

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

October 16, 2014

12:00 P.M.

**Danville Regional Airport
Eastern Conference Room
424 Airport Drive, Danville, Virginia**

County of Pittsylvania Members

**Coy E. Harville, Chair
James H. Snead
Jerry A. Hagerman, Alternate**

City of Danville Members

**Sherman M. Saunders, Vice Chair
Fred O. Shanks, III
J. Lee Vogler, Jr., Alternate**

Staff

**Joseph C. King, City Manager, Danville
Clarence C. Monday, Pittsylvania County Administrator
Clement & Wheatley, Legal Counsel to Authority
Susan M. DeMasi, Authority Secretary
Michael L. Adkins, Authority Treasurer**

Danville-Pittsylvania Regional Industrial Facility Authority

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT PERIOD

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

4. APPROVAL OF MINUTES OF THE SEPTEMBER 8, 2014 MEETING

5. CLOSED SESSION

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

- A. As permitted by Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended, for consultation with the Authority's legal counsel, Clement Wheatley, and briefings by the Authority staff or consultants pertaining to probable litigation on a contract matter, where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority. "Probable litigation" means litigation on which the Authority's legal counsel has a reasonable basis to believe will be commenced against a known party.

RETURN TO OPEN SESSION

- B. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- C. Motion to Certify Closed Meeting.

6. OLD BUSINESS

- A. Consideration of Resolution No. 2014-09-08-5C, approving Amendment No. 8 to Contract dated February 9, 2009 - Engineering Services Related to The Mega Park Master Plan - Additional Wetland Delineation Services, with Dewberry Engineers Inc., a New York corporation, for additional wetland delineation and survey for an aggregate lump sum of \$390,323.50 - Joseph C. King, City Manager, City of Danville, and Gregory L. Sides, Assistant County Administrator for Planning and Development, Pittsylvania County

7. NEW BUSINESS

- A. Update on existing industries within the Authority's projects – Telly D. Tucker, Director of Economic Development, City of Danville

Danville-Pittsylvania Regional Industrial Facility Authority

- B. Update on Berry Hill Industrial Park Site preparation - Richard Drazenovich, P.E., Director of Public Works, City of Danville, and Shawn R. Harden, P.E., Dewberry Engineers, Inc.
- C. Consideration of Resolution No. 2014-10-16-7C, approving certain funding changes recommended by Authority staff for the Berry Hill Industrial Park – Michael L. Adkins, Authority Treasurer, and Patricia K. Conner, CPA, Danville Senior Accountant
- D. Financial Status Report as of September 30, 2014 – Mr. Adkins and Ms. Conner.
- E. Consideration of Resolution No. 2014-10-16-7E, approving certain modifications to the Charles Hawkins Building to accommodate installation of certain equipment for the Capstone Project, which is a joint venture between The Institute for Advanced Learning and Research and Danville Community College to provide multi-disciplinary training - Jerry L. Gwaltney, Executive Director, Institute for Advanced Learning and Research

8. COMMUNICATIONS FROM:

Jerry A. Hagerman
Coy E. Harville
Sherman M. Saunders
Fred O. Shanks, III
James H. Snead
J. Lee Vogler, Jr.
Staff

9. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	10/16/14
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, September 8, 2014 meeting.

ATTACHMENTS

Meeting Minutes – 9/08/14

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 8, 2014

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:09 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Coy E. Harville, James A. Snead and Alternate Jerry A. Hagerman.

City/County staff members attending were: City Manager Joe King, Deputy City Manager Ken Larking, County Administrator Clarence C. Monday, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Interim Finance Director/Authority Treasurer Michael Adkins, Danville Director of Public Works Ric Drazenovich, Danville Director of Economic Development Telly Tucker, Governmental Affairs Consultant Linwood Wright, Clement & Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present was Dewberry and Davis Project Manager Shawn Harden and Brian Bradner.

Chairman Coy Harville welcomed members of the Tobacco Commission: Ms. Gayle Barts, Honorable Frank M. Ruff, Missy Neff-Gould, Honorable Danny Marshall and Director Tim Pfohl.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE AUGUST 11, 2014 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Snead, Minutes of the August 11, 2014 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

APPROVE/CHANGE TO AGENDA

Mr. Snead **moved** to approve the Agenda Omitting Item C. The Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

NEW BUSINESS

5A. – UPDATE ON EXISTING INDUSTRIES WITHIN THE AUTHORITY’S PROJECTS

Director of Economic Development Telly Tucker gave a brief report to the RIFA board noting staff had received good news from ElKay in the Cane Creek Centre. ElKay is approaching 234 full time employees, a substantial increase over the last few years and are also adding another product line to their Danville plant.

5B. UPDATE ON THE AUTHORITY'S BERRY HILL ROAD INDUSTRIAL PARK PROJECT

1. UPDATE ON PERMIT APPLICATION - Assistant County Administrator for Planning & Development Gregory Sides thanked the Tobacco Commission for all of their assistance, patience and understanding of what RIFA is up against in obtaining this permit.

Director of Economic Development Ric Drazenovich gave the background on the permit, noting that Berry Hill is a 3500 acre park. RIFA submitted their permit about two years ago. When RIFA submitted its permit, it took the Corp about six months to respond, and included a section about having a prospect for the industrial park. When a design is submitted, the Least Damaging Alternative has to be shown to the Corp and the EPA. The Corp noted without having a prospect, RIFA couldn't design the least damaging alternative and therefore the Corp wouldn't be able to approve their application. Staff met with them and the Corp agreed in concept, if RIFA had a Market Study that more definitely defined what RIFA was marketing the site for and refined their proposal so it didn't have a lot of pads that it was requesting be graded, they would consider going forward. RIFA brought in a market study group, Jones Lang LaSalle, who worked on the market study which was submitted to RIFA in February. It was shown to the Corp of Engineers and RIFA received approval to proceed forward. The last component of the permit was performing an economic analysis on each of the three alternatives in the market study. The market study showed an alternative with almost no impact, one with a moderate amount of impact and one with total impact on all streams and wetlands.

Shawn Harden from Dewberry reviewed the three alternatives, noting the market study indicated the three most highly potential industries that would locate in Berry Hill were wood and forest products, rubbers and polymers, and metal. The market study gave specific criteria on building sizes, parking requirements, truck parking, etc. Option One is the no impact layout. The economic analysis showed this option was not viable for RIFA as it did not provide enough square footage of building space. Option Two is the Preferred Option, the same building types and industry types were laid out on the site to avoid as much of the impacts as possible while still providing the required square footage. Option Three put large industries as they could fit on the lot and the economic analysis proved that this was a viable option, however, it does have the highest amount of impact. Staff will submit the revised permit to the Corp with the Preferred Option. Staff believes the Corp will give it good consideration to getting a permit on the site. Once RIFA receives the permit, it will allow grading in Lots 4 and 5 which is now called Phase I Berry Hill Industrial Park. Phase I is roughly 480 acres which can house 3.25M square feet.

In response to Mr. Marshall, Mr. Harden noted that Commonwealth Crossing in Henry County was ahead of Berry Hill by almost two years. Mr. Pfohl stated he didn't know the acreage number but they scaled it back and reduced it down into two lots. Mr. Drazenovich stated he thought they did the same thing RIFA is now doing.

Mr. Saunders questioned Mr. Harden if the Corp seemed to be more favorable to RIFA's request, was that a trend and what contributed to that. Mr. Harden responded one of the biggest reasons they are looking more favorably on this is because the market study defines both the industry type and the industry layouts that are most likely to locate here. In addition to that, removing Lot 3, the impacts on stream channels went from 38,000 feet to 6,000 feet.

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Mr. Shanks noted it is the interpretation of the regulations and Mr. Drazenovich agreed; the Clean Water Act has not changed, but it definitely says an LEDPA must be submitted, Least Environmentally Damaging Practicable Alternative. This has been interpreted to mean the design must be for a particular client, not for a general industry. With the market study, the economic analysis, the reduction in scope, the discussions, everybody else's input including legislative, Mr. Drazenovich noted he believes they are moving in the direction of approving it. Mr. Harden stated he has one more section to write from the market analysis and the application will probably be looked at in mid-October. Mr. Harden also noted that he has spoken with the area representative and she is amenable to staff coming down to Lynchburg and going over the plans with her.

Senator Ruff explained when the Tobacco Commission made the decision to fund mega parks, concern was statewide, there were no mega park sites at the right acreage. The Commission went through an extremely long process of paring it down to the ones that it choose. If this park is developed this way, what will be the useable amount of property still left in Berry Hill that could be considered one track for one industry. The State lost opportunities because it didn't have any 1000 + acre sites available. Mr. Harden noted that Lot 3 is 980 acres. Mr. Drazenovich explained that the Phase I, Option 2, the middle impact option, will be 230 acres of grading.

2. GENERAL DISCUSSION WITH MEMBERS OF THE TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION

Delegate Marshall asked the RIFA board if they have any questions or wanted any clarification on what the Commission does or what they should be doing.

Mr. Snead questioned stories about changes on how Tobacco money is going to be distributed, that more funds could go further north up to Fairfax County. Mr. Marshall explained the General Assembly could, if a bill gets introduced, change it and distribute it out of the Commission and put it all over the state, that how it is done in North Carolina.

Mr. Sides asked if there will be another cycle in the mega site funds and Mr. Pfohl noted that is an annual budget decision by the Commission; there is still a fund balance. This year is the smallest annual budget in the fifteen year history of the Commission with less than \$49M as the endowment is going down and approaching \$300M. It is going to be leaner times going forward and is something the Commission would have to take into consideration; see specifically what the needs are to get more mega sites further along in the development process.

Mr. Harville commended the Commission members for the hard work they do and especially the representatives from the Southside that have helped RIFA move forward. Mr. Harville thanked the Tobacco Commission members for coming today and looked forward to working with them in the future.

5D. CONSIDERATION – RESOLUTION NO. 2014-09-08-5D – APPROVING PROPOSAL DATED AUGUST 11, 2014, REVISED AUGUST 26, 2014 WITH DEWBERRY ENGINEERS

Mr. Sides noted this matter was discussed at the last meeting, the various options available to address the dam safety issue at the pond at Cane Creek Centre. Dewberry had provided two option proposals, one to permit the structure and the other to do the dam removal

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permit. Since the RIFA board supported the dam removal permit, staff has brought it back to the Board; it is a contract to do a dam removal permit.

Mr. Harville questioned an item under Dewberry's proposal, Scope of Services, number six. Mr. Harden responded that they are not anticipating any design for this project, it is just a paper permit they submit to the State. In response to Mr. Shanks, Mr. Harden stated that Dewberry is assuming that surveying will not be needed. The only time a survey would be needed for this is if RIFA were going to try to prove to the VCR that the dam was below the dam safety regulations. This permit is a letter and permit application to the Corp telling them what RIFA is going to do in the process, what they are going to do to de-water it, remove the dam and restore the stream channel.

Mr. Snead **moved** adoption of *Resolution 2014-09-08-5D, approving proposal dated August 11, 2014, revised August 26, 2014 with Dewberry Engineers Inc., a New York corporation, to prepare the necessary documents for the complete removal of the dam and pond in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, at a lump sum of \$6,500.*

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

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

5E. FINANCIAL STATUS REPORT AS OF AUGUST 31, 2014

Authority Treasurer Michael Adkins noted under the \$7.3M bond expenditures, there was one expenditure in the month of August for \$15,500 for the acquisition of the Johnson property. Schedule B will be the last time the Board will see the FY14 Expenditures which shows \$19,615 expended for legal services through the month of June. FY14 ends with \$114,807.25 as the unexpended, unencumbered balance for FY14. In Schedule C, that number is rolled over to start out FY15 and shows an expense for the month of August of \$26.49 for the monthly utility bill. Schedule D is the Mega Park with no expenditures in August. Schedule E is the Lot 4 site development; RIFA spent \$362,418 to Dewberry for Amendments 4, 5 and 6 and also \$2,205.00 to Wetland Studies and Solutions. Exhibit F is rent and interest income realized for the month of August, with \$300 rent from Securitas and \$6,673 paid to IALR for the Hawkins' Building property management fee.

Mr. Shanks questioned the budget for Lot 4 site development, \$1.268M to Dewberry, the money spent to date, \$442,607, are they still due \$825,879, and Mr. Adkins noted the rest of the budget is encumbered, for work not yet billed. In response to Mr. Snead, Mr. Adkins stated he was not sure what is budgeted for grading; right now RIFA has \$6.3M that has not been encumbered or expended for the funding that is available for that site. Mr. Adkins noted he can get an answer to Mr. Snead for what is allotted for grading. Mr. Shanks requested an update on that and the work anticipated to grade the site based on the current layout. Mr. Harville noted it was his understanding in the permitting process, the \$6.2M, some of the money came out for studies and asked Mr. Sides if he knew if any of that money has been taken out of that \$6.2M. Mr. Sides noted RIFA had \$6.2M from the Tobacco Commission, \$1.6M of local money totaling over \$7M to start with. Some of that

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has been taken out for the Jones Lang LaSalle study, the economic analysis and permit fees.

Mr. Shanks **moved** to approve the Financial Report as of August 31, 2014 as presented. The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

COMMUNICATIONS

Mr. Snead asked if the Chairman or the Vice Chairman of RIFA attends the staff meetings and Mr. King noted they did not but they are welcome to attend if they wish. The meetings are for staff to plan the agenda for the next meeting.

Mr. Snead questioned the language at the end of every resolution, which notes the Authority authorizes and directs staff and other agents and representatives working on behalf of the authority to take such action to do all such things as are contemplated, etc. Mr. Snead noted he wanted to make sure staff is not doing anything that RIFA hadn't approved. Mr. Guanzon explained there is a scope and it is a balance of being very specific versus not being specific enough. If the Board wants to have something more restrictive, they can absolutely do so.

Mr. Harville informed the Board and staff he has prostate cancer, asked that members remember him in their prayers and he probably won't be at the next meeting if his surgery goes forward very soon.

MEETING ADJOURNED AT 1:01 P.M.

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	6-A
Meeting Date:	10/16/2014
Subject:	Amendment No. 8 to Contract with Dewberry Engineers
From:	Joseph C. King, City Manager; Gregory L. Sides, Assistant County Administrator, Pittsylvania County

SUMMARY

Attached for the Board's review and approval is Resolution No. 2014-09-08-5C approving Amendment No. 8 to Contract dated February 9, 2009 – Engineering Services Related to The Mega Park Master Plan – Additional Wetland Delineation Services – Dewberry Engineers Inc.

ATTACHMENT

Resolution 2014-09-08-5C

A RESOLUTION APPROVING AMENDMENT NO. 8 TO CONTRACT DATED FEBRUARY 9, 2009 - ENGINEERING SERVICES RELATED TO THE MEGA PARK MASTER PLAN - ADDITIONAL WETLAND DELINEATION SERVICES, WITH DEWBERRY ENGINEERS INC., A NEW YORK CORPORATION, FOR ADDITIONAL WETLAND DELINEATION AND SURVEY FOR AN AGGREGATE LUMP SUM OF \$390,323.50.

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 received approval from the Tobacco Indemnification and Community Revitalization Commission Tobacco Commission (the “**Tobacco Commission**”) in Fiscal Year 2012 of Grant #2491 for Site Development of Lot 4 in the Authority's Berry Hill Industrial Park project (the “**Berry Hill Project**”) located in Pittsylvania County, Virginia; and

WHEREAS, the Authority adopted Resolution No. 2014-04-14-5B to reallocate Grant #2491 from the Tobacco Commission, allowing locally committed funds to be utilized for environmental permitting and other engineering services, and to approve certain contract amendments (#4 through #7, inclusive) to Contract dated February 9, 2009 - Engineering Services Related to the Mega Park Master Plan, with Dewberry Engineers, Inc., a New York corporation (“**Dewberry Engineers**”); and

WHEREAS, the Authority finds that to further develop Lot 4 and to support a permit application to the U.S. Army Corps of Engineers, additional wetland delineation services and survey from Dewberry Engineers were required, as more particularly set forth in that certain Amendment No. 8 to Contract dated February 9, 2009 - Engineering Services Related to the Mega Park Master Plan - Additional Wetland Delineation Services, with Dewberry Engineers Inc., a New York corporation, a copy of which is attached as **Exhibit A**, incorporated herein by this reference (“**Amendment No. 8**”); and

WHEREAS, the required work described under Amendment No. 8 was completed, but prior to the adoption of Amendment No. 8 by the Authority; and

WHEREAS, under Amendment No. 8, the aggregate lump sum fee is shown to be \$780,647.00; however, after the Authority’s negotiations with Dewberry Engineers, Dewberry Engineers, as a good faith gesture and to settle with the Authority on work performed and sums owed under Amendment No. 8, is agreeable to the aggregate lump sum of \$390,323.50 (i.e., a 50% reduction); and

WHEREAS, the Board of Directors of the Authority has hereby determined, in open session, that Amendment No. 8, in furtherance of Lot 4’s development in the Berry Hill Project and to settle matters with Dewberry Engineers, serves the purpose of the Authority to enhance the economic base of the City of Danville and Pittsylvania County by developing, owning, and operating the Berry Hill Project on a cooperative basis involving the City and the County, and

Resolution No. 2014-09-08-5C

that it is in the best interests of the Authority and the citizens of the City and the County for the Authority to authorize, approve, execute and adopt in all respects Amendment No. 8.

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

1. The Authority hereby authorizes and directs its Chairman and/or Vice Chairman, either of whom may act independently of the other, to execute and deliver, and otherwise pursue, Amendment No. 8, together with such further amendments, deletions or additions to Amendment No. 8 as may be approved by its Chairman or Vice Chairman (as the case may be), and such execution of the same by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of any further amendments, deletions or additions thereto.

2. The Authority hereby authorizes its Chairman and Vice Chairman, either of whom may act independently of the other, to execute and deliver such other documents in connection with Amendment No. 8, as may be approved by its Chairman or Vice Chairman (as the case may be), such execution by its Chairman or Vice Chairman (as the case may be) to conclusively establish his approval of such other documents.

3. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as are contemplated by Amendment No. 8 or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of this Resolution.

4. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect to Amendment No. 8 and the matters contemplated in this Resolution.

5. 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 meeting duly called and held on September 8, 2014, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority as of the 8th day of September 2014.

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

(SEAL)

Exhibit A

[Amendment No. 8]

March 24, 2014
Revised July 15, 2014

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

**RE: Amendment #8 to Contract Dated February 9, 2009
Engineering Services Related to the Mega Park Master Plan
Additional Wetland Delineation Services**

Dear Mr. Harville:

As part of the Master Plan development, Phase 1 of Dewberry Engineers Inc.'s (Dewberry) scope of services for the Danville-Pittsylvania Regional Industrial Facility Authority (RIFA) focused on conducting environmental, archeological, and geotechnical surveys for 1,500 acres (Phase 1) of the Mega Park on Berry Hill road. Phase 2 of the contract advanced the environmental, archeological, and geotechnical investigations to include the remaining 2,000 acres of the park and to prepare applications for the required U.S. Army Corps of Engineers (USACE) and Virginia Department of Environmental Quality (VDEQ) permits to allow for development of the entire \pm 3,500 acre Mega Park.

Our efforts in preparing similar services for the Cane Creek Centre project were used as a basis for determining the scope of services on the Mega Park project. During the course of our work on the Mega Park, significant changes were made by the USACE as to how wetlands and waters of the United States are regulated and permitted. The result of these changes has led to a significant amount of additional effort to comply with these changes.

SCOPE OF SERVICES

Dewberry requests reimbursement for the following additional services:

I. Additional Wetland Delineation

Dewberry's original contract for the Phase 1 and 2 wetland delineation services included a total of 215,000 LF of wetland perimeter and stream channel being flagged for the entire \pm 3,500 acre Mega Park. The total amount of wetland perimeter and stream channel flagged to date by Dewberry at the Mega Park is 449,430 LF. The additional wetlands flagged for the project is 234,430 LF.

FEE: \$443,070 Lump Sum

II. Additional Wetland Delineation Survey

Dewberry's original contract for the Phase 1 and 2 wetland delineation survey services included a total of 215,000 LF of wetland perimeter and stream channel to be surveyed for the entire \pm 3,500 acre Mega Park. The total amount of wetland perimeter and stream channel surveyed to date by

Mr. Coy E. Harville
March 24, 2014
Revised July 15, 2014
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Dewberry at the Mega Park is 449,430 LF. The additional wetlands surveyed for the project is 234,430 LF.

FEE: \$337,577 Lump Sum

FEES

Below is a summary of fees for the respective services listed above:

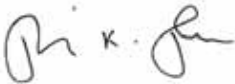
1. Additional Wetland Delineation FEE: \$443,070 Lump Sum
2. Additional Wetland Delineation Survey FEE: \$337,577 Lump Sum

TOTAL: \$780,647 Lump Sum

As a good faith gesture in recognition of our long standing partnership with the City and County and in recognition of current funding available for the project, Dewberry agrees to reduce the fees owed for the work referenced above by 50%. Therefore the total fee requested is \$390,323.50.

Again, we appreciate the opportunity to submit this contract amendment and look forward to continuing to work with you on this project. Please do not hesitate to call if you have questions or wish to discuss the Proposal or project further. The return of an executed copy of this proposal will serve as our authorization to proceed.

Sincerely,
Dewberry Engineers Inc.



Brian K. Bradner, PE, CPESC
Associate Vice President
Office Manager



Darren R. Conner, PE
President

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

Print (Type) Individual, Firm, or Corporate Name

Signature of Authorized Representative Date

Print (Type) Name of Authorized Representative and Title

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 7-A
Meeting Date:	October 16, 2014
Subject:	Update on Existing Industries with Authority's projects
From:	Telly D. Tucker, Director of Economic Development

SUMMARY

During the October 16, 2014 meeting, the Authority will receive an update from the Danville Director of Economic Development on existing industries within the Authority's projects.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 7-B
Meeting Date:	October 16, 2014
Subject:	Update on Berry Hill Industrial Park Site Preparation
From:	Richard Drazenovich, P.E., Director of Public Works, and Shawn R. Harden, P.E., Dewberry Engineers

SUMMARY

Dewberry engineers and staff will present to the Board maps showing planned grading and wetland remediation to comply with the modified U. S. Army Corps of Engineers permit application. To comply with the direction of the Corps, Dewberry has proposed several versions of a preliminary grading plan that utilize what was originally called Lots 4 and 5. An advantage of the plans as suggested by the Dewberry engineers is that RIFA can do the grading in stages that will meet the financial constraints of the Authority. The proposals that Dewberry will be showing will comply with both the marketing study done by Jones Lang LaSalle and suggestions from the Corps. Approximate cost estimates will be provided at the meeting.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 7-C
Meeting Date:	October 16, 2014
Subject:	Proposed Funding Changes for Berry Hill
From:	Michael L. Adkins, Authority Treasurer, and Patricia K. Conner, CPA, City of Danville

SUMMARY

During the October 16, 2014 meeting, the Authority will receive information on proposed modifications for funding of certain items at the Berry Hill project.

Danville-Pittsylvania Regional Industrial Facility Authority

Proposed Funding Changes for Berry Hill Project

Staff proposes modifications for the funding of certain items for the Berry Hill project. The proposed modifications will align budgeted expenditures with better suited funding sources. Staff proposes using General Expenditures Contingency funds for the Jones Lang LaSalle studies and certain Dewberry Engineers, Inc. expenditures instead of using the local match funds available for Berry Hill Lot 4 Site Development as previously approved and currently presented. Staff proposes these funding changes because these expenditures are applicable to the entire Berry Hill project and not just Lot 4 Site Development. Therefore, staff recommends using other funding sources for these items and using the local match available for other needed expenditures.

Also, there is \$11,203.15 in available funds from the cancellation of the McCallum Sweeney contract. Staff recommends transferring these funds to the Berry Hill Lot 4 Site Development project.

Therefore, staff recommendations to the RIFA Board are as follows:

- Request remaining FY2011 General Expenditures budget from each locality of \$55,000 for a total of \$110,000 and allocate to the "General Expenditures for Fiscal Year 2015" Contingency budget;
- Reclass the Jones Lang LaSalle Market Study Analysis of \$95,000 and Economic Analysis of \$12,000 to the "General Expenditures for Fiscal Year 2015" Contingency budget;
- Reclass Dewberry Engineers, Inc. expenditures of \$108,603.35 that are not specific to Berry Hill Lot 4 Site Development to the "General Expenditures for Fiscal Year 2015" Contingency budget;
- Transfer available funds of \$11,203.15 from the "Mega Park - Funding Other than Bond Funds" sheet to the "Berry Hill Mega Park - Lot 4 Site Development" sheet.

The project sheets affected are attached with the proposed changes indicated by highlighting.

Danville-Pittsylvania Regional Industrial Facility Authority
General Expenditures for Fiscal Year 2015
Proposed Funding

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City FY2015 Contribution	\$ 75,000.00				
County FY2015 Contribution	75,000.00				
Carryforward from FY2014	114,807.25				
City Contribution - remaining FY2011 Allocation	55,000.00				
County Contribution - remaining FY2011 Allocation	55,000.00				
Contingency					
Miscellaneous contingency items		\$ 31,403.90	\$ -	\$ -	\$ 31,403.90
Jones Lang LaSalle - Berry Hill Market Study Analysis		\$ 95,000.00	\$ 95,000.00	\$ -	\$ -
Jones Lang LaSalle - Berry Hill Economic Analysis		\$ 12,000.00	\$ 12,000.00	\$ -	\$ -
Dewberry Engineers, Inc. - Berry Hill		\$ 108,603.35	\$ 108,603.35	\$ -	\$ -
Total Contingency Budget		247,007.25	215,603.35	-	31,403.90
Legal		100,000.00	1,318.00	-	98,682.00
Accounting		19,600.00	-	-	19,600.00
Annual Bank Fees		600.00	-	-	600.00
Postage & Shipping		100.00	-	-	100.00
Meals		4,000.00	229.14	-	3,770.86
Utilities		500.00	55.20	-	444.80
Insurance		3,000.00	-	-	3,000.00
Total	\$ 374,807.25	\$ 374,807.25	\$ 217,205.69	\$ -	<u><u>\$ 157,601.56</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

Proposed Funding

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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 of Available Funds From "Mega Park - Funding Other than Bond Funds" Sheet	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,268,487.00	563,121.10	705,365.90	
Dewberry Engineers Inc. - Proposed Amendment #8		390,323.50	-	390,323.50	
Jones Lang LaSalle - Market Analysis Study		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.		141,996.00	52,892.32	89,103.68	
					-
Transfers to "General Expenditures Fiscal Year 2015" Contingency					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)		
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)		
Jones Lang LaSalle - Economic Analysis		(12,000.00)	(12,000.00)		
Total	\$ 7,900,356.15	\$ 1,750,043.15	\$ 553,250.07	\$ 1,196,793.08	\$ 6,150,313.00

¹ \$300,000 of this was received from each locality in June 2014. \$450,000 received in August 2014. \$450,000 received in September 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.

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

Proposed Funding

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 Commission 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				
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	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	972,754.29	18,095.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project		11,203.15	11,203.15	-	
Total		\$ 14,231,524.83	\$ 14,242,727.98	\$ 14,213,429.12	\$ 18,095.71
					\$ (0.00)

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

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

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

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

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

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

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

A RESOLUTION APPROVING CERTAIN FUNDING CHANGES RECOMMENDED BY AUTHORITY STAFF FOR THE BERRY HILL INDUSTRIAL PARK

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 passed Resolution No. 2014-09-08-5C at this meeting, approving Amendment No. 8 to Contract dated February 9, 2009 – Engineering Services Related to the Mega Park Master Plan – Additional Wetland Delineation Services, with Dewberry Engineers Inc., a New York corporation (“**Amendment No. 8**” and together with the original contract to which this amendments relates and all prior amendments thereto, the “**Dewberry Contract**”); and

WHEREAS, to fund Amendment No. 8 and further develop the Berry Hill Industrial Park (formerly known as the Berry Hill Mega Park) (the “**Park**”), the Authority Staff recommends certain funding changes with respect to the development of the Park, as set forth in the summary and spreadsheets attached hereto as **Exhibit A** and incorporated herein by this reference (the “**Summary**”), to align budgeted expenditures with better suited funding sources; and

WHEREAS, the Summary proposes using General Expenditures Contingency funds for the studies to be performed by Jones Lang LaSalle pursuant to the Dewberry Contract and certain Dewberry Engineers Inc. expenditures instead of using local match funds available for Lot 4 in the Park as previously approved and presented in the Summary; the Authority Staff proposes such changes because such expenditures are applicable to the entire Park and not just Lot 4 of the Park; therefore, the Authority Staff recommends using other funding sources for these items and using local match available for other needed expenditures; and

WHEREAS, in connection with the foregoing and as outlined in the Summary, the Authority Staff specifically recommends the following (the “**Staff Recommendations**”): (i) request remaining FY 2011 General Expenditures budget from each locality of \$55,000 for a total of \$110,000 and allocate to the “General Expenditures for Fiscal Year 2015” Contingency budget; (ii) reclass the Jones Lang LaSalle Market Study Analysis of \$95,000 and Economic Analysis of \$12,000 to the “General Expenditures for Fiscal Year 2015” Contingency budget; (iii) reclass Dewberry Engineers Inc. expenditures of \$108,603.35 that are not specific to the development of Lot 4 in the Park to the “General Expenditures for Fiscal Year 2015” Contingency budget; and (iv) transfer available funds of \$11,203.15 from the “Mega Park – Funding Other than Bond Funds” sheet to the “Berry Hill Mega Park – Lot 4 Site Development” sheet; and

WHEREAS, the Authority finds that the development of the Park serves the Authority’s purpose of enhancing the economic base of the City and the County be developing, owning, and operating the Park on a cooperative basis involving the City and the County;

Resolution No. 2014-10-16-7C

WHEREAS, the Authority finds the implementation of the Recommendations necessary, reasonable, and appropriate to fund Amendment No. 8 and for the further development of the Park.

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

1. The Authority hereby approves the Recommendations as set forth in **Exhibit A** and as reviewed at this meeting to fund Amendment No. 8 and for the further development of the Park.
2. The Authority hereby authorizes and directs the Authority's Treasurer and support staff to take such actions and to do all such things as are contemplated by the Recommendations, 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 Recommendations 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 meeting duly called and held on October 16, 2014, 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 16th day of October 2014.

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

(SEAL)

Exhibit A

[Summary and Spreadsheets]

Danville-Pittsylvania Regional Industrial Facility Authority

Proposed Funding Changes for Berry Hill Project

Staff proposes modifications for the funding of certain items for the Berry Hill project. The proposed modifications will align budgeted expenditures with better suited funding sources. Staff proposes using General Expenditures Contingency funds for the Jones Lang LaSalle studies and certain Dewberry Engineers, Inc. expenditures instead of using the local match funds available for Berry Hill Lot 4 Site Development as previously approved and currently presented. Staff proposes these funding changes because these expenditures are applicable to the entire Berry Hill project and not just Lot 4 Site Development. Therefore, staff recommends using other funding sources for these items and using the local match available for other needed expenditures.

Also, there is \$11,203.15 in available funds from the cancellation of the McCallum Sweeney contract. Staff recommends transferring these funds to the Berry Hill Lot 4 Site Development project.

Therefore, staff recommendations to the RIFA Board are as follows:

- Request remaining FY2011 General Expenditures budget from each locality of \$55,000 for a total of \$110,000 and allocate to the "General Expenditures for Fiscal Year 2015" Contingency budget;
- Reclass the Jones Lang LaSalle Market Study Analysis of \$95,000 and Economic Analysis of \$12,000 to the "General Expenditures for Fiscal Year 2015" Contingency budget;
- Reclass Dewberry Engineers, Inc. expenditures of \$108,603.35 that are not specific to Berry Hill Lot 4 Site Development to the "General Expenditures for Fiscal Year 2015" Contingency budget;
- Transfer available funds of \$11,203.15 from the "Mega Park - Funding Other than Bond Funds" sheet to the "Berry Hill Mega Park - Lot 4 Site Development" sheet.

The project sheets affected are attached with the proposed changes indicated by highlighting.

Danville-Pittsylvania Regional Industrial Facility Authority
General Expenditures for Fiscal Year 2015
Proposed Funding

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City FY2015 Contribution	\$ 75,000.00				
County FY2015 Contribution	75,000.00				
Carryforward from FY2014	114,807.25				
City Contribution - remaining FY2011 Allocation	55,000.00				
County Contribution - remaining FY2011 Allocation	55,000.00				
Contingency					
Miscellaneous contingency items		\$ 31,403.90	\$ -	\$ -	\$ 31,403.90
Jones Lang LaSalle - Berry Hill Market Study Analysis		\$ 95,000.00	\$ 95,000.00	\$ -	\$ -
Jones Lang LaSalle - Berry Hill Economic Analysis		\$ 12,000.00	\$ 12,000.00	\$ -	\$ -
Dewberry Engineers, Inc. - Berry Hill		\$ 108,603.35	\$ 108,603.35	\$ -	\$ -
Total Contingency Budget		247,007.25	215,603.35	-	31,403.90
Legal		100,000.00	1,318.00	-	98,682.00
Accounting		19,600.00	-	-	19,600.00
Annual Bank Fees		600.00	-	-	600.00
Postage & Shipping		100.00	-	-	100.00
Meals		4,000.00	229.14	-	3,770.86
Utilities		500.00	55.20	-	444.80
Insurance		3,000.00	-	-	3,000.00
Total	\$ 374,807.25	\$ 374,807.25	\$ 217,205.69	\$ -	<u><u>\$ 157,601.56</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

Proposed Funding

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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 of Available Funds From "Mega Park - Funding Other than Bond Funds" Sheet	11,203.15				
Expenditures					
Dewberry Engineers Inc.		1,268,487.00	563,121.10	705,365.90	
Dewberry Engineers Inc. - Proposed Amendment #8		390,323.50	-	390,323.50	
Jones Lang LaSalle - Market Analysis Study		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.		141,996.00	52,892.32	89,103.68	
					-
Transfers to "General Expenditures Fiscal Year 2015" Contingency					
Dewberry Engineers Inc.		(108,603.35)	(108,603.35)		
Jones Lang LaSalle - Market Analysis Study		(95,000.00)	(95,000.00)		
Jones Lang LaSalle - Economic Analysis		(12,000.00)	(12,000.00)		
Total	\$ 7,900,356.15	\$ 1,750,043.15	\$ 553,250.07	\$ 1,196,793.08	\$ 6,150,313.00

¹ \$300,000 of this was received from each locality in June 2014. \$450,000 received in August 2014. \$450,000 received in September 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.

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

Proposed Funding

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 Commission 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				
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	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	972,754.29	18,095.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project		11,203.15	11,203.15	-	
Total		\$ 14,231,524.83	\$ 14,242,727.98	\$ 14,213,429.12	\$ 18,095.71
					\$ (0.00)

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

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

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

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

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

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

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

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:

Meeting Date: 10/16/2014

Subject: Financial Status Reports – September 30, 2014

From: Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through September 30, 2014 will be provided at the meeting. The financial status reports as of September 30, 2014 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of September 30, 2014 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditure for FY 2015
- C. Mega Park – Funding Other than Bond Funds
- D. Berry Hill Mega Park – Lot 4 Site Development
- E. Rent, Interest, and Other Income Realized
- F. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of September 30, 2014

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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}		71,881.00	21,529.12	50,351.88	
Land		-	2,793,012.60	-	
Demolition services		71,261.62	71,261.62	-	
Legal fees		-	55,344.30	-	
CCC - Lots 3 & 9 project - RIFA Local Share ⁶		142,190.00	112,464.98	-	
Other expenditures		-	327,319.70	-	
Total	\$ 7,578,582.12	\$ 4,311,140.12	\$ 7,307,948.68	\$ 50,351.88	\$ 220,281.56

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

⁴ 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 September 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 August 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 2015
 As of September 30, 2014

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 75,000.00				
County Contribution	75,000.00				
Carryforward from FY2014	114,807.25				
Contingency					
Miscellaneous contingency items		\$ 137,007.25	\$ -	\$ -	\$ 137,007.25
Total Contingency Budget		137,007.25	-	-	137,007.25
Legal		100,000.00	1,318.00	-	98,682.00
Accounting		19,600.00	-	-	19,600.00
Annual Bank Fees		600.00	-	-	600.00
Postage & Shipping		100.00	-	-	100.00
Meals		4,000.00	229.14	-	3,770.86
Utilities		500.00	55.20	-	444.80
Insurance		3,000.00	-	-	3,000.00
Total	\$ 264,807.25	\$ 264,807.25	\$ 1,602.34	\$ -	<u><u>\$ 263,204.91</u></u>

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park - Funding Other than Bond Funds

As of September 30, 2014

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 Commission 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				
 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	-	
 Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis ³		990,850.00	972,754.29	18,095.71	
Consulting Services - McCallum Sweeney ⁷		115,000.00	103,796.85	-	
Total		\$ 14,231,524.83	\$ 14,231,524.83	\$ 14,202,225.97	\$ 18,095.71
					\$ 11,203.15

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

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

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

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

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

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

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

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Lot 4 Site Development

As of September 30, 2014

Funding	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
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				
Expenditures					
Dewberry Engineers Inc.		1,268,487.00	563,121.10	705,365.90	
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.		141,996.00	52,892.32	89,103.68	
Total	\$ 7,889,153.00	\$ 1,575,323.00	\$ 768,853.42	\$ 806,469.58	<u>\$ 6,313,830.00</u>

¹ \$300,000 of this was received from each locality in June 2014. \$450,000 received in August 2014. \$450,000 received in September 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.

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized

As of September 30, 2014

Source of Funds	Funding		Expenditures FY2015	Unexpended / Unencumbered
	Carryforward from FY2014	Current Month		
<u>Carryforward</u>	\$ 429,892.53			
<u>Current Lessees</u>				
Institute for Advanced Learning and Research (IALR) ¹				
Cyberpark			\$ 13,346.48	\$ 20,019.72
Institute for Advanced Learning and Research (IALR)			-	-
Cyberpark			600.00	1,200.00
Securitas			-	-
Cyberpark			-	-
Guilford Whitetail Management			-	-
Berry Hill			-	-
Mountain View Farms of Virginia, L.C.			-	-
Berry Hill			-	-
Osborne Company of North Carolina, Inc.			-	-
Berry Hill			-	-
Clodfelter Hunting Lease			-	2,000.00
Berry Hill			-	-
<u>Total Rent</u>			\$ 13,946.48	\$ 23,219.72
<u>Interest Received</u> ²			\$ 96.97	\$ 269.63
<u>Expenditures</u>				
Hawkins Research Bldg. Property Mgmt. Fee				\$ 13,346.48
Totals	\$ 429,892.53	\$ 14,043.45	\$ 23,489.35	\$ 13,346.48
				\$ 440,035.40

Restricted ¹ \$ 364,064.30
Unrestricted \$ 75,971.10

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
Statement of Net Position^{1,2}
September 30, 2014*

	Unaudited FY 2015
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,212,063
Cash - money market	1,141,900
<i>Total current assets</i>	2,353,963
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	286,833
Restricted cash - debt service fund CCC bonds	1,413,216
Restricted cash - debt service fund Berry Hill bonds	853,866
Restricted cash - debt service reserve fund Berry Hill bonds	2,000,150
Capital assets not being depreciated	25,055,863
Capital assets being depreciated, net	25,883,079
Construction in progress	3,632,297
<i>Total noncurrent assets</i>	59,125,304
Total assets	61,479,267
Liabilities	
<i>Current liabilities</i>	
Accrued interest	69,244
Bonds payable - current portion	1,078,450
<i>Total current liabilities</i>	1,147,694
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	9,188,540
<i>Total noncurrent liabilities</i>	9,188,540
Total liabilities	10,336,234
Net Position	
Invested in capital assets - net of related debt	48,858,314
Unrestricted	2,284,719
Total net position	\$ 51,143,033

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.

*Please note these statements are for the period ended September 30, 2014 as of September 30, 2014, the date of preparation. Due to statement preparation occurring in close proximity to month-end, these statements may not include some pending adjustments for the period.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
*September 30, 2014**

	Unaudited FY 2015
Operating revenues	
Virginia Tobacco Commission Grants	-
Rental income	28,770
Total operating revenues	28,770
Operating expenses ⁴	
Mega Park expenses ³	125,163
Cane Creek Centre expenses ³	15,788
Cyber Park expenses ³	13,346
Professional fees	-
Insurance	2,416
Other operating expenses	1,315
Total operating expenses	158,028
Operating loss	(129,258)
Non-operating revenues (expenses)	
Interest income	219
Interest expense	(16,280)
Total non-operating expenses, net	(16,061)
Net loss before capital contributions	(145,319)
Capital contributions	
Contribution - City of Danville	1,119,246
Contribution - Pittsylvania County	1,119,246
Total capital contributions	2,238,492
Change in net position	2,093,173
Net position at July 1,	49,049,860
⁵ Net position at September 30,	\$ 51,143,033

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.

⁵ Please note this will change once all FY2014 entries are made and may also change depending on audit adjustments, if any, for FY2014 and the nature of those audit adjustments.

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*September 30, 2014**

	Unaudited FY 2015
Operating activities	
Receipts from grant reimbursement requests	\$ -
Receipts from leases	16,546
Payments to suppliers for goods and services	(529,808)
Net cash used by operating activities	(513,262)
Capital and related financing activities	
Capital contributions	2,238,492
Interest paid on bonds	(24,420)
Principal repayments on bonds	-
Net cash provided by capital and related financing activities	2,214,072
Investing activities	
Interest received	219
Net cash provided by investing activities	219
Net increase in cash and cash equivalents	1,701,029
Cash and cash equivalents - beginning of year (including restricted cash)	5,206,999
Cash and cash equivalents - through September 30, 2014 (including restricted cash)	\$ 6,908,028
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating loss	\$ (129,258)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Non-cash operating in-kind expenses	-
Changes in assets and liabilities:	
Change in prepaids	2,624
Change in due from other governments	-
Change in other receivables	2,500
Change in accounts payable	(383,278)
Change in unearned income	(5,850)
Net cash used by operating activities	\$ (513,262)

Components of cash and cash equivalents at September 30, 2014:	
American National - Checking	\$ 1,212,063
American National - General money market	1,141,900
Wells Fargo - \$7.3M Bonds CCC Debt service fund	1,413,216
Wells Fargo - \$7.3M Bonds CCC Project fund	286,833
US Bank - \$11.25M Bonds Berry Hill Debt service fund	853,866
US Bank - \$11.25M Bonds Berry Hill Debt service reserve fund	2,000,150
	\$ 6,908,028

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 7-E
Meeting Date:	October 16, 2014
Subject:	Capstone Project Briefing
From:	Joe King, City Manager, City of Danville

Jerry Gwaltney, Executive Director of the Institute for Advanced Learning and Research will provide a briefing on the Capstone Project and request the RIFA Board's approval to modify the Hawkins Building to accommodate installation of associated equipment. The Capstone project is a joint venture between the Institute and Danville Community College that will provide advanced multi-disciplinary training in such skills as tool management, advanced testing and measurement, electrical discharge machining, computer numerically controlled grinding, computer numerically controlled milling, computer numerically controlled turning, and business processes.

A RESOLUTION APPROVING CERTAIN MODIFICATIONS TO THE CHARLES HAWKINS BUILDING TO ACCOMMODATE INSTALLATION OF CERTAIN EQUIPMENT FOR THE CAPSTONE PROJECT, WHICH IS A JOINT VENTURE BETWEEN THE INSTITUTE FOR ADVANCED LEARNING AND RESEARCH AND DANVILLE COMMUNITY COLLEGE TO PROVIDE MULTI-DISCIPLINARY TRAINING

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, pursuant to that certain Lease Agreement dated August 6, 2008, and the Amendment and Addendum thereto each effective as of June 1, 2013 (collectively, the “**Lease**”), the Authority leases to the Institute for Advanced Learning and Research, a political subdivision of the Commonwealth of Virginia (“**IALR**”), that certain property located at 230 Slayton Avenue, Danville, Virginia, more commonly known as the Charles Hawkins Building (the “**Hawkins Building**”); and

WHEREAS, IALR requests the Authority’s approval as required by the Lease to make certain modifications to the Hawkins Building to accommodate the installation of certain equipment for the Capstone Project, which is a joint venture between IALR and Danville Community College to provide multi-disciplinary training in such skills as tool management, advanced testing and measurement, electrical discharge machining, computer numerically controlled grinding, computer numerically controlled milling, computer numerically controlled turning, and business processes (the “**Project**”); and

WHEREAS, the Authority finds that the Project serves the Authority’s purpose of enhancing the economic base of the City and the County; and

WHEREAS, the Authority finds that the proposed modifications and equipment installations to the Hawkins Building discussed during this meeting are necessary, reasonable, and appropriate for the further development of the Project.

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

1. The Authority hereby approves the proposed modifications and equipment installations discussed during this meeting to the Hawkins Building in furtherance of the Project (the “**Modifications**”), on the following conditions: (i) the Modifications must be performed in compliance with all applicable laws and building code requirements and requirements of any applicable zoning codes or ordinances, including, if applicable, the Americans with Disabilities Act, (ii) the Modifications must be performed in a good and workmanlike manner in conformity with the approved plans and specifications, and (iii) the Modifications must be performed free of any mechanic’s, materialmen’s and/or laborer’s liens.

Resolution No. 2014-10-16-7E

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 Project with respect to the Modifications, 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 Project and the Modifications 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 meeting duly called and held on October 16, 2014, 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 16th day of October 2014.

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

(SEAL)