be made to the draft wetland application; that was also covered in the grant. Mr. Guanzon noted in the February version, which was Amendment No. 35, this was 35-A, because of the grant, there were additional services, and the total amount from the February to today's was a difference of $27,000; that difference would be covered by the $1.5M grant.

Mr. Ingram **moved** for adoption 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.*

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)

5E. CONSIDERATION OF RESOLUTION NO. 2023-05-08-5E, APPROVING AMENDMENT NO. 36, DATED MAY 1, 2023, WITH DEWBERRY ENGINEERS INC.,

Mr. Bradner noted the Williams Transco Natural Gas Line crosses through the Megasite; this item was to create an easement plat that accurately depicts the location of where that easement went through the park. Mr. Rowe noted this was not covered by the grant, it was covered by proceeds of income from logging.

Mr. Saunders **moved** for adoption 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.*

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)

5F. FINANCIAL STATUS REPORT AS OF APRIL 30, 2023

Authority Treasurer Michael Adkins gave the Financial Status report as of April 30, 2023, noting since RIFA did not have a meeting last month, he will include any significant expenditures for both months in the comments. The $7.3M Bonds for Cane Creek had no activity for March or April. Under General Expenditures for this fiscal year, RIFA paid $29,128 to Christian & Barton for legal services, a total for March and April of $693.00 to the Institute for meals, and for March and April, a total of $332 to the City for utilities. Under Funding Other than Bonds for Berry Hill, for March, RIFA expended $68,700 to Dewberry for work under Amendment #33, and the ALTA Survey. Lot 4 Site Development had no activity for March and April. Lots 1 and 2, RIFA expended a total of $18,750 to Dewberry Engineers for work done under Amendment #30, and to Jimmy Lynch & Sons, there were three large expenditures for pay applications No. 9, 10 and 11; all three totaled $1,288,830. Water and Sewer at Berry Hill had no expenditures for March or April, and Cyber Park Site Development for work related to Lot 7B, RIFA paid Dewberry $9,600, and to Sellars Brothers, their payment application No. 6 was $110,560. Rent, Interest and Other Income show RIFA received the monthly rent for March and April from the Institute for the Hawkins' Building of $24,352, and the monthly payment of $1,500 for storage rent from AEP. Mr. Adkins stated he mentioned at the last meeting that staff re-activated RIFA's money market account because interest rates were favorable now. For the month of March, that account earned just under $4,600 in interest, and for April, the interest was about $8,800. In addition, timber sales for the month of March, RIFA received three payments from Hopkins' Lumber for $71,399, and in April received four payments totaling $97,532. RIFA also made payments to the Institute for the Hawkins' Building maintenance of $24,352.

Mr. Saunders **moved** to accept the Financial Report as presented; 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)

5G. PRESENTATION OF AUDIT OF THE AUTHORITY'S FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2022.

Mr. Adkins noted normally someone from Brown, Edwards would be here to present the Audit, but this was about four months later than usual, and they didn't want to delay it any longer. There were three reports that make up the audit report; the first one titled, Financial Report, contained all the financial statements. The most important thing was on the first page, second paragraph which was their opinion; it was clean, with no issues. The next document was the Required Communications from the Auditor to the Governing Board; this was where they would report any difficulties they had, or any findings; there were no significant audit findings, and they had no difficulty completing the audit. There was one item that was immaterial, it was $66,000 of grant revenue which staff recognized in FY 2022, it could have been recognized in FY 2021. RIFA grants were reimbursement based, so as soon as RIFA spends money that qualifies under a grant, they can show that as income. The last report was the Annual Report of Internal Controls, and there was nothing new there. RIFA has very limited staff between the City and County, they segregate duties as much as possible, and feel like they have them segregated enough, but they always point that out as a concern.

Mr. Saunders **moved** to accept the Audit Report as presented; 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)

5H. CONSIDERATION OF RESOLUTION NO. 2023-05-08-5H, APPROVING ONSITE STREAM AND WETLAND MITIGATION SOLUTION PROPOSAL WITH HGS, LLC

Mr. Bradner noted they talked earlier about the draft of the wetland permit application, staff being as ready as they can, and checking as many boxes; this item was important in terms of having a wetland application ready. HGS, which he refers to as RES, was a very large turnkey provider for large scale mitigation solutions. This was an important component for any private submission that RIFA will have in the future for wetland permit applications. They have very strong inside knowledge of the regulatory environment in terms of speed in getting approval. What was included in this proposal was two parts: one was an onsite portion and then an offsite portion. For the onsite portion, they would be utilizing areas of the Megasite that normally would be undeveloped, for purposes of mitigation. For certain projects there was a strong contention that RIFA will also need off site credits and that was where RES comes in for turnkey solutions. This has also been reviewed by VEDP and was funded by the grant.

Mr. Larking stated this was for design work only, it was not to build anything and Mr. Bradner noted that was correct; it was design work to get what was required for submission of a future wetland. Mr. Larking stated there was a scope for the first part, the $183,000, which was inside the park, but they do not have a scope for the $300,000 that was coming forward later, which he believed would have to be separately approved if RIFA was to spend any of that $300,000. Mr. Guanzon noted the way the resolution was written, it would be voluntary to bring it back to the board, it was not necessary. If the City Manager and County Administrator wanted to come back before spending, they could. Mr. Bradner noted the onsite areas that they will utilize were areas that had never been envisioned in terms of developing. One way to look at that was by taking this approach, RIFA was maximizing the use of resources they currently have, for a very necessary purpose. Mr. Guanzon stated they weren't being used because of topography or other reasons; if RIFA wasn't going to be using it for development, they can maximize it.

Mr. Vogler noted as it relates to this grant, one of the earlier things they talked about, the cost was $25K, they budgeted up to $50K; this one was budgeted up to $483,000; if some of these things RIFA has budgeted for come in under budget, what happens to the carryover money. Mr. Rowe stated they have to renegotiate that with VEDP; with conversations staff has had with them, they have been blunt on how they want these funds to be utilized on site.

Mr. Ingram **moved** for adoption 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.*

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)

6. CLOSED SESSION

At 12:46 p.m. Mr. Tucker **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

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

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. Ingram and carried by the following vote:

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

RETURN TO OPEN SESSION

On **Motion** by Mr. Saunders and **second** by Mr. Tucker and by unanimous vote at 1:50 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. Ingram noted it was a good meeting, this Board has a good relationship. There were some things they could do better to strengthen the City and County relationship; that was a continuing, ongoing process. He was very grateful to be part of it.

Mr. Tucker noted he was excited about the direction of RIFA, about all of the projects and excited about the future.

Mr. Saunders noted his agreement with what has been said and was glad to be here.

Mr. Dalton thanked everyone for all they do.

Mr. Vogler noted his agreement, it was a great meeting, it was an exciting time for this region. The people in this room were a great team, and he enjoyed working with him.

Meeting adjourned at 2:04 p.m.

APPROVED:

____
Chairman

____
Secretary to the Authority

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.A.

DATE: June 12, 2023

FROM: Michael Guanzon | Legal Counsel to Authority

RE: Consideration of Resolution No. 2023-06-12-5A approving the grant to the City of Danville, Virginia, of a non-exclusive, permanent 10-foot wide electrical utility easement to serve that certain real property owned by the Authority (Tax Parcel ID 78567, 211 Slayton Avenue), and the building commonly known as The Center for Manufacturing Advancement, located in the Authority's Cyber Park project in Danville, Virginia - Michael C. Guanzon, Christian & Barton, L.L.P., Legal Counsel to the Authority

SUMMARY

The Center for Manufacturing Advancement in the Cyber Park needs RIFA to grant an electrical utility easement to the City of Danville (PIN 78567). The City already has a general easement on the property.

ATTACHMENTS

1. Resolution 2023-06-12-5A - With Exhibit A.V1

A RESOLUTION APPROVING THE GRANT TO THE CITY OF DANVILLE, VIRGINIA, OF A NON-EXCLUSIVE, PERMANENT 10-FOOT WIDE ELECTRICAL UTILITY EASEMENT TO SERVE THAT CERTAIN REAL PROPERTY OWNED BY THE AUTHORITY (TAX PARCEL ID 78567, 211 SLAYTON AVENUE), AND THE BUILDING COMMONLY KNOWN AS THE CENTER FOR MANUFACTURING ADVANCEMENT, LOCATED IN THE AUTHORITY'S CYBER PARK PROJECT IN DANVILLE, VIRGINIA

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

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

WHEREAS, the Authority owns the real property (Tax Parcel ID 78567, 211 Slayton Avenue, Danville, Virginia) (the "**CMA Lot**") in the Authority's Cyber Park project, upon which The Center for Manufacturing Advancement is operated; and

WHEREAS, the City holds utility easements over the CMA Lot and other real property of the Authority in the Cyber Park project, and as part of the City's utility development plan, the City has requested the Authority for a more specific, non-exclusive, permanent 10-foot wide electrical utility easement over the CMA Lot, in substantially the form shown on **Exhibit A**, attached hereto and incorporated herein by this reference (the "**CMA Utility Easement**"); and

WHEREAS, each of the Authority, the County and the City finds that the CMA Utility Easement would promote the expansion of industry by inducing industrial development within the Cyber Park project, and that such development will promote the safety, health, welfare, convenience and prosperity of the citizens of the County and the City; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of the City and the County, and in furtherance of the development of the Cyber Park project, for the Authority to approve, to negotiate, to execute and to deliver the CMA Utility Easement, as applicable, consistent with this Resolution.

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

1. The Authority hereby approves the negotiation, execution and delivery of the CMA Utility Easement, 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 CMA Utility Easement, 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. The 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 CMA Utility Easement, 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.

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 CMA Utility Easement, and the matters contemplated therein or related thereto on before the date of this Resolution is adopted.

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 June 12, 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 12th day of June 2023.

____

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

(SEAL)

Exhibit A

(Form of CMA Utility Easement)

This instrument prepared by: Alvin Chandler

COMMONWEALTH OF VIRGINIA
CITY OF DANVILLE

Project No. 318768 Parcel No.: 78567, City/County: Danville, VA.

THIS DEED OF EASEMENT (this "**Deed**"), made and entered into this day of , 2023, by and between Danville Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia, herein referred to as "Grantor"; and the CITY OF DANVILLE, VIRGINIA, P.O. Box 3300, Danville, Virginia 24543, a municipal corporation chartered under the laws of the Commonwealth of Virginia, herein referred to as "Grantee";

WITNESSETH:
That for and in consideration of the sum of One Dollar ($1.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged by Grantor, Grantor does hereby grant and convey to Grantee, its licensees, agents, successors and assigns, the following described easement:

A non-exclusive, permanent (10 ft.) easement, (5 ft.) on either side of center and right-of-way for utility facilities (the "**Easement**"), consisting of the perpetual right to enter and to install, construct, erect, maintain, repair, rebuild, replace, operate and patrol such lines and facilities, including all necessary poles, conduits, cable, anchors, guys, wires, buried cables, buried wires, posts, terminals, location markers, manholes, fixtures, and other appurtenances, and the right to reconstruct, improve, add to, enlarge, change the type, as well as the size of and remove such facilities or any of them or those of such other system or systems as are duly authorized by Grantee to use jointly its poles or trenches, as may be from time to time required, in, upon, under, over, or across the parcel or tract of land described as follows. Placement of new primary underground electric lines, a sectionalizing cabinet, and (3) transformers on 211 Slayton Avenue Danville, VA. 24540 at The Center For Manufacturing Advancement building (CMA) located at the Cyber Park Industrial Technology Park in Danville, VA to provide a new electric service.

Together with the right to permit any other person, firm or corporation to attach or install wires to or together with any facilities hereunder within the Easement and to operate the same for communications purposes with the right of ingress and egress to said premises at all times, to clear the land and keep it cleared of all trees, undergrowth or other obstructions within the Easement area, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the Easement area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution and further grants, to the fullest extent the undersigned has the power to grant, if at all, the rights hereinabove granted on the land heretofore described, over, along, under and across the roads, street or highways adjoining or through said property.

Grantor covenants that no permanent building or structure shall be erected within the Easement herein granted without the written consent of Grantee. This Easement shall run with the land of the Grantor, and shall be binding upon the heirs, executors, administrators, successors and assigns of Grantor and Grantee.

This conveyance is made subject to all easements, conditions, restrictions and agreements of record affecting the real estate hereby conveyed or any part thereof.

WITNESS the following signature(s) and seal(s) to this DEED OF EASEMENT.

GRANTOR:

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

(Seal)

By: ______________________________________

J. Lee Vogler, Jr., Chairman

COMMONWEALTH OF VIRGINIA AT LARGE
CITY OF DANVILLE, to-wit:

The foregoing instrument was acknowledged before me in my jurisdiction aforesaid on this ____ day of ___________, 2023, by **J. LEE VOGLER, JR.**, in his capacity as Chairman of **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a political subdivision of the Commonwealth of Virginia, as grantor.

My commission expires: _________________:

(Seal)

____

Notary Public

Registration Number: ____________________

This Instrument Is Exempt From The Tax Imposed By Virginia Code §58.1-801 Pursuant To The Provisions Of Virginia Code §58.1-811(A)(3)

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.B.

DATE: June 12, 2023

FROM: Michael Guanzon | Legal Counsel to Authority

RE: Consideration of Resolution No. 2023-06-12-5B, approving the negotiation, execution and delivery of an option and ground lease agreement with Crown Castle Towers 06-2 LLC, a Delaware limited liability company, for the construction and operation of a communications facility on a portion of that certain real property containing approximately 2,000 square feet (part of GPIN 1356-75-0037) in the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, with an option period of 24 months and option fee equal to $1,000.00 - Matthew D. Rowe, Director of Economic Development, Pittsylvania County

SUMMARY

Consideration of an option and ground lease arrangement with Crown Castle to construct and operate a cell tower in SVM.

ATTACHMENTS

1. Resolution 2023-06-12-5B
2. Exhibit A - Crown Castle Option and Lease 4878-9585-4184 v2

Resolution No. 2023-06-12-5B

A RESOLUTION APPROVING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN OPTION AND GROUND LEASE AGREEMENT WITH CROWN CASTLE TOWERS 06-2 LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR THE CONSTRUCTION AND OPERATION OF A COMMUNICATIONS FACILITY ON A PORTION OF THAT CERTAIN REAL PROPERTY CONTAINING APPROXIMATELY 2,000 SQUARE FEET (PART OF GPIN 1356-75-0037) IN THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, LOCATED IN PITTSYLVANIA COUNTY, VIRGINIA, WITH AN OPTION PERIOD OF 24 MONTHS AND OPTION FEE EQUAL TO $1,000.00

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, as part of the Authority's Southern Virginia Megasite at Berry Hill project (the "**SVM**") located in Pittsylvania County, Virginia, the Authority desires to enhance communications in and around the SVM for the continued development and marketing of the SVM; and

WHEREAS, Crown Castle Towers 06-2 LLC, a Delaware limited liability company ("**Crown Castle**"), desires to assess, construct and operate a communications facility ("**Communications Facility**") upon that certain real property containing approximately two thousand square feet (2,000 sq. ft.) (part of Tax GPIN 1356-75-0037) in the SVM (the "**Property**"); and

WHEREAS, the Authority desires to negotiate, execute and deliver an option and ground lease agreement ("**Option Agreement**") with Crown Castle for the construction and operation of a Communications Facility on the Property, substantially in the form attached hereto as **Exhibit A**, and incorporated herein by this reference, under the following minimum business terms:

(i) Crown Castle would pay an option fee equal to one thousand and 00/100 Dollars ($1,000.00) for a twenty four (24) month option period to assess Property for Crown Castle's intended purposes;

(ii) prior to the expiration of the option period, Crown Castle may exercise its option to enter into a ground lease with the Authority for the Property;

(iii) the ground lease would have an initial term equal to five (5) years and will automatically extend for nine (9) additional five- (5-) year terms, unless otherwise terminated, as more fully described in the Option Agreement;

(iv) the Authority will have the right to terminate the ground lease, without cause upon three hundred sixty five (365) days written notice; and

(v) Crown Castle will pay the Authority a monthly rate under the ground lease, subject to annual increases;

; 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 the SVM, for the Authority to approve, to negotiate, to execute and to deliver an Option Agreement with Crown Castle, as applicable, consistent with this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the negotiation, execution and delivery of an Option Agreement with Crown Castle, 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 Option Agreement, 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. 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 Option 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 Option 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 June 12, 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 12th day of June 2023.

____

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

(SEAL)

Exhibit A

(Form Option Agreement)

OPTION AND GROUND LEASE AGREEMENT

THIS OPTION AND GROUND LEASE AGREEMENT (this "Agreement") is made effective this _____________ day of _________, 20___ ("Effective Date") by and between the Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia ("Lessor") and CROWN CASTLE TOWERS 06-2 LLC, a Delaware limited liability company ("Lessee").

1. Lessor's Property. "Lessor's Property" shall refer to the parcel of land located in the County of Pittsylvania, Commonwealth of Virginia, as shown on the Tax Map of said County as Tax Parcel Number 1356-75-0037, being further described on **Exhibit** "**A**".

2. Leased Premises. "Leased Premises" shall refer to that portion of Lessor's Property consisting of a parcel of approximately two thousand square feet (2,000 sq. ft.) as described in the sketch attached hereto as **Exhibit "B"**. The boundaries of the Leased Premises may be subject to modification as set forth in Section 7, but in no event shall the boundaries be modified without the express written consent of Lessor, which such consent will not be unreasonably withheld, conditioned or delayed.

3. Grant of Option to Lease. In consideration of One Thousand Dollars ($1,000.00) ("Option Fee") to be paid by Lessee to Lessor within sixty (60) days of Lessee's execution of this Agreement, Lessor hereby grants to Lessee the option (as hereafter defined), for a period of twenty-four (24) months, commencing on the Effective Date ("Option Period"), to lease the Leased Premises, on the terms and conditions set forth in this Agreement (the "**Option**").

4. Due Diligence Investigation.

(A) Inspection Rights. During the Option Period, and the Lease Term (if applicable), Lessee shall have the right to analyze the suitability of the Leased Premises for its intended use. Lessee and its employees, agents, contractors, engineers, and surveyors (collectively, "**Lessee's Personnel**") shall have the right to enter upon Lessor's Property to inspect, conduct, perform and examine soil borings, drainage testing, material sampling, surveys and other geological or engineering tests or studies of Lessor's Property, to apply for and obtain all licenses and permits required for Lessee's use of the Leased Premises from all applicable governmental or regulatory entities, and to do those things on Lessor's Property that, in the reasonable opinion of Lessee, are necessary to determine the physical condition of Lessor's Property, the environmental history of Lessor's Property, Lessor's title to Lessor's Property and the feasibility or suitability of the Leased Premises for Lessee's Permitted Use as defined in this Agreement, all at Lessee's expense (the "Due Diligence"). Activities conducted in connection with Lessee's Due Diligence shall not be deemed to constitute exercise of the Option or commencement of construction of the Improvements, as defined in paragraph 11. Upon completion of Lessee's Due Diligence activities, Lessee shall promptly restore Lessor's Property to its prior condition, reasonable wear and tear excepted. Lessee hereby agrees to indemnify, defend, and hold harmless Lessor from and against any and all liabilities (including reasonable attorneys' fees, expenses and disbursements) arising out of or resulting from the entry on the Lessor's Property and/or the conduct of any due diligence by Lessee or any of Lessee's Personnel. The provisions of this Section 4(A) shall specifically and without limitation survive the expiration or any earlier termination of this Agreement.

(B) Temporary Access Road and Easement for Due Diligence. To facilitate Lessee's Due Diligence, Lessor hereby grants Lessee and its employees, agents, contractors, engineers and surveyors the right, and a non-exclusive easement to construct at Lessee's sole cost and expense and use a temporary pedestrian and vehicular access roadway from a public road, across Lessor's Property, to the Leased Premises. The location of said temporary pedestrian and vehicular access roadway on Lessor's Property is shown on **Exhibit** "**B**". Such construction shall not be deemed to constitute exercise of the Option or commencement of construction of the Improvements, as defined in paragraph 11, herein. Lessee, at its sole cost and expense, shall cause any such construction to be in a good workmanlike manner, free and clear of any mechanic's liens, and in compliance with all applicable laws and the restrictive covenants applicable to the Lessor's Property.

5. Extension, Termination and Exercise of Option.

(A) Right to Extend Option Period. [intentionally omitted]

(B) Right to Terminate Option. Lessee shall have the right to terminate this Agreement at any time prior to the expiration of the Option Period by sending written notice of termination to Lessor. In the event that Lessee terminates this Agreement at any time prior to the expiration of the Option Period, Lessor shall retain the Option Fee previously paid.

(C) Expiration of Option Period. If, upon expiration of the Option Period, Lessee has not exercised the Option, this

Agreement shall terminate. Upon such termination, neither party shall have any further rights or duties hereunder except as provided for in paragraph 4 above. Lessor shall retain the Option Fee previously paid.

(D) Exercise of Option. Prior to expiration of the Option Period, Lessee may exercise the Option by providing at least twenty (20) days' written notice to Lessor of such exercise. Upon the first day of the month immediately following such exercise ("Commencement Date"), the Lease Term, as defined in paragraph 9 herein, shall commence, the Easements, as defined in paragraph 8, shall become effective and the Option Period shall automatically terminate.

6. Lessor's Cooperation. During the Option Period, and the Lease Term, Lessor shall, at no expense or cost to Lessor: (i) cooperate with Lessee in its efforts to perform its Due Diligence and to obtain all of the certificates, permits, licenses and other approvals that Lessee, in its sole discretion, deems necessary for its intended use of the Leased Premises ("Approvals"), including all appeals; and (ii) take no action that would adversely affect the Leased Premises unless otherwise permitted by this Agreement or required by law; provided, however, that nothing in this Agreement shall limit Lessor from complying with any regulations, ordinances, requirements or orders as required by the County of Pittsylvania, Virginia. Lessee shall promptly notify Lessor in the event that Lessor is required to perform any specific actions in order to comply with this paragraph 6. Lessor acknowledges that Lessee's ability to use the Leased Premises is contingent upon Lessee obtaining and maintaining the Approvals. Additionally, upon at least thirty (30) days written request by Lessee, Lessor agrees to authorize Lessee, at Lessee's sole cost and expense, and its employees, representatives, agents, and consultants to prepare, execute, submit, file and present on behalf of Lessor building, permitting, zoning or land-use applications with the appropriate local, state and/or federal agencies necessary to obtain land use changes, special exceptions, zoning variances, conditional use permits, special use permits, administrative permits, construction permits, operation permits and/or building permits. Lessor understands that any such application and/or the satisfaction of any requirements thereof may require Lessor's cooperation, which Lessor hereby agrees to provide. In Lessor's reasonable determination, Lessor shall not do or permit anything that will interfere with or negate any Approvals pertaining to the Improvements or Leased Premises or cause them to be in nonconformance with applicable local, state or federal laws. Lessor agrees to execute such documents as may be reasonably necessary to obtain and thereafter maintain the Approvals, and agrees to be named as the applicant for said Approvals, when such Approvals are required to be submitted by the current owner of the Leased Premises.

7. Leased Premises; Survey. Following exercise of the Option, Lessee shall provide Lessor with a copy of a boundary survey, which shall depict and identify the boundaries of the Leased Premises and the Easements. The parties agree that Lessee shall replace **Exhibit "B"** with a site diagram or survey during the Option Period, depicting the Option Area with more specificity, provided same is approved by Lessor, in Lessor's sole discretion, which approval shall not be unreasonably withheld. The Survey shall be deemed to be incorporated into this Agreement as **Exhibit** "**C**" even if not physically affixed hereto. The description of the Leased Premises set forth in **Exhibit** "**C**" shall control in the event of discrepancies between **Exhibit** "**B**" and **Exhibit** "**C**".

8. Easements. Effective on the Commencement Date, Lessor grants the following non-exclusive easements and rights-of-way over, under and upon Lessor's Property to Lessee, Lessee's employees, agents, contractors, sublessees, licensees and their employees, agents and contractors: (i) an easement over such portion of Lessor's Property as is reasonably necessary to obtain or comply with any Approvals, including any landscaping requirements therein; (ii) a thirty foot (30') wide easement in the location shown in **Exhibit** "**B**", as may be amended by **Exhibit** "**C**", for access, ingress, egress and for construction purposes including without limitation staging and storing of equipment, vehicles, cranes and materials seven (7) days per week, twenty-four (24) hours per day, for pedestrians and all types of motor vehicles, to extend from the nearest public right-of-way to the Leased Premises; and (iii) a utility easement (the "Utility Easement") in the location shown in **Exhibit** "**B**", as may be amended by **Exhibit** "**C**", for the installation, repair, replacement and maintenance of utility wires, poles, fiber, cables, conduits and pipes; provided that in the event that any public utility is unable or unwilling to use the Utility Easement in the location shown in **Exhibit** "**B**", as may be amended by **Exhibit** "**C**". All maintenance and repair of the easements and rights-of-way shall be the sole responsibility of Lessee. Upon written notice from Lessee to Lessor, Lessee shall have the right to an alternate easement either to Lessee or directly to the public utility at no cost and in a location acceptable to Lessee and the public utility and reasonably acceptable to Lessor. TO HAVE AND TO HOLD the Easements for the purposes provided during the Lease Term and thereafter for a reasonable period of time, but in no event longer than one hundred eighty (180) days for Lessee to remove its Improvements. At Lessee's sole cost and expense, Lessee shall be responsible (i) for complying with all applicable laws, including without limitation building law and zoning laws, and with all restrictive covenants applicable to the Lessor's Property and (ii) for securing all third party consents of any applicable easement holders.

9. Lease Term. Effective upon the Commencement Date, Lessor leases the Leased Premises to Lessee for a period of five (5) years ("Initial Term"). This Agreement shall automatically be extended for nine (9) additional terms (each a "Renewal Term") of five (5) years each, together the ("Lease Term"), unless this Agreement is terminated pursuant to the provisions set forth herein.

10. Right to Terminate; Effect of Termination.

(A) By Lessee. Lessee shall have the right, following its exercise of the Option, to terminate this Agreement, at any time, without cause, by providing Lessor with one hundred eighty (180) days' prior written notice. Upon such termination, this Agreement shall become null and void and neither party shall have any further rights or duties hereunder, except that any monies owed by either party to the other up to the date of termination shall be paid within thirty (30) days of the termination date and Lessee's restoration obligations shall survive termination.

(B) By Lessor. Lessor shall have the right, upon three hundred sixty five (365) days' written notice to Lessee, to terminate this Agreement, without cause. Upon such termination, this Agreement shall become null and void and neither party shall have any further rights or duties hereunder, except that: (i) any monies owed by either party to the other up to the date of termination shall be paid within thirty (30) days of the termination date; (ii) Lessee, at Lessee's expense, unless otherwise agreed to in writing, shall remove any of its Improvements from the Leased Premises; (iii) and Lessee's restoration obligations shall survive termination.

11. Rent. "Rent" means the consideration payable by Lessee to Lessor in exchange for the Leased Premises in the amount of $21,000 per year to be paid in equal monthly installments of $1,750. After the first year of the Lease Term and every year on the anniversary of the commencement date thereafter (the "Adjustment Date"), the Rent shall increase by an amount equal to the greater of 3% and the Increased CPI Percentage (as hereafter defined) of the monthly rent in effect for the month immediately preceding the Adjustment Date. Lessee shall pay to Lessor a late payment charge equal to the lesser of five percent (5%) and the maximum percentage permitted by law, of the late payment for any payment not paid by Lessee when due. "Increased CPI Percentage" shall mean the percentage increase that Consumer Price Index for All Urban Consumers ("CPI-U") (U.S. city average series for all items, not seasonally adjusted) as of the Adjustment Date has increased from the applicable CPI-U as of the previous Adjustment Date. For purposes of this Section, Increased CPI Percentage shall not be less than 0%.

12. Use of Property. The Leased Premises and the Easements shall be used for the purpose of (i) constructing, maintaining, and operating communications facilities, including without limitation, tower structures, antenna support structures, fencing, cabinets, meter boards, buildings, antennas, radios, cables, fiber, data storage systems and related communications equipment (collectively, "Improvements") and, (ii) any uses incidental thereto, including without limitation, use of back-up power systems, and installation of equipment to accommodate new technologies or future innovations for receiving, storing and transmitting signals for Lessee's use and the use of its sublessees, licensees customers, or invitees (collectively the "Permitted Use"); provided, however, that the installation of equipment to accommodate new technologies or future innovations shall be subject to Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Lessee may place a security fence, around the perimeter of the Leased Premises. All Improvements shall be constructed at Lessee's sole expense. Lessee will maintain the Leased Premises in a safe condition and keep the Leased Premises free from all trash and debris. It is the intent of the parties that Lessee's Improvements shall not constitute a fixture. Lessee shall cause any and all Improvements and Permitted Uses to be in compliance with all local, state and federal laws and regulations.

(A) In no event shall Lessee use unlicensed frequencies or spectrum, or any other frequencies which are or may become available for unlicensed use. Lessee will not use any frequencies provided for public safety or locality use.

(B) Lessee will be responsible for paying on a monthly or quarterly basis all utilities charges for electricity, telephone service or any other utility used or consumed by Lessee on the Leased Premises.

(C) Lessor and Lessee hereby acknowledge that the locations of the Leased Premises and easement areas identified on Exhibit "B" are based upon the current plans and projected needs of Lessor and Lessee. In the event that Lessor's plans change in the future, and the locations of the Leased Premises and easements, as then identified on Exhibit "C" restrict or materially obstruct the future plans of Lessor, Lessor may provide advance written notification thereof to Lessee. With the prior written consent of Lessee, which consent shall not be unreasonably withheld, conditioned or delayed, Lessor, at its expense, shall have the right to relocate or to cause the relocation by Lessee of any portion of the Leased Premises and/or easement areas in order to facilitate and/or accommodate the recruitment or retention of a heavy industrial user to Lessor's Southern Virginia Megasite at Berry Hill project (the "SVM") or the further development of the SVM.

13. Hazardous Materials.

(A) Lessee's Obligation and Indemnity. Lessee shall not (either with or without negligence) cause or permit the escape, disposal or release of any Hazardous Materials on or from the Leased Premises in any manner prohibited by law. Lessee shall indemnify and hold Lessor harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorneys' fees, and consultants' and experts' fees) from the release of any Hazardous Materials on the Leased Premises if caused by Lessee or persons acting under Lessee.

(B) Lessor's Obligation and Indemnity. Lessor shall not (either with or without negligence) cause or permit the escape, disposal or release of any Hazardous Materials on or from Lessor's Property or the Leased Premises in any manner prohibited by law.

(C) For purposes of this Agreement, the term "Hazardous Materials" means any substance which is (i) designated, defined, classified or regulated as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law, as currently in effect or as hereafter amended or enacted, (ii) a petroleum hydrocarbon, including crude oil or any fraction thereof and all petroleum products, (iii) PCBs, (iv) lead, (v) asbestos, (vi) flammable explosives, (vii) infectious materials, or (viii) radioactive materials. "Environmental Laws" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. Sections 2601, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. 5101, et seq., and the Clean Water Act, 33 U.S.C. Sections 1251 et seq., as said laws have been supplemented or amended to date, the regulations promulgated pursuant to said laws and any other federal, state or local law, statute, rule, regulation or ordinance which regulates or proscribes the use, storage, disposal, presence, clean-up, transportation or release or threatened release into the environment of Hazardous Materials.

14. Insurance. At all times during the performance of its Due Diligence and during the Lease Term, Lessee, at its sole expense, shall obtain and keep in force insurance which may be required by any federal, state or local statute or ordinance of any governmental body having jurisdiction in connection with the operation of Lessee's business upon the Leased Premises. At a minimum, said insurance shall include Commercial General Liability coverage in an amount not less than $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate, and shall name the Lessor as an additional insured. The required limits recited herein may be met by primary and excess or umbrella policies covering other locations. Upon Lessor's written request, which request shall not exceed once per year, Lessee will provide Lessor with a copy of the certificate of insurance evidencing such coverage.

15. Removal of Obstructions. Lessee has the right to remove obstructions from Lessor's Property, including but not limited to vegetation, which may encroach upon, interfere with or present a hazard to Lessee's use of the Leased Premises or the Easements; provided, however, that Lessee may only remove improvements, which were not constructed by or for the use of Lessee, from Lessor's Property with Lessor's prior written consent.

16. Right of First Refusal. [intentionally omitted]

17. Real Estate Taxes. Lessor shall pay all real estate taxes on Lessor's Property. Lessee agrees to reimburse Lessor for any documented increase in real estate or personal property taxes levied against Lessor's Property that are directly attributable to the Improvements constructed by Lessee. Lessor agrees to provide Lessee any documentation evidencing the increase and how such increase is attributable to Lessee's use. Lessee reserves the right to challenge any such assessment, and Lessor agrees to cooperate with Lessee in connection with any such challenge. Notwithstanding any language in this section to the contrary, in the event that such taxes are not charged on any portion of the Leased Premises or any of the improvements at one hundred percent (100%) because of Lessor's status as a political subdivision or otherwise, Lessee shall pay to Lessor, as additional rent, a sum equal to all real estate taxes which would have come due, had Lessee, instead of Lessor, owned the Leased Premises and any building or improvements thereon, less the amount of real estate taxes charged and payable by Lessee. Moreover, in the event such taxes (or additional rent as the case may be) cover periods outside of the Lease Term, such taxes (or additional rent as the case may be) shall be adjusted pro rata.

18. Waiver of Claims and Rights of Subrogation. Each of Lessor and Lessee hereby releases the other, its respective officers, directors, employees, affiliated companies and agents, from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property covered by insurance which either party is required to maintain under this Lease, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible. However, this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's insurance policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair such policies or prejudice the right of the releasor to recover thereunder. Each of Lessor and Lessee agrees that any fire and extended coverage insurance policies shall include such a clause or endorsement as long as the same shall be obtainable without extra cost, or, if extra cost shall be charged therefor, so long as the other party pays such extra cost. If extra cost shall be chargeable therefor, each party shall notify the other party of the amount of the extra cost, and the other party, at its election, may pay the same, but shall not be obligated to do so.

19. Default.

(A) Notice of Default; Cure Period. In the event that there is a default by Lessor or Lessee (the "Defaulting Party") with respect to any of the provisions of this Agreement or Lessor's or Lessee's obligations under this Agreement, the other party (the "Non-Defaulting Party") shall give the Defaulting Party written notice of such default. After receipt of such written notice, the Defaulting Party shall have thirty (30) days in which to cure any monetary default and sixty (60) days in which to cure any non-monetary default. The Defaulting Party shall have such extended periods as may be required beyond the sixty (60) day cure period to cure any non-monetary default if the nature of the cure is such that it reasonably requires more than sixty (60) days to cure, and Defaulting Party commences the cure within the sixty (60) day period and thereafter continuously and diligently pursues the cure to completion. The Non-Defaulting Party may not maintain any action or effect any remedies for default against the Defaulting Party unless and until the Defaulting Party has failed to cure the same within the time periods provided in this Section.

(B) Consequences of Lessee's Default. Lessor acknowledges that under the terms of this Agreement, Lessee has the right to terminate this Agreement at any time upon one hundred eighty (180) days' notice.

(C) Consequences of Lessor's Default. In the event that Lessor is in default beyond the applicable periods set forth above, Lessee shall have the right to injunctive relief, to require specific performance of this Agreement, to pursue an action for damages, terminate this Lease, vacate the Leased Premises and be relieved from all further obligations under this Agreement; and to perform the obligation(s) of Lessor specified in such notice, and charge Lessor for any expenditures reasonably made by Lessee in so doing or set-off from Rent any amount reasonably expended by Lessee as a result of such default.

20. Limitation on Damages. In no event shall either party be liable to the other for consequential, indirect, speculative or punitive damages in connection with or arising from this Agreement, or the use of the Leased Premises, Easements, and/or Utility Easement.

21. Hold Harmless. Lessee shall indemnify and defend Lessor against, and hold Lessor harmless from, any claim of liability or loss from personal injury or property damage arising from the use and occupancy of the Leased Premises or Lessor's Property by Lessee, its subtenants, licensees, employees, contractors, servants or agents, except to the extent such claims are caused by the intentional misconduct or negligent acts or omissions of Lessor, its employees, contractors, servants or agents.

22. Lessor's Covenant of Title. Lessor covenants that Lessor holds good and marketable fee simple title to Lessor's Property and the Leased Premises and has full authority to enter into and execute this Agreement.

23. Interference with Lessee's Business. From and after the date hereof and continuing until this Lease expires or is terminated, Lessee shall have the exclusive right to construct, install and operate communications facilities that emit radio frequencies within a five hundred (500) foot radius surrounding the Leased Premises (the "Radius Restriction Area"). Lessor agrees that it will not permit the construction, installation or operation in the Radius Restriction Area of (i) any additional wireless communications facilities or (ii) any equipment or device that interferes with Lessee's use of the Leased Premises for a wireless communications facility; provided, however, Lessor shall not be obligated to cause the cessation of interference by any other third-party. Each of the covenants made by Lessor in this section is a covenant running with the land for the benefit of the Leased Premises. Notwithstanding any language to the contrary in this Section, Lessor shall be permitted to use personal cellular phones, computers and other personal household communication devices at the Lessor's Property.

(A) Access by Lessor. Lessor may reasonably access all parts of the Leased Premises. Lessor will endeavor to give Lessee twenty-four (24) hours' notice prior to accessing enclosed areas. However, in the event of a situation which involves the health, safety, or welfare of the community, or other emergency situations, Lessor may access the Leased Premises immediately and without notice.

24. Eminent Domain. If Lessor receives notice of a proposed taking by eminent domain of any part of the Leased Premises or the Easements, Lessor will notify Lessee of the proposed taking within ten (10) days of receiving said notice and Lessee will have the option to: (i) declare this Agreement null and void and thereafter neither party will have any liability or obligation hereunder; or (ii) remain in possession of that portion of the Leased Premises and Easements that will not be taken, in which event there shall be an equitable adjustment in Rent on account of the portion of the Leased Premises and Easements so taken. With either option Lessee shall have the right to pursue all available remedies at law or equity.

25. Applicable Law and Venue. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State where the Leased Premises is located. The parties agree that the venue for any litigation regarding this Agreement shall be in the state or federal courts in the county where the Leased Premises is located.

26. Notices. All notices hereunder shall be in writing and shall be given by (i) established national courier service which maintains delivery records, (ii) hand delivery, or (iii) certified or registered mail, postage prepaid, return receipt requested. Notices are effective upon receipt, or upon attempted delivery if delivery is refused or if delivery is impossible because of failure to provide reasonable means for accomplishing delivery. The notices shall be sent to the parties at the following addresses:

Lessor:

Danville-Pittsylvania Regional Industrial Facility Authority
Attn: Susan M. DeMasi, Authority Secretary
427 Patton Street
Danville, VA 24541

Lessee:

Crown Castle Towers 06-2 LLC
Attn: Legal - Real Estate
2000 Corporate Drive
Canonsburg, PA 15317-8564

27. Assignment, Sublease, Licensing and Encumbrance. Lessee has the right, subject to Lessor's prior written consent, to assign its interest in this Agreement and to sublease or license use of the Leased Premises, Easements and Improvements. Assignment of this Agreement by Lessee shall be effective upon Lessee's receipt of Lessor's written consent to Lessee; provided, however, any such assignment shall not relieve Lessee from any further liability or obligation unless agreed to in writing by Lessor. Lessee has the further right to pledge or encumber its interest in this Agreement. Upon request to Lessor from any leasehold mortgagee, Lessor agrees to give the holder of such leasehold mortgage written notice of any default by Lessee and an opportunity to cure such default within thirty (30) days after such notice with respect to monetary defaults and within a commercially reasonable time after such notice with respect to any non-monetary default.

28. Mortgages. In the event that the Leased Premises is currently encumbered or shall become encumbered by such a mortgage, Lessor shall obtain and furnish to Lessee a non-disturbance agreement for each such mortgage, in recordable form.

29. Sale of Property. If during the Option Period or Lease Term, Lessor sells all or part of Lessor's Property, of which the Leased Premises is a part, then such sale shall be under and subject to this Agreement.

30. Surrender of Property. Upon expiration or termination of this Agreement, Lessee shall, within a reasonable time not to exceed one hundred eighty (180) days, remove all above ground Improvements and below ground improvements to a point three (3) feet below grade, and restore the surface of the Leased Premises as nearly as reasonably possible to its original condition, without, however, being required to replace any trees or other plants removed.

31. Quiet Enjoyment. Lessor covenants that Lessee, on paying Rent and performing the covenants of this Agreement, shall peaceably and quietly have, hold and enjoy the Leased Premises and Easements.

32. Lessor's Waiver. Lessor hereby waives and releases any and all liens, whether statutory or under common law, with respect to any of Lessee's Improvements now or hereafter located on the Leased Premises.

33. Miscellaneous.

Recording. Lessee shall have the right to record a memorandum of the Option and a memorandum of this Agreement with the appropriate recording officer. Lessor shall execute and deliver each such memorandum, for no additional consideration, promptly upon Lessee's request. However, all recordation filing fees and taxes, if any, shall be at the sole cost and expense of the party recording such memorandum.

Entire Agreement. Lessor and Lessee agree that this Agreement contains all of the agreements, promises and understandings between Lessor and Lessee. No oral agreements, promises or understandings shall be binding upon either Lessor or Lessee in any dispute, controversy or proceeding at law. Any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties hereto. The terms, covenants and provisions of this Agreement shall extend to and be binding upon the respective executors, administrators, heirs, successors and assigns of Lessor and Lessee.

Captions. The captions preceding the Sections of this Agreement are intended only for convenience of reference and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

Construction of Document. Lessor and Lessee acknowledge that this document shall not be construed in favor of or against the drafter by virtue of said party being the drafter and that this Agreement shall not be construed as a binding offer until signed by Lessee.

Partial Invalidity. If any term of this Agreement is found to be void or invalid, then such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

Counterparts. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

Electronic Signatures. Each party agrees that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. As used herein, "electronic signature" means any electronic sound, symbol, or process attached to or logically associated with this Agreement and executed and adopted by a party with the intent to sign such Agreement, including facsimile or email electronic signatures.

IRS Form W-9. Lessor agrees to provide Lessee with a completed IRS Form W-9, or its equivalent, upon execution of this Agreement and at such other times as may be reasonably requested by Lessee. In the event the Lessor's Property is transferred, the succeeding Lessor shall have a duty at the time of such transfer to provide Lessee with a Change of Ownership Form as provided for by Lessee, a completed IRS Form W-9, or its equivalent, and other related paper work to effect a transfer in Rent to the new Lessor. Lessor's failure to provide the IRS Form W-9 within thirty (30) days after Lessee's request shall be considered a default and Lessee may take any reasonable action necessary to comply with IRS regulations including, but not limited to, withholding applicable taxes from Rent payments.

[Execution Page Follows]

IN WITNESS WHEREOF, Lessor and Lessee having read the foregoing and intending to be legally bound hereby, have executed this **OPTION AND GROUND LEASE AGREEMENT** as of the day and year this Agreement is fully executed.

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

By: ____

Print Name: J. Lee Vogler, Jr.

Print Title (if any): Chairman

Date: ____

COMMONWEALTH OF VIRGINIA AT LARGE
CITY/COUNTY OF ________________, to-wit:

The foregoing instrument was acknowledged before me in my jurisdiction aforesaid on this ____ day of ___________, 2023, by **J. Lee Vogler, Jr.**, in his capacity as Chairman of the **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY,** a political subdivision of the Commonwealth of Virginia, as grantor.

My commission expires: _________________:

(Seal)

____
Notary Public
Registration Number: ___________________

LESSEE:
CROWN CASTLE TOWERS 06-2 LLC,
a Delaware limited liability company

By: ____

Print Name: ______________________________________

Title (if any): _____________________________________

Date: ____

[Add notary or attestation, as required by state law]

EXHIBIT “**A**”

[Legal Description or deed to be attached]

EXHIBIT "B"

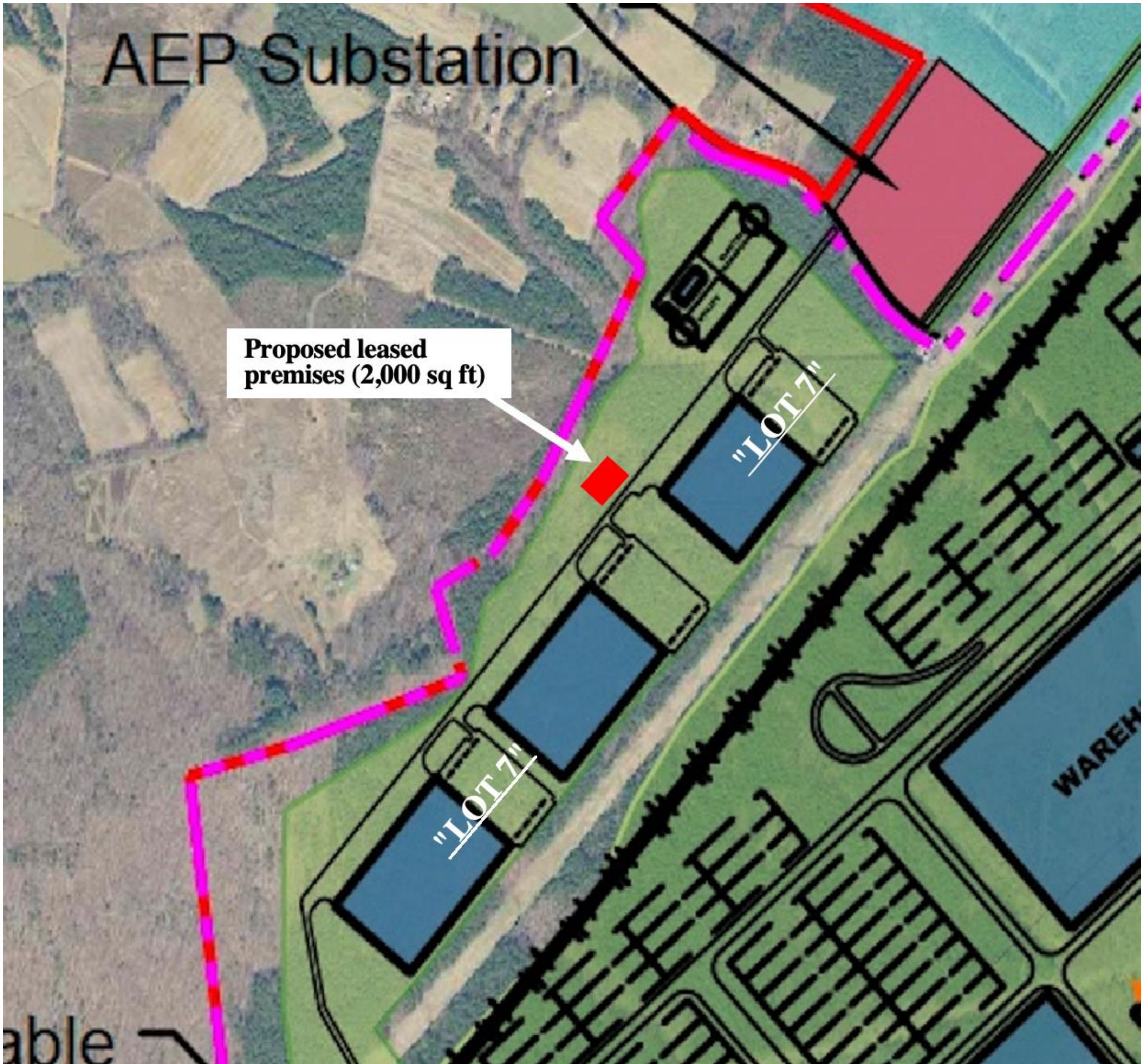
AEP Substation
Proposed leased premises (2,000 sq ft)
"LOT 7"
"LOT 7"
WAREH
able

EXHIBIT "C"

[Boundary survey to be attached to supersede Exhibit B]

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.C.

DATE: June 12, 2023

FROM: Michael Adkins | Authority Treasurer

RE: Consideration of Resolution No. 2023-06-12-5C, approving the Fiscal Year 2024 General Expenditures Budget - Michael L. Adkins, Authority Treasurer, and Tiffany Swanson-Jones, CPA, City of Danville, Virginia (*No written resolution.)*

SUMMARY

Consideration of Resolution No. 2023-06-12-5B, approving the FY2024 General Expenditures Budget (No written resolution)

ATTACHMENTS

1. Fiscal Year 2024 General Exp. Budget

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	
Meeting Date:	June 12, 2023
Subject:	Proposed Fiscal Year 2024 General Expenditures Budget
From:	Michael Adkins, Authority Treasurer

SUMMARY

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

BACKGROUND

Attached is the proposed General Expenditures budget for fiscal year 2024. The sheet also displays the fiscal year 2023 General Expenditures data as of May 31, 2023 for comparison purposes.

Staff will review the proposed fiscal year 2024 General Expenditures budget at the meeting.

RECOMMENDATION

Staff recommends the RIFA Board approve the proposed fiscal year 2024 General Expenditures budget.

ATTACHMENTS

Proposed General Expenditures Budget for FY 2024 Compared to FY 2023

Danville-Pittsylvania Regional Industrial Facility Authority
Proposed General Expenditures Budget for Fiscal Year 2024 Compared to Fiscal Year 2023

	FY 2023 (as of 5/31/2023)			FY 2024	
	Funding	**Budget**	**Expenditures**	**Proposed Funding**	**Proposed Budget**
Funding					
City Contribution	$ 75,000.00			$ 100,000.00	-
County Contribution	$ 75,000.00			100,000.00	-
Carryforward from prior fiscal year [1]	-			-	-
Transfer from Unrestricted Funds	100,000.00			-	-
Other				-	-
Contingency					
Miscellaneous contingency items		$ 6,494.16	$ 12,932.01		$ 4,000.00
Total Contingency Budget		$ 6,494.16	$ 12,932.01		$ 4,000.00
Legal		115,100.00	122,511.98		120,000.00
Accounting		23,800.00	26,025.00		26,900.00
Marketing		96,505.84	136,064.86		40,000.00
Postage & Shipping		100.00	53.23		100.00
Meals		4,000.00	3,375.18		4,000.00
Utilities		1,000.00	1,707.34		2,000.00
Insurance		3,000.00	-		3,000.00
Total	$ 250,000.00	$ 250,000.00	$ 302,669.60	$ 200,000.00	$ 200,000.00

[1] If there is a carryforward from the prior fiscal year, the funds will be budgeted toward any line item with a projected shortage.

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

Danville-Pittsylvania Regional Industrial Facility Authority
Proposed General Expenditures Budget for Fiscal Year 2024 Compared to Fiscal Year 2023
Budget Definitions

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

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

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

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

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

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

Utilities = Represents expenditures for electric service at RIFA properties.

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

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.D.

DATE: June 12, 2023

FROM: Michael Adkins | Authority Treasurer

RE: Financial Status Reports as of May 31, 2023 - Mr. Adkins

SUMMARY
A review of the financial status reports through May 31, 2023

ATTACHMENTS
1. Financial Reports

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	
Meeting Date:	June 12, 2023
Subject:	Financial Status Reports – May 31, 2023
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through May 31, 2023 will be provided at the meeting. The financial status reports as of May 31, 2023 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of May 31, 2023 as presented.

ATTACHMENTS

Financial Status Reports

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

Table of Contents

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of May 31, 2023

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

Notes:

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

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

[3] Project completed under budget

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

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

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

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

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

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

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

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2023

As of May 31, 2023

	Funding	Budget	FY Expenditures	Current Month Expenditures	Encumbered	Unexpended / Unencumbered
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	-	-	(7,411.98)
Accounting		23,800.00	26,025.00	16,025.00	-	(2,225.00)
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	-	-	624.82
Utilities		1,000.00	1,707.34	190.28	-	(707.34)
Insurance		3,000.00	-	-	-	3,000.00
Total	$ 250,000.00	$ 250,000.00	$ 302,669.60	$ 16,215.28	$ -	**$ (52,669.60)**

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of May 31, 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"	419,840.86				
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		1,480,380.00	720,215.00	760,165.00	
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	-	
Stantec Consulting Services Inc.		2,400.00	2,400.00	-	
Troutman, Pepper, Hamilton, Sanders LLP		50,000.00	-	50,000.00	
Dewberry Engineers		7,500.00	-	7,500.00	
HGS LLC		483,000.00	-	483,000.00	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project [8]		-	11,203.15	-	
Total	$ 24,228,995.10	$ 23,734,437.83	$ 22,430,802.12	$ 1,303,635.71	**$ 494,557.27**

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

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Lot 4 Site Development
As of May 31, 2023

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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 May 31, 2023

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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	400,790.00	17,886.00	
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	$ 3,029,562.20	$ 1,196,570.10	**$ -**

E

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of May 31, 2023

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

F

Danville-Pittsylvania Regional Industrial Facility Authority

Cyber Park Site Development

As of May 31, 2023

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
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				
Expenditures					
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	
Total	$ 2,390,190.25	$ 2,390,190.25	$ 1,567,222.84	$ 822,967.41	**$ -**

G

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of May 31, 2023

Source of Funds	Funding: Carryforward from FY2022	Funding: Receipts Current Month	Funding: Receipts FY2023	Expenditures FY2023	Unexpended / Unencumbered
Carryforward	$ 747,607.08				
Current Lessees					
Institute for Advanced Learning and Research (IALR) [1]		$ 24,352.44	$ 247,829.32		
Mountain View Farms of Virginia, L.C.		-	1,200.00		
Capital Outdoor, Inc.		-	2,000.00		
American Electric Power		1,500.00	18,000.00		
Total Rent		$ 25,852.44	$ 269,029.32		
Interest Received [2]		$ 6,878.53	$ 21,162.63		
Miscellaneous Income		$ 68,946.30	$ 2,215,821.19		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				$ 223,476.88	
Incentive Disbursements to Morgan Olson, LLC				$ 305,596.00	
Incentive Disbursements to MEP LLC				$ 1,427.63	
Transfers to other funding sheets				$ 722,668.15	
Totals	$ 747,607.08	$ 101,677.27	$ 2,506,013.14	$ 1,253,168.66	$ 2,000,451.56

Restricted [1]	$ 337,179.14
Unrestricted	$ 1,169,503.28
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
May 2023

Check Number	Date	Vendor Name	Paid Amount
WIRE	05/01/2023	City of Danville	77.05
WIRE	05/01/2023	City of Danville	77.23
2567	05/08/2023	IALR	24,352.44
2568	05/08/2023	Brown Edwards & Company LLP	16,025.00
2569	05/08/2023	Dewberry Engineers Inc.	32,835.00
2570	05/08/2023	Stantec Consulting Services Inc.	2,400.00
WIRE	05/20/2023	City of Danville	36.00

Danville-Pittsylvania Regional Industrial Facility Authority

Statement of Net Position [1, 2]

May 31, 2023*

		Unaudited FY 2023
Assets		
Current assets		
Cash - checking	$	794,950
Cash - money market		2,027,984
Accounts receiveable		569,913
Total current assets		3,392,847
Noncurrent assets		
Restricted cash - project fund CCC bonds		20,802
Restricted cash - debt service fund CCC bonds		22,401
Capital assets not being depreciated		23,180,794
Capital assets being depreciated, net		20,931,413
Construction in progress		28,968,146
Total noncurrent assets		73,123,556
Total assets		76,516,403
Liabilities		
Current liabilities		
Accrued interest		137,739
Unearned income		600
Economic development payable - current portion		147,000
Bonds payable - current portion		515,000
Total current liabilities		800,339
Noncurrent liabilities		
Bonds payable - less current portion		205,000
Loans payable - less current portion		4,500,000
Total noncurrent liabilities		4,705,000
Total liabilities		5,505,339
Net Position		
Net investment in capital assets		72,381,155
Restricted - debt reserves		22,401
Unrestricted		(1,392,492)
Total net position	$	71,011,064

[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
*May 31, 2023**

		Unaudited FY 2023
Operating revenues		
Virginia Tobacco Commission Grants		1,618,637
Rental income		270,321
Other Income		1,647,080
Total operating revenues		3,536,038
Operating expenses [4]		
Mega Park expenses [3]		2,522,212
Cane Creek Centre expenses [3]		9,339
Cyber Park expenses [3]		1,475,226
Professional fees		85,071
Other operating expenses		8,454
Total operating expenses		4,100,302
Operating income (loss)		(564,264)
Non-operating revenues (expenses)		
Interest income		21,163
Interest expense		(89,523)
Total non-operating expenses, net		(68,360)
Net income (loss) before capital contributions		(632,624)
Capital contributions		
Contribution - City of Danville		1,654,354
Contribution - Pittsylvania County		1,654,354
Total capital contributions		3,308,708
Change in net position		2,676,084
Net position at July 1, 2022		68,334,980
Net position at May 31, 2023	$	71,011,064

[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
*May 31, 2023**

		Unaudited FY 2023
Operating activities		
Receipts from grant reimbursement requests	$	1,972,774
Receipts from leases		289,493
Other receipts		1,117,166
Payments to suppliers for goods and services		(5,265,182)
Net cash used by operating activities		(1,885,749)
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		21,163
Net cash provided by investing activities		21,163
Net increase (decrease) in cash and cash equivalents		985,324
Cash and cash equivalents - beginning of year (including restricted cash)		1,880,813
Cash and cash equivalents - through May 31, 2023 (including restricted cash)	$	2,866,137
Reconciliation of operating loss before capital contributions to net cash used by operating activities:		
Operating income (loss)	$	(564,264)
Changes in assets and liabilities:		
Change in prepaids		2,809
Change in other receivables		(153,812)
Change in accounts payable		(1,167,690)
Change in unearned income		(2,792)
Net cash used by operating activities	$	(1,885,749)

Components of cash and cash equivalents at May 31, 2023:		
American National - Checking	$	794,950
American National - General money market		2,027,984
Wells Fargo - $7.3M Bonds CCC Debt service fund		22,401
Wells Fargo - $7.3M Bonds CCC Project fund		20,802
	$	2,866,137