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

August 14, 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. Consideration of Approval of Minutes from Regular Meeting held on July 10, 2023.

5. NEW BUSINESS

A. Consideration of Resolution No. 2023-08-14-5A, supporting that certain Amendment to Regional Industrial Facility Authority Agreement for Cost Sharing and Revenue Sharing between the City of Danville, Virginia and Pittsylvania County, Virginia, relating to solar siting agreements – Michael C. Guanzon, Esq., Christian & Barton, LLP, Legal Counsel to the Authority

B. Consideration of Resolution No. 2023-08-14-5B, approving the substitution of the City of Danville, Virginia, in place of the Virginia Department of Environmental Quality under that certain Memorandum of Agreement by and among the Authority, the City of Danville, Virginia, Pittsylvania County, Virginia, and the Virginia Department of Environmental Quality, originally approved under Resolution No. 2022-07-11-5A, for the provision and administration of a Virginia Stormwater Management Program in the Authority's Southern Virginia Megasite at Berry Hill project, with such substitution being permitted pursuant to legislative changes – Brian Bradner, P.E., Vice President, Dewberry Engineers Inc. and Mr. Guanzon

C. Financial Status Reports as of July 31, 2023 – Michael L. Adkins, Authority Treasurer

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.*

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: August 14, 2023

FROM: Susan DeMasi | Authority Secretary

RE: Consideration of Approval of Minutes from Regular Meeting held on July 10, 2023.

SUMMARY

The Board will be asked to approve the Minutes of the Regular Meeting held on July 10, 2023.

ATTACHMENTS

1. Meeting Minutes

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
July 10, 2023

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 206, Danville, Virginia. Present were City of Danville Members Chairman J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller; Sherman M. Saunders was absent. Pittsylvania County Members present were Vice Chairman William V. Ingram, Robert Tucker and Alternate Darrell Dalton. (Dr. Miller entered the meeting at 12:18 p.m.)

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 and Authority Treasurer Michael Adkins, City of Danville Accountants Meredith Franklin and Jaime Pritchett, 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 and Brian Bradner from Dewberry, and Linda Green from SVRA.

Chairman J. Lee Vogler, Jr., presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

Mr. Vogler, the Board and staff, wished Ms. Bobe a Happy Birthday.

APPROVAL OF MINUTES OF THE JUNE 12, 2023 REGULAR MEETING

Upon **Motion** by Mr. Ingram and **second** by Mr. Tucker, Minutes of the June 12, 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. 2023-07-10-5A APPROVING NEGOTIATION OF AN AMENDMENT TO A RIGHT OF WAY WITH TRANSCONTINENTAL GAS PIPELINE

Brian Bradner from Dewberry Engineers explained this was for an amendment to the existing right of way agreement with Transco for the easement they have for their gas line that runs through the Megasite; it was to permanently delineate the exact limits of that easement was through the site. Staff has been working with Transco to coordinate this with them over the past two or three months. At a past meeting, the Board approved staff delineating that easement on the ground and preparing a map for it. Mr. Guanzon and Christian & Barton have also reviewed the written agreement that goes with this amendment.

Mr. Tucker **moved** for adoption of *Resolution 2023-07-10-5A, a Resolution approving the Negotiation, Execution and Delivery of an Amendment to Right of Way by and between the Authority and Transcontinental Gas Pipe Line Corporation, now known as Transcontinental Gas Pipe Line Company, LLC, a Delaware Limited Liability Company, where the purpose of such Amendment is to identify and delineate the permanent easement granted under prior Right of Way Agreements related to Transcontinental Gas Pipe Line Company, LLC's Gas*

Pipeline and Related Facilities generally located in the northwestern section of the Authority's Southern Virginia Megasite at Berry Hill Project, located in Pittsylvania County, Virginia.

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

VOTE: 3-0
AYE: Ingram, Tucker, Vogler (3)
NAY: None (0)

5D. FINANCIAL STATUS REPORT AS OF JUNE 30, 2023

Authority Treasurer Michael Adkins gave the Financial Status report as of June 30, 2023, beginning with the $7.3M Bonds for Cane Creek which had no activity for June. Under General Expenditures for Fiscal Year 2023, RIFA paid monthly utilities of $178.00, meals were $457.00, RIFA reimbursed Pittsylvania County for marketing of $5,000, and renewed insurance with Virginia Risk Sharing Association for the upcoming year for $3,139.00. Staff also moved $75,000 of Unrestricted Fund Balance into this budget to cover ongoing expenses. Funding Other than Bonds for Berry Hill and Lot 4 Site Development had no activity for June. Under Lots 1 and 2, RIFA had a payment to Jimmy Lynch & Sons for the twelfth progress billing in the amount of $367,338. Water and Sewer at Berry Hill had no expenditures for June and Cyber Park Site Development had a payment to Sellers Brothers on continued work on Lot 7D, in the amount of $653,862.00. Rent, Interest and Other Income show RIFA received the monthly rent for June from the Institute for the Hawkins' Building of $24,352.44, and the monthly storage rent of $1,500 from AEP. The money market account earned $6,028.00 in interest for June, and RIFA continues to have Timber Sales from Hopkins' Lumber; they received four payments during the month totaling $65,524.00. Under Expenses was the Hawkins' Building Maintenance Fee paid to the Institute for $24,352.44.

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

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

6. CLOSED SESSION

At 12:19 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, Vogler, Miller (4)
NAY:	None (0)

<u>RETURN TO OPEN SESSION</u>

On **Motion** by Mr. Tucker and **second** by Mr. Ingram and by unanimous vote at 1:15 p.m., the Authority returned to open meeting.

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

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

7. COMMUNICATIONS

Staff

Mr. Larking noted Linda Green had been recognized in Virginia Business Magazine; it was a well deserved recognition for all her work.

Board Members

Mr. Tucker thanked the staff for all their hard work.

Mr. Dalton thanked Board members and staff, and encouraged them to keep up the good work.

Dr. Miller noted success could be several, very good industries in the area instead of one huge industry.

Mr. Vogler thanked everyone, it was an incredible team and he wouldn't trade it for any other. Every person in the room has contributed to the success of RIFA.

Meeting adjourned at 1:20 p.m.

APPROVED:

____
Chairman

____
Secretary to the Authority

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.A.

DATE: August 14, 2023

FROM: Michael Guanzon | Legal Counsel to Authority

RE: Consideration of Resolution No. 2023-08-14-5A, supporting that certain Amendment to Regional Industrial Facility Authority Agreement for Cost Sharing and Revenue Sharing between the City of Danville, Virginia and Pittsylvania County, Virginia, relating to solar siting agreements – Michael C. Guanzon, Esq., Christian & Barton, LLP, Legal Counsel to the Authority

ATTACHMENTS

1. Resolution
2. Exhibit A

Resolution No. 2023-08-14-5A

A RESOLUTION SUPPORTING THAT CERTAIN AMENDMENT TO REGIONAL INDUSTRIAL FACILITY AUTHORITY AGREEMENT FOR COST SHARING AND REVENUE SHARING BETWEEN THE CITY OF DANVILLE, VIRGINIA AND PITTSYLVANIA COUNTY, VIRGINIA, RELATING TO SOLAR SITING AGREEMENTS

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, each of the City and the County is a member locality (each, a "**Member Locality**", and collectively, the "**Member Localities**") of the Authority; and

WHEREAS, the Member Localities executed that certain Agreement for Cost Sharing and Revenue Sharing dated as of October 2, 2001 (the "**Original Cost-Revenue Sharing Agreement**"), which was amended by the Member Localities on November 6, 2008 (the "**Cost-Revenue Amendment**"), which was further modified by that certain letter agreement dated as of June 29, 2012 (the "**Cost-Revenue Letter Agreement**") (the Original Cost-Revenue Sharing Agreement, the Cost-Revenue Amendment and the Cost-Revenue Letter, collectively, the "**Cost-Revenue Agreement**"); and

WHEREAS, the Member Localities intend to amend the Cost-Revenue Agreement to account for solar siting agreements applicable to the Authority's projects (the "**CRA Amendment**"), as more fully described in **Exhibit A**, attached hereto and incorporated herein by this reference; and

WHEREAS, the Authority has reviewed the CRA Amendment and 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 Authority's projects, for the Authority to express its support of the CRA Amendment.

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

1. The Authority has no objections to the CRA Amendment and hereby expresses its support to the Member Localities of the CRA Amendment.

2. 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 August 14, 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 14th day of August 2023.

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

(SEAL)

Exhibit A
(Form of CRA Amendment)

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

THIS AMENDMENT TO REGIONAL INDUSTRIAL FACILITY AUTHORITY AGREEMENT FOR COST SHARING AND REVENUE SHARING BETWEEN THE CITY OF DANVILLE, VIRGINIA AND PITTSYLVANIA COUNTY, VIRGINIA (this "**Amendment**"), is made and entered into on ___________________, 2023, by and between the **CITY OF DANVILLE, VIRGINIA**, a municipal corporation within the Commonwealth of Virginia (the "**City**") and the **COUNTY OF PITTSYLVANIA, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "**County**").

RECITALS:

WHEREAS, each of the City and the County is a member locality (each, a "**Member Locality**", and collectively, the "**Member Localities**") of the Danville-Pittsylvania Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia (the "**Authority**");

WHEREAS, the Member Localities executed that certain Agreement for Cost Sharing and Revenue Sharing dated as of October 2, 2001 (the "**Original Cost-Revenue Sharing Agreement**"), which was amended by the Member Localities on November 6, 2008 (the "**Cost-Revenue Amendment**"), which was further modified by that certain letter agreement dated as of June 29, 2012 (the "**Cost-Revenue Letter Agreement**") (the Original Cost-Revenue Sharing Agreement, the Cost-Revenue Amendment and the Cost-Revenue Letter, collectively, the "**Cost-Revenue Agreement**"); and

WHEREAS, the Member Localities desire to clarify and to further amend the Cost-Revenue Agreement as set forth in this Amendment.

W I T N E S S E T H :

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

1. Generally.

a. Defined Terms. Any capitalized terms used herein and not defined herein shall have such meaning set forth in the Cost-Revenue Agreement. The term "**financial compensation**" shall have such as meaning as set forth in Virginia Code § 15.2-2316.7, as may be amended, or successor provision.

b. Textual Edits. For the purposes of textual revisions to the Cost-Revenue Sharing Agreement as set forth in this Amendment, whenever existing language is to be amended, the text of the existing provision will appear in Paragraph 2 below as follows: (A) additions shall be indicated with italic double underlined font; and (B) deletions shall be indicated with strikeouts.

2. Amendments to the Cost-Revenue Agreement.

a. Section 2.H of the Cost-Revenue Agreement is hereby amended as follows:

H. Income and revenues generated by any facility owned by the Authority: "Income and revenues generated by any facility owned by the Authority" shall be defined as *(i)* any and all identifiable tax revenues generated *from property owned currently or at some time by the Authority, which may have been sold, leased, conveyed or transferred to any third party or (ii) any and all financial compensation paid to a Member Locality pursuant to a solar siting agreement* from property owned currently or at some time by the Authority, which may have been sold, leased, conveyed or transferred to any third party.

b. Section 13 of the Cost-Revenue Agreement is hereby amended as follows:

13. SHARING OF MISCELLANEOUS TAX REVENUES *OR FINANCIAL COMPENSATION PAID TO A MEMBER LOCALITY PURSUANT TO A SOLAR SITING AGREEMENT*.

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

c. Section 14 of the Cost-Revenue Agreement is hereby amended as follows:

14. PAYMENT OF TAX REVENUES *OR FINANCIAL COMPENSATION REVENUES*.

The host locality shall pay the portion of tax revenues due to the non-host locality within sixty (60) days of receipt and appropriation of such tax revenues. *In the event of financial compensation revenues received by the host locality pursuant to a solar siting agreement, the host locality shall apply to or for the development or improvement of a Regional Industrial Facility, the amount of which shall be credited under this Agreement as being made one-half (1/2) by the host locality and made one-half (1/2) by the non-host locality.* If any tax delinquencies occur, the non-host locality will pay for one-half of the cost of collecting past due taxes, and will receive one-half of the penalties and interest accrued and paid. *If any such financial compensation delinquencies occur, the cost of collecting past due financial compensation revenues shall be deemed to be a project cost to be shared by the Member Localities under Paragraph 6 of this Agreement*.

3. Effect on the Cost-Revenue Agreement. Except as amended in this Amendment, all other terms, provisions, and conditions of the Cost-Revenue Agreement shall remain in full force and effect, and the parties hereby ratify and confirm that the Cost-Revenue Agreement, as further amended by this Amendment, is and remains in full force and effect.

4. Counterparts. This Amendment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment. This Amendment may be delivered by portable document format (*.pdf) and upon such delivery, the *.pdf signature shall be deemed to have the same effect as if the original signature had been delivered to the other party or parties.

[SIGNATURES ARE ON THE FOLLOWING PAGE.]

IN WITNESS THEREOF, this **AMENDMENT TO REGIONAL INDUSTRIAL FACILITY AUTHORITY AGREEMENT FOR COST SHARING AND REVENUE SHARING BETWEEN THE CITY OF DANVILLE, VIRGINIA AND PITTSYLVANIA COUNTY, VIRGINIA** is executed on behalf of the City of Danville, Virginia, pursuant to action duly taken by the City Council by the City Manager; and on behalf of Pittsylvania County Board of Supervisors by its Chairman, pursuant to action duly taken by the Pittsylvania County Board of Supervisors.

THE CITY OF DANVILLE, VIRGINIA,
a municipal corporation within the
Commonwealth of Virginia

By: ______________________________
Kenneth F. Larking, City Manager

ATTEST:

____
Susan M. DeMasi, Clerk

Approved as to Form:

____
J. Vaden Hunt
County Attorney
Pittsylvania County, Virginia

THE COUNTY OF PITTSYLVANIA, VIRGINIA, a political subdivision of
the Commonwealth of Virginia

By: ______________________________
Darrell W. Dalton, Chairman
Board of Supervisors

ATTEST:

____
Kaylyn McCluster
Clerk of the Board of Supervisors

Approved as to Form:

____
W. Clarke Whitfield
City Attorney
City of Danville, Virginia

ACKNOWLEDGED AND NOT OBJECTED TO:

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

By: ________________________________
J. Lee Vogler, Jr.
Chairman

ITEM: 5.B.

DATE: August 14, 2023

FROM: Michael Guanzon | Legal Counsel to Authority

RE: Consideration of Resolution No. 2023-08-14-5B, approving the substitution of the City of Danville, Virginia, in place of the Virginia Department of Environmental Quality under that certain Memorandum of Agreement by and among the Authority, the City of Danville, Virginia, Pittsylvania County, Virginia, and the Virginia Department of Environmental Quality, originally approved under Resolution No. 2022-07-11-5A, for the provision and administration of a Virginia Stormwater Management Program in the Authority's Southern Virginia Megasite at Berry Hill project, with such substitution being permitted pursuant to legislative changes – Brian Bradner, P.E., Vice President, Dewberry Engineers Inc. and Mr. Guanzon

ATTACHMENTS

1. Resolution

Resolution No. 2023-08-14-5B

A RESOLUTION APPROVING THE SUBSTITUTION OF THE CITY OF DANVILLE, VIRGINIA, IN PLACE OF THE VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY UNDER THAT CERTAIN MEMORANDUM OF AGREEMENT BY AND AMONG THE AUTHORITY, THE CITY OF DANVILLE, VIRGINIA, PITTSYLVANIA COUNTY, VIRGINIA, AND THE VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY, ORIGINALLY APPROVED UNDER RESOLUTION NO. 2022-07-11-5A, FOR THE PROVISION AND ADMINISTRATION OF A VIRGINIA STORMWATER MANAGEMENT PROGRAM IN THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT, WITH SUCH SUBSTITUTION BEING PERMITTED PURSUANT TO LEGISLATIVE CHANGES

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

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

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

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

WHEREAS, the Authority, pursuant to Resolution No. 2022-07-11-5A approved that certain Memorandum of Agreement ("**MoA**") by and among the Authority, the City of Danville, Virginia (the "**City**"), the County of Pittsylvania, Virginia (the "**County**"), and the Virginia Department of Environmental Quality (the "**VDEQ**"), in which the City administers the VSMP at the Authority's Southern Virginia Megasite Berry Hill project;

WHEREAS, VDEQ, the City, the County, and the Authority desire to substitute the City in place of VDEQ as it relates to the MoA, as permitted pursuant to recent legislative changes regarding VSMP administration; and

WHEREAS, the Authority's Board of Directors has determined that it is in the best interests of the Authority and of the citizens of the County and the City for the Authority to approve the substitution of the City in place of VDEQ under the MoA as permitted pursuant to recent legislative changes.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the substitution of the City in place of VDEQ under the MoA, each of the Authority's Chairman and Vice Chairman, in consultation with the other, is authorized to further modify the MoA or enter into a new agreement with the City (in either case, the "**City MoA**"), consistent with the MoA for VSMP administration by the City, on such terms and conditions as the Chairman or Vice Chairman, in consultation with the other, determines to be reasonable, appropriate and consistent with this Resolution and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver the City MoA on behalf of the Authority, such execution of the City MoA by the Chairman (or Vice Chairman as the case may be) to conclusively establish the approval of any modifications as consulted by and between the Chairman and Vice Chairman. Such modification or new agreement, and any modifications thereof, shall be subject to approval by the Authority's legal counsel as to legal form.

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

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

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

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the Directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on August 14, 2022, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority this 14th day of August 2023.

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

(SEAL)

DANVILLE-PITTSYLVANIA
REGIONAL INDUSTRIAL FACILITY AUTHORITY

ITEM: 5.C.

DATE: August 14, 2023

FROM: Michael Adkins | Authority Treasurer

RE: Financial Status Reports as of July 31, 2023 – Michael L. Adkins, Authority Treasurer

ATTACHMENTS

1. Financial Reports

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	
Meeting Date:	August 14, 2023
Subject:	Financial Status Reports – July 31, 2023
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

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

Also included is the auditor's Planning Communication Letter for the board to review. No action is required.

RECOMMENDATION

Staff recommends approving the financial status reports as of July 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 July 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 July 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	175,000.00					
Contingency						
Miscellaneous contingency items		$ 12,932.01	$ 37,382.01	$ 24,450.00	$ -	$ (24,450.00)
Total Contingency Budget		12,932.01	37,382.01	24,450.00	-	(24,450.00)
Legal		135,428.01	122,511.98	-	-	12,916.03
Accounting		26,025.00	26,025.00	-	-	-
Marketing		141,064.86	141,064.86	-	-	-
Postage & Shipping		53.23	53.23	-	-	-
Meals		4,292.66	4,255.06	422.40	-	37.60
Utilities		2,065.23	2,060.16	174.93	-	5.07
Insurance		3,139.00	3,139.00	-	-	-
Total	$ 325,000.00	$ 325,000.00	$ 336,491.30	$ 25,047.33	$ -	**$ (11,491.30)**

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2024
As of July 31, 2023

	Funding	Budget	FY Expenditures	Current Month Expenditures	Encumbered	Unexpended / Unencumbered
Funding						
City Contribution	$ 100,000.00					
County Contribution	100,000.00					
Transfer from Unrestricted Fund Balance						
Contingency						
Miscellaneous contingency items		$ 4,000.00	$ -	$ -	$ -	$ 4,000.00
Total Contingency Budget		4,000.00	-	-	-	4,000.00
Legal		120,000.00	-	-	-	120,000.00
Accounting		26,900.00	-	-	-	26,900.00
Marketing		40,000.00	-	-	-	40,000.00
Postage & Shipping		100.00	-	-	-	100.00
Meals		4,000.00	-	-	-	4,000.00
Utilities		2,000.00	-	-	-	2,000.00
Insurance		3,000.00	-	-	-	3,000.00
Total	$ 200,000.00	$ 200,000.00	$ -	$ -	$ -	**$ 200,000.00**

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of July 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	736,215.00	744,165.00	
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	4,875.00	2,625.00	
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	$ 22,451,677.12	$ 1,282,760.71	**$ 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 July 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 July 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	(1,669,212.10)				
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	2,905,590.55	811,345.75	
Treasurer of Virginia		6,100.00	6,100.00	-	
Total	$ 4,310,552.30	$ 4,226,132.30	$ 3,396,900.55	$ 829,231.75	**$ 84,420.00**

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of July 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		3,716,897.35				
Expenditures						
Dewberry Engineers Inc.			912,309.99	888,109.99	24,200.00	
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	$	11,561,488.64	$ 11,096,401.64	$ 10,250,006.64	$ 846,395.00	**$ 465,087.00**

Danville-Pittsylvania Regional Industrial Facility Authority

Cyber Park Site Development

As of July 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	94,250.00	-	
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	1,822,195.24	165,905.01	
Total	$	2,390,190.25	$ 2,390,190.25	$ 2,224,285.24	$ 165,905.01	**$ (0.00)**

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of July 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]		$ -	$ 272,181.76		
Mountain View Farms of Virginia, L.C.		-	1,200.00		
Capital Outdoor, Inc.		-	2,000.00		
American Electric Power		-	19,500.00		
Total Rent		$ -	$ 294,881.76		
Interest Received [2]		$ -	$ 32,553.25		
Miscellaneous Income		$ -	$ 2,291,856.64		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				$ 272,181.76	
Incentive Disbursements to Morgan Olson, LLC				$ 305,596.00	
Incentive Disbursements to MEP LLC				$ 1,427.63	
Transfers to other funding sheets				$ 797,668.15	
Totals	$ 747,607.08	$ -	$ 2,619,291.65	$ 1,376,873.54	$ 1,990,025.19

Restricted [1]	$ 336,168.81
Unrestricted	$ 1,160,087.24
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

Rent, Interest, and Other Income Realized for Fiscal Year 2024

As of July 31, 2023

Source of Funds	Funding: Carryforward from FY2023	Funding: Receipts Current Month	Funding: Receipts FY2023	Expenditures FY2023	Unexpended / Unencumbered
Carryforward	$ 1,990,025.19				
Current Lessees					
Institute for Advanced Learning and Research (IALR) [1]		$ 23,342.11	$ 23,342.11		
Mountain View Farms of Virginia, L.C.		-	-		
Capital Outdoor, Inc.		2,000.00	2,000.00		
American Electric Power		1,500.00	1,500.00		
Total Rent		$ 26,842.11	$ 26,842.11		
Interest Received [2]		$ 5,170.47	$ 5,170.47		
Miscellaneous Income		$ 284,193.51	$ 284,193.51		
Expenditures					
Hawkins Research Bldg. Property Mgmt. Fee				$ -	
Incentive Disbursements to Morgan Olson, LLC				$ -	
Incentive Disbursements to MEP LLC				$ -	
Transfers to other funding sheets				$ 200,000.00	
Totals	$ 1,990,025.19	$ 316,206.09	$ 316,206.09	$ 200,000.00	$ 2,106,231.28

Restricted [1]	$ 336,168.81
Unrestricted	$ 1,276,293.33
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

July 2023

Check Number	Date	Vendor Name	Paid Amount
ACH	07/04/2023	City of Danville	66.71
ACH	07/04/2023	City of Danville	72.22
2577	07/10/2023	IALR	24,352.44
2578	07/10/2023	IALR	422.40
2579	07/10/2023	Sellers Brothers Inc.	24,450.00
2580	07/10/2023	Dewberry Engineers Inc.	24,075.00
ACH	07/20/2023	City of Danville	36.00

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position [1, 2]
July 31, 2023*

		Unaudited FY 2024
Assets		
Current assets		
Cash - checking	$	380,071
Cash - money market		1,744,545
Accounts receiveable		541,773
Total current assets		2,666,389
Noncurrent assets		
Restricted cash - project fund CCC bonds		20,802
Restricted cash - debt service fund CCC bonds		22,283
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		73,123,438
Total assets		75,789,827
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		22,283
Unrestricted		(2,118,950)
Total net position	$	70,284,488

[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
*July 31, 2023**

		Unaudited FY 2024
Operating revenues		
Virginia Tobacco Commission Grants		-
Rental income		28,342
Other Income		84,193
Total operating revenues		112,535
Operating expenses [4]		
Total operating expenses		-
Operating income (loss)		112,535
Non-operating revenues (expenses)		
Interest income		5,170
Interest expense		-
Total non-operating expenses, net		5,170
Net income (loss) before capital contributions		117,705
Capital contributions		
Contribution - City of Danville		100,000
Contribution - Pittsylvania County		100,000
Total capital contributions		200,000
Change in net position		317,705
Net position at July 1, 2023		69,966,783
Net position at July 31, 2023	$	70,284,488

[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
*July 31, 2023**

		Unaudited FY 2024
Operating activities		
Receipts from grant reimbursement requests	$	-
Receipts from leases		24,842
Other receipts		84,194
Payments to suppliers for goods and services		(73,475)
Net cash used by operating activities		35,561
Capital and related financing activities		
Capital contributions		200,000
Net cash provided by capital and related financing activities		200,000
Investing activities		
Interest received		5,170
Net cash provided by investing activities		5,170
Net increase (decrease) in cash and cash equivalents		240,731
Cash and cash equivalents - beginning of year (including restricted cash)		1,926,969
Cash and cash equivalents - through July 31, 2023 (including restricted cash)	$	2,167,700
Reconciliation of operating loss before capital contributions to net cash used by operating activities:		
Operating income (loss)	$	112,535
Changes in assets and liabilities:		
Change in accounts payable		(73,474)
Change in unearned income		(3,500)
Net cash used by operating activities	$	35,561

Components of cash and cash equivalents at July 31, 2023:		
American National - Checking	$	380,071
American National - General money market		1,744,545
Wells Fargo - $7.3M Bonds CCC Debt service fund		22,283
Wells Fargo - $7.3M Bonds CCC Project fund		20,802
	$	2,167,700

BROWNEDWARDS
certified public accountants

July 20, 2023

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

We are engaged to audit the financial statements of the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") for the year ended June 30, 2023. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you at your request to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated July 20, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or

Planned Scope and Timing of the Audit (Continued)

employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

While planning has not concluded and modifications may be made, we have identified the following significant risks of material misstatement as part of our audit planning:

- Management override: management and/or those charged with governance are in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding internal controls, even where such internal controls might otherwise appear to be operating effectively. Although the level of risk of management override of internal controls will vary from entity to entity, the risk is, nevertheless, present in all entities.
- Segregation of duties: One of the more important aspects of any internal control structure is the segregation of duties. In an ideal system of internal controls, no individual would perform more than one duty in connection with any transaction or series of transactions. Such access may allow errors or irregularities to occur and either not be detected or concealed. Due to the small nature of the Authority's accounting staff, there are increased risks associated with individuals performing one or more incompatible duties.
- Joint organizations: With multiple member localities there are increased risks related to properly allocating costs of the Authority.

We expect to begin our audit in September 2023 and issue our report in November 2023. Matthew Heatwole is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would not cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us unless clearly inconsequential in connection with your evaluation or our audit test results.

Inquiries Concerning Fraud

As part of the planning process, we assess the risk of misstatements in the financial statements, whether from fraud or error. Your consideration of the following questions is valuable in planning our engagement.

Inquiries Concerning Fraud (Continued)

- Are you aware of any fraud, suspected fraud, or allegations of fraud?
- Are there departments or processes where you think fraud could easily occur and remain undetected?
- Are you comfortable with the integrity of management?
- Are you aware of any illegal acts or noncompliance with laws or grant agreements?
- Are you confident that personnel possess appropriate skill sets, and are committed to providing high quality financial information?
- Are there particular areas in the financial statements where you have concern that misstatements could occur?
- Are there any circumstances that you believe should be of interest to your auditors, but of which management is unaware or might have reason to not fully disclose to us?
- Are you satisfied that those charged with governance are actively involved in the Authority's assessment of the risks of fraud and the programs and controls established to mitigate those risks?
- Are there any significant unusual transactions that the Authority entered into during the year?
- Do you have any concerns about the Authority's related-party relationships and transactions?

If your consideration of these questions yields no concerns, we do not require that you respond to us. However, if you have any concerns or would like to simply discuss these (or any other) issues relating to the audit, please contact us at:

Chris Murray, Director
434-948-9000
cmurray@becpas.com

Matt Heatwole, Partner
540-434-6736
mheatwole@becpas.com

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. We are not aware of any circumstances that have impaired our independence with respect to our engagement as described in our engagement letter.

This information is intended solely for the use of those charged with governance and management and is not intended to be, and should not be, used by anyone other than these specified parties.

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

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia