



INDUSTRIAL DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

4TH FLOOR CONFERENCE ROOM

May 14, 2024

10:30 AM

A. CALL TO ORDER

B. ROLL CALL

C. MEETING MINUTES

1. Approval of April 9, 2024 IDA Meeting Minutes

D. FINANCIAL REPORT

1. Industrial Development Authority Statement of Accounts As of April 30, 2024

E. STAFF UPDATES

F. ACTION ITEMS

1. A resolution of the Industrial Development Authority of Danville, Virginia formally approving an amended and restated Casino Resort Development Agreement by and among the City of Danville, The Industrial Development Authority of Danville, Virginia, Caesars Virginia, LLC, and Caesars Entertainment, Inc.

G. CLOSED MEETING

As Permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia,

1950, as amended for discussion or consideration of the acquisition of real property or of the disposition of publicly held real property; and

As Permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion concerning a prospective business or industry related to economic development.

- A. Motion to Convene in Closed Meeting*
- B. Motion to Reconvene in Open Meeting*
- C. Motion to Certify Closed Meeting*

H. NEW BUSINESS

I. ADJOURN

**INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
MINUTES OF MEETING
APRIL 9, 2024**

Pursuant to a Written Notice, a copy of which is attached hereto, a Regular Meeting of the Board of Directors of the Industrial Development Authority of Danville, Virginia was held in the Fourth Floor Conference Room of the Municipal Building on Tuesday, April 9, 2024, at 10:30 a.m.

THE FOLLOWING MEMBERS WERE PRESENT AND ABSENT:

PRESENT: T. Neal Morris, Chairman
Russell Reynolds, Vice Chairman
John Laramore, Secretary/Treasurer (came in late)
Dave Cumbo
Philip Hall
Robert Woodall

ABSENT: Kristen Barker

ALSO PRESENT: W. Clarke Whitfield, Jr., City Attorney
Kimberly L. Gibson, Legal Assistant
Corrie Bobe, Director, Economic Development
Samantha Bagby, Project Manager, Economic Development
Michael Adkins, Chief Financial Officer, Finance Department
Ken Larking, City Manager

T. Neal Morris, Chairman, called the meeting to order at 10:30 a.m.

ROLL CALL

MINUTES

COPIES OF THE MINUTES OF THE FEBRUARY 13, 2024, REGULAR CALLED MEETING WERE DISTRIBUTED TO THE MEMBERS WITH THEIR AGENDA PACKETS. A MOTION WAS MADE BY MR. HALL TO APPROVE THE MINUTES AS PRESENTED. THE MOTION WAS SECONDED BY MR. REYNOLDS AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MR. HALL	- AYE
ROBERT WOODALL	- AYE

FINANCES

MICHAEL ADKINS, THE CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE, PROVIDED THE MEMBERS OF THE IDA BOARD AT THE MEETING WITH A PACKET OF THE CURRENT FINANCIAL STATEMENTS OF THE IDA.

A MOTION WAS MADE BY MR. LARAMORE TO APPROVE THE FINANCIAL REPORT. THE MOTION WAS SECONDED BY MR. REYNOLDS AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MR. HALL	- AYE
ROBERT WOODALL	- AYE

STAFF UPDATES

CORRIE BOBE SPOKE FOR SUSAN MCCULLOCH, WHO WAS NOT AT THE MEETING, REGARDING 205 JEFFERSON STREET THE OWNER HAD APPLIED FOR CONSIDERATION OF FUNDS FOR THE RENOVATION OF THE U-SHAPED APARTMENT COMPLEX ON THE CORNER OF PATTON ST AND JEFFERSON STREET SO THIS IS MOVING FORWARD IN THE UNDERWRITING WITH VIRGINIA COMMUNITY CAPITAL.

SAMANTHA BAGBEY ADVISED THE BOARD THAT THE PROCUREMENT FAIR THAT ECONOMIC DEVELOPMENT IS HOSTING ON WEDNESDAY, APRIL 10, 2024, AT THIS TIME THEY HAD ALMOST A 150 PEOPLE SIGNED UP TO ATTEND THE FAIR.

SAMANTHA BAGBEY ALSO INFORMED THE IDA THAT LAST WEEK THEY RELEASED THE "CAN YOU HERE ME NOW" MARKETING WORKSHOP THAT THEY BE PUTTING ON FOR SIX WEEKS WITH THE LONGWOOD SMALL BUSINESS DEVELOPMENT CENTER AND LETTERPRESS COMMUNICATIONS, WE HAVE OPENED THAT UP FOR 25 BUSINESSES TO SIGN UP FOR IT AND IT IS ALMOST SOLD OUT IN ABOUT A WEEK. IT WILL START ON MONDAY, MAY THE 6TH AND IT WILL GO ON FOR 6 WEEKS ON MONDAY'S, SKIPPING MEMORIAL DAY. A LITTLE BACKGROUND IT IS ABOUT DIVING INTO THE DIGITAL MARKETING AREA FOR SMALL BUSINESSES AND ENTREPRENEURS.

REYNOLDS MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENED IN EXECUTIVE CLOSED MEETING FOR THE PURPOSES:

1. *DISCUSSION CONCERNING A PROSPECTIVE BUSINESS OR INDUSTRY OR THE EXPANSION OF AN EXISTING BUSINESS OR INDUSTRY WHERE NO PREVIOUS*

ANNOUNCEMENT HAS BEEN MADE AS PERMITTED BY SUBSECTION (A)(5) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.

2. *DISCUSSION OR CONSIDERATION OF THE ACQUISITION/DISPOSITION OF REAL PROPERTY FOR A PUBLIC PURPOSE WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY IMPACT THE BARGAINING POSITION OF THE AUTHORITY AS PERMITTED BY SUBSECTION (A)(3) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.*

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. LARAMORE

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
ROBERT WOODALL	- AYE

MR. REYNOLDS MOVED THE MEETING IMMEDIATELY RECONVENE INTO AN OPEN MEETING. THE MOTION WAS SECONDED BY MR. LARAMORE AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE
MR. HALL	- AYE
ROBERT WOODALL	- AYE

UPON RECONVENING, MR. REYNOLDS MOVED THAT THE BOARD ADOPT A RESOLUTION CERTIFYING THAT TO THE BEST OF EACH MEMBER'S KNOWLEDGE THAT:

1. *ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER SECTION 2.2-3711; AND*
2. *ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING.*

MOTION WAS MADE BY MR. REYNOLDS; SECONDED BY MR. HALL

MR. MORRIS	- AYE
MR. REYNOLDS	- AYE
MR. LARAMORE	- AYE
MRS. BARKER	- AYE

MR. HALL	- AYE
ROBERT WOODALL	- AYE

ADJOURN

JOHN LARAMORE
SECRETARY

T. NEAL MORRIS
CHAIRMAN

Industrial Development Authority
Statement of Accounts
As of April 30, 2024

Regular Checking	\$ 664,207.77
USDA Loan Account	\$ 78,393.40
City Funded Loan Account	\$ 2,002,366.54
North Union Properties/Master Tenant	\$ 35,546.88
Reserve Account	\$ 5,133,981.92

Reserve Account Details

<i>Hold for FY23 Debt Svc</i>	542,432.31
<i>Hold for Imperial Warehouse</i>	650,000.00
<i>Hold for Enterprise Zone</i>	430,905.00
<i>Hold for Dan River Falls</i>	1,126,712.75
<i>Hold for FY22 Edev Incentives</i>	1,962,612.00
<i>Hold for FY23 Edev Incentives</i>	367,925.58
<i>Hold for 217 N Union</i>	37,000.00
<i>Hold for 121/123 N Union</i>	16,394.28
<i>Available</i>	-
	5,133,981.92

City Funded Loans:

Beginning Balance April 1, 2024	\$ 1,982,863.93
The Bee - Monthly Payment	18,179.41
Southside Ice - Pmt from Bankruptcy Trustee	109.39
Uncle A's Diner	1,132.28
Interest /Bank Fees	81.53
Ending Balance April 30, 2024	\$ 2,002,366.54

Industrial Development Authority
Statement of Account - Regular Checking
For the month ended April 30, 2024

Beginning Balance at April 1, 2024 \$ 439,067.97

RECEIPTS:

Rent: 72,451.04

Utility/Insurance Reimbursement:

DR Foundation - 5/3 -
Averett 4,937.92 4,937.92

Transfer In - Project Funding 102,494.57

Sell of 135 Airside to GSO 263,800.00

Pittsylvania County IDA - Shell Bldg 9,171.52

Interest Income/Wire Fees (4.67)

DISBURSEMENTS:

AMNB Loan - Lockett Drive (11,566.62)
AMNB - 500 Stinson Drive #1 (4,887.77)
AMNB - 500 Stinson Drive #2 (5,717.03)
AMNB - 512 Bridge Street (16,467.81)
AMNB Loan - Old Belt One (6,721.18)
AMNB - 1350 Barker Road (7,306.55)
Locus Bank - 500 Cane Creek (9,251.38)
Locus Bank - MEP Equip Loan (298.92)
Locus Bank - Shell Building (18,289.95)
First National - Gaither Rd Prop (3,136.84)
Movement Bank - Monument (2,651.24)
US Bank Bond Debt Service (13,666.67)
Architectural Partners - DR Falls (34,643.60)
Kent Shelton - Dan River Falls (2,856.00)
Locus Bank - Allonge Fee (1,000.00)
American Coatings - Roof 527 Bridge (5,352.00)
Shanks & Assoc - Schoolfield (2,670.00)
Public Works - Bldg Main Q1-Q2 (33,518.79)
Utility Bills/Elevator Maint (14,513.90)
Insurance (33,194.33) (227,710.58)

PASS THROUGHS:

From City for Incentives 18,517.72
Incentive - Enterprise Zone (18,517.72)

Ending Balance at April 30, 2024 \$ 664,207.77

125 N Union	250.00	
Averett	-	3/27
Barry Smith	260.00	
Belk	7,102.50	
City - Gang Prev.	1,500.00	
City - IT Dept.	11,360.00	
DR Foundation	5,610.00	
Earnhardt Plumbing	5,113.65	
Launch Place	3,000.00	
Link's Café	6,000.00	
Lizzy Lou	1,400.00	
MEP	-	3/21
Mind Body Wellness	900.00	
Morrisette Paper	6,762.61	
Overfinch	12,587.80	
River District Assoc	3,170.00	
Riverside Running	2,812.48	
Robert Stephens	700.00	
Sth VA Legal	1,575.00	
Vintages	2,347.00	
Walraven	-	
	72,451.04	

Industrial Development Authority
Statement of Account
USDA Loan Funds

For the month ended April 30, 2024

Beginning Balance at April 1, 2024 \$ 65,013.08

RECEIPTS:

Dry Fork Fruit Dist.	266.07	
Donnachaidh	13,111.19	
River City Escapes	-	
Interest	3.06	
		13,380.32

DISBURSEMENTS:

-

Ending Balance at April 30, 2024 \$ 78,393.40

Reconciliation to original USDA grant of \$99,000

ORIGINAL USDA FUNDS \$ 99,000.00

LESS OUTSTANDING LOANS:

River City Escapes	12,043.59	
Donnachaidh	-	
Dry Fork Fruit Dist.	9,883.47	
		(21,927.06)

INTEREST EARNED 20,728.16

DEFAULTED LOANS (19,457.70)

PENALTIES EARNED 50.00

BALANCE IN ACCOUNT \$ 78,393.40

Industrial Development Authority of Danville
A/R Aging Summary
As of April 30, 2024

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
127 North Union	0.00	315.00	315.00	315.00	8,190.00	9,135.00
A La Carte	0.00	0.00	0.00	0.00	533.00	533.00
Averett University	4,592.14	0.00	0.00	0.00	0.00	4,592.14
Danville Regional Foundation	1,530.71	0.00	1,645.97	0.00	0.00	3,176.68
GSO Aviation	0.00	2,950.00	0.00	0.00	0.00	2,950.00
J&W Associated LLC dba Links Cafe	0.00	3,000.00	3,000.00	300.00	0.00	6,300.00
Lou's Antiques Co	0.00	0.00	0.00	0.00	26,000.00	26,000.00
Making Everything Possible, LLC	0.00	398.92	0.00	0.00	0.00	398.92
Pittsylvania County IDA	0.00	0.00	26.71	0.00	0.00	26.71
River District Association	-1,585.00	0.00	0.00	0.00	0.00	-1,585.00
Robert Stephens	0.00	142.00	0.00	0.00	0.00	142.00
Southern Virginia Legal PLLC	0.00	-1,575.00	0.00	0.00	0.00	-1,575.00
Unison Tube, LLC	0.00	0.00	0.00	0.00	69,032.50	69,032.50
Walraven	0.00	14,839.23	0.00	0.00	0.00	14,839.23
TOTAL	4,537.85	20,070.15	4,987.68	615.00	103,755.50	133,966.18

Industrial Development Authority of Danville

Balance Sheet

As of April 30, 2024

	Apr 30, 24
ASSETS	
Current Assets	
Checking/Savings	
Loans (City Funded)	2,002,366.54
North Union Master Tenant LLC	7,165.91
North Union Properties, LLC	28,380.97
Regular Checking	664,207.77
Reserve Account	5,133,981.92
US Bank - 2021A Project Fund	1,548,789.74
USDA Checking	78,393.40
Total Checking/Savings	9,463,286.25
Accounts Receivable	
Rent Receivable	126,170.65
Utilities Receivable	7,795.53
Total Accounts Receivable	133,966.18
Other Current Assets	
Allowance for Rent	-101,017.50
Due from City/County	13,818,542.63
Lease Interest Rec. - GASB 87	27,285.55
ST Lease Rec. - GASB 87	693,360.53
Total Other Current Assets	14,438,171.21
Total Current Assets	24,035,423.64
Fixed Assets	
Accumulated Depreciation	-5,457,143.84
Buildings	26,804,618.86
Construction In Progress	12,821,513.96
Equipment	75,000.00
Land	5,842,192.76
Land Improvements	2,580,260.66
Total Fixed Assets	42,666,442.40
Other Assets	
Allowance for Doubtful Accounts	-74,078.35
Interest Receivable	9,523.93
LT Lease Rec. - GASB 87	6,679,091.81
Notes Receivable	
123 South Union LLC Note Receiv	2,760,366.43
Dry Fork Distillery N/R	9,883.47
Eng Biopharmaceut Inc.	150,000.00
Note Rec - Uncle Al's Diner LLC	29,115.88
River City Escapes Note Receiva	12,043.59
Southside Ice	14,568.52
Total Notes Receivable	2,975,977.89
Total Other Assets	9,590,515.28
TOTAL ASSETS	76,292,381.32

Industrial Development Authority of Danville

Balance Sheet

As of April 30, 2024

	Apr 30, 24
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Interest	25,503.75
Security Deposits	116,122.45
Total Other Current Liabilities	141,626.20
Total Current Liabilities	141,626.20
Long Term Liabilities	
Bonds Payable	2,698,000.00
Deferred Lease Rev - GASB 87	7,221,497.42
Lease Revenue Note - 2021A	10,000,000.00
Notes Payable	
1st National Gaither Rd Parcels	480,786.16
AMNB - 1350 Barker Road	854,584.13
AMNB - 206/208 N Union Loan	687,945.85
AMNB - 500 Stinson Drive	710,536.55
AMNB - Dan River Falls	7,586,965.66
AMNB Loan - 500 Stinson #2	141,674.57
AMNB Loan - Locket Drive	944,523.13
AMNB Loan - Old Belt 1 Upfit	547,773.85
DIMON Construction Loan	1,453,409.21
Movement Bank - 816 Monument	480,531.44
VBSFA - 1 Ecomnets Way	1,400,873.71
VCC - Cyber Park Shell Building	1,944,543.16
VSBFA - 500 Cane Creek	1,325,783.28
VSBFA - MEP Loan	63,992.00
Total Notes Payable	18,623,922.70
Revolving Loan Fund - USDA	99,000.00
Total Long Term Liabilities	38,642,420.12
Total Liabilities	38,784,046.32
Equity	
Contributed Capital	150,000.00
Opening Bal Equity	4,856,400.56
Retained Earnings	32,669,320.33
Net Income	-167,385.89
Total Equity	37,508,335.00
TOTAL LIABILITIES & EQUITY	76,292,381.32

Industrial Development Authority of Danville

Profit & Loss

July 2023 through April 2024

	Jul '23 - Apr 24
Ordinary Income/Expense	
Income	
Grants	
Grants - City of Danville	4,187,596.41
Grants - Commonwealth of VA	2,266,394.28
Total Grants	6,453,990.69
Parking Space Rental Income	10,704.00
Reimbursed Expenses	104,076.18
Rental Income	925,872.30
Total Income	7,494,643.17
Gross Profit	7,494,643.17
Expense	
Bank Service Charges	806.66
Grant Repayments	5,035,000.00
Incentive Payments	1,171,683.40
Insurance	127,641.54
Interest Expense	745,273.34
Licenses and Permits	2,702.57
Loan Fees	15,636.97
Office Supplies	259.23
Professional Fees	
Accounting	27,210.00
Consulting	352,345.69
Legal Fees	22,161.50
Professional Fees - Other	53,215.69
Total Professional Fees	454,932.88
Repairs	
Building Repairs	113,931.73
Repairs - Other	936.26
Total Repairs	114,867.99
Taxes	41,912.14
Telephone	3,053.04
Utilities	56,882.21
Total Expense	7,770,651.97
Net Ordinary Income	-276,008.80
Other Income/Expense	
Other Income	
Interest Income	211,179.91
Total Other Income	211,179.91
Other Expense	
Loss on Sale of Property	102,557.00
Total Other Expense	102,557.00
Net Other Income	108,622.91
Net Income	-167,385.89



STAFF REPORT

DATE: May 14, 2024
TO: Industrial Development Authority
FROM: W. Clarke Whitfield Jr., City Attorney
RE: A resolution of the Industrial Development Authority of Danville, Virginia formally approving an amended and restated Casino Resort Development Agreement by and among the City of Danville, The Industrial Development Authority of Danville, Virginia, Caesars Virginia, LLC, and Caesars Entertainment, Inc.

EXECUTIVE SUMMARY

Approval of a First Amended and Restated Development Agreement

The proposed resolution authorizes the Chairman to sign the attached First Amended and Restated Development Agreement between the City of Danville, Industrial Development Authority of Danville, Virginia, and Caesars Virginia, LLC. The development agreement is a legally binding document that outlines what Caesars Virginia is promising to deliver to the City of Danville.

On September 3, 2020, the City, Industrial Development Authority of Danville, Virginia,, and Caesars Entertainment signed a development agreement naming Caesars the preferred casino operator for the City and outlining certain development, operational, payment, and other requirements of each party.

For the past several months, City staff and Caesars Virginia have negotiated a number of amendments to the current agreement. Many of the amendments are minor. The following are the more substantial changes:

1. Increases the capital investment from \$400 million to \$750 million.
2. Clarifies that the entertainment venue and conference center can occupy the same space, if the venue is constructed to "First Class Casino Standards."
3. Revises the employment requirement to be a range between 900-1,300. It also adds clarity to what counts toward that employment requirement.
4. Includes additional language related to the minimum wage.
5. Includes additional language related to local and minority hiring practices.
6. Establishes a new Final Completion Date of December 31, 2024.
7. Provides a list of projects and estimated costs for transportation infrastructure projects

to be paid by Caesars.

8. Provides an estimated cost for the rehabilitation of the Smokestacks. The original contract called for Caesars paying up to \$600,000 and the City paying for anything above that amount. The current estimated total cost is \$2.1 million.
9. Enables the City to purchase what is identified as future open space and the former water filtration plant on Caesars' property at an independently appraised value, minus any value attributed to the building.
10. Caesars will donate property currently known as Wood Avenue on the eastern edge of the property to the City for use as a public street.
11. Includes the option for the City to lease 100 square feet of space near the entrance of the casino for local tourism promotion efforts.

Staff recommends approving a Resolution authorizing the Chairman to sign the attached first amended and restated development agreement with Caesars Virginia LLC.

ATTACHMENTS

1. 1349-RES-Casino Resolution - Amend Agreement

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2024____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE VIRGINIA FORMALLY APPROVING AN AMENDED AND RESTATED CASINO RESORT DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF DANVILLE, THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, CAESARS VIRGINIA, LLC, AND CAESARS ENTERTAINMENT, INC.

WHEREAS, the Virginia General Assembly has approved the authorization to operate a casino in the City of Danville; and

WHEREAS, after the City Council reviewed a number of excellent proposals; and

WHEREAS, the proposal put forward by Caesars Virginia, LLC and Caesars Entertainment, Inc. (hereinafter "Caesars") was judged to be in the best interests of the City of Danville and its Citizens; and

WHEREAS, the City of Danville chose Caesars to be its preferred casino licensee and resort operator; and

WHEREAS, the City of Danville submitted Caesars as its preferred Casino Gaming Operator to the Virginia Lottery Department; and

WHEREAS, the Virginia Lottery Department issued to the City a Certification of Approval for the City of Danville to Proceed to a Casino Gaming Referendum; and

WHEREAS, the City of Danville and Caesars have negotiated a definitive Casino Resort Development Agreement, substantially the form attached hereto.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia, that it does hereby approve and authorize the First Amended

and Restated Casino Resort Development Agreement by and among the City of Danville, the Industrial Development Authority of Danville, Virginia, Caesars Virginia, LLC, and Caesars Entertainment, Inc.; and

BE IT FURTHER RESOLVED by the Industrial Development Authority of Danville, Virginia, that the Chairman or any other member in his absence, is hereby authorized to sign the First Amended and Restated Casino Resort Development Agreement as well as complete any acts, sign any other required documents, and perform any other actions, necessary to close the above- mentioned transaction.

Approved:

Chairman

Attest:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney