

Danville-Pittsylvania Regional Industrial Facility Authority

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

AGENDA

May 10, 2021

12:00 P.M.

**Institute for Advanced Learning and Research
150 Slayton Avenue, Room 207
Danville, Virginia**

County of Pittsylvania Members

**Ronald S. Scarce, Vice Chairman
Robert W. Warren
Vic Ingram, Alternate**

City of Danville Members

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

Staff

**Ken Larking, City Manager, Danville
David M. Smitherman, Pittsylvania County Administrator
Christian & Barton, LLP, 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 APRIL 12, 2021 MEETING

5. NEW BUSINESS

- A. Consideration of Resolution No. 2020-05-10-5A, approving a one-year renewal of the lease to The Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Southern Virginia Megasite at Berry Hill project (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia; the lease term shall be subject to a right of landlord to show the demised premises upon at least 24-hours notice and the obligation of tenant to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law; the Authority shall have the right to early terminate the lease with at least 30-days notice; and the lease shall be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$1,000.00 – Matthew D. Rowe, Director of Economic Development, Pittsylvania County
- B. Consideration of Resolution No. 2020-05-10-5B, authorizing the execution of a Forbearance Agreement with the Virginia Tobacco Region Revitalization Commission, the City of Danville, Virginia, Pittsylvania County, Virginia and Harlow Fastech LLC, a Virginia limited liability company for a loan approved on October 15, 2018 used to recruit Harlow Fastech LLC to the Authority's Cyber Park project, located in Danville, Virginia – Corrie M. Teague-Bobe, Director of Economic Development, City of Danville
- C. Financial Status Reports as of April 30, 2021 – Michael L. Adkins, CPA, Treasurer of the Authority, and Henrietta Weaver, CPA, City of Danville, Virginia *[via Conference Line: +1 (646) 558-8656 and Meeting ID: 98079888191]*
- D. Report on proposed ground lease arrangement with the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, and the Pittsylvania County Industrial Development Authority, a political subdivision of the Commonwealth of Virginia, for certain portions of real property located within the Authority's Cyber Park project, located in the Danville, Virginia *[Discussion to be held in closed session as permitted in Agenda Items 6.B. and 6.C.] [Written resolution to be distributed after closed session.]* – Ms. Teague-Bobe

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- E. Report on the Authority's purchasing policies and procedures *[Discussion to be held in closed session as permitted in Agenda Item 6.E.] [No written resolution.]* - David M. Smitherman, Pittsylvania County Administrator and Ken F. Larking, Danville City Manager

6. CLOSED SESSION

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

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;
- 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.
- 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.
- 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.

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RETURN TO OPEN SESSION

- F. Reinstatement/Unmuting of Conference Line [*see Agenda Item 5C above*].
- G. Confirmation of Motion and Vote to Reconvene in Open Meeting.
- H. Motion to Certify Closed Meeting.

7. NEW BUSINESS CONTINUED

- A. Continuation of Agenda Item 5.D – consideration of Resolution 2021-05-10-7A, approving the negotiation, execution and delivery of a Ground Lease with the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, and the Pittsylvania County Industrial Development Authority, a political subdivision of the Commonwealth of Virginia, for a portion of that certain real property containing approximately 10.17 acres (PIN 78359), commonly known as Lot 10B, in the Authority's Cyber Park project, located in the City of Danville, Virginia, under which the lessee, at its expense, would cause to be installed an approximately 30,000 square feet building and related parking lot and driveway.

8. COMMUNICATIONS FROM:

- A. Authority Board Members
- B. Staff

9. ADJOURN

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 4
Meeting Date:	05/10/2021
Subject:	Meeting Minutes
From:	Susan M. DeMasi, Authority Secretary

SUMMARY

Attached for the Board's approval are the Meeting Minutes from the Monday, April 12, 2021 Meeting.

ATTACHMENTS

Meeting Minutes – 04/12/2021

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

April 12, 2021

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:09 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 207, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller. (*Dr. Miller entered the meeting at 12:18 p.m.*) Pittsylvania County Members present were Vice Chairman Ronald S. Searce, Robert W. Warren, and Alternate Vic Ingram.

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, City of Danville Director of Economic Development Corrie Bobe, Pittsylvania County Director of Economic Development Matt Rowe, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry. *City of Danville Director of Finance/Authority Treasurer Michael Adkins, and City of Danville Accountant Henrietta Weaver, attended the meeting electronically.*

Chairman Sherman M. Saunders presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE MARCH 8, 2021 MEETING

Upon **Motion** by Mr. Searce and **second** by Mr. Warren, Minutes of the March 8, 2021 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2021-04-12-5A, APPROVING GRADING SERVICES BY HAYMES BROTHERS, INC., FOR THE PROPOSED SIGN PLACEMENTS LOCATED ON BERRY HILL ROAD

Pittsylvania County Director of Economic Development Matt Rowe noted this item was a change order, for a lump sum of \$20,000, from Haymes Brothers for grading approximately two acres associated with the two entrance signs; the scope of work was included in the agenda. Brian Bradner from Dewberry noted they had reached out to Haymes as they were currently working adjacent to these two sites. Dewberry had prepared plans, so Haymes priced it based off those and Dewberry also reviewed their scope of work.

Mr. Warren asked Mr. Bradner if RIFA received any other bids or inquire about the pricing of this. Mr. Bradner explained based on the timeliness, Dewberry reached out to them initially because they were working adjacent to the site, and were already mobilized. They have not reached out directly to anyone else, but they can if the Board would like them to do that. Dewberry had prepared their own cost estimate, they reviewed their pricing and theirs theirs was actually less. Mr. Warren stated he did not want to delay the process, the signs were important, but does hope going forward, it was probably in all their best interests, certainly the elected officials, to have other bids for transparency.

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Mr. Warren **moved** for adoption of Resolution No. 2021-04-12-5A, *approving grading services by Haymes Brothers, Inc., a Virginia corporation, for the proposed sign placements located on Berry Hill Road within the Authority's Southern Virginia Megasite at Berry Hill Project, located in Pittsylvania County, Virginia, for a lump sum fee of \$20,000.00.*

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

VOTE: 4-0
AYE: Scarce, Warren, Saunders, and Vogler (4)
NAY: None (0)

5B. CONSIDERATION OF RESOLUTION NO. 2021-04-12-5B, AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGREEMENT FOR PURCHASE AND SALE WITH BERRY HILL SOLAR, LLC,

Mr. Rowe explained Items 5B and 5C were related Resolutions. The first was to purchase the right of way currently under an option with Berry Hill Solar LLC. This was being paid for by Tobacco Commission Megasite Funds for the connector road acquisition; it would represent RIFA's final purchase for the connector road through that property. The Authority had received those funds, and the local match was already appropriated as well. The agreement was somewhat open ended on the acreage because that will be dependent open the final alignment of the VDOT roadway. Mr. Guanzon noted the items for 5B and 5C, if approved, would be contingent on each other, the closing would be contemporaneous with and conditioned for each other. RIFA would buy the portion for the connector road and they would buy from RIFA an easement through Berry Hill to do the interconnection. The price would be equal, it was just a matter of trying to get the details out for the engineering maps to be finalized. Dewberry had already looked at the preliminary items and requested some adjustments. For purposes of grant funds, staff was doing these as two separate transactions.

Mr. Vogler **moved** for adoption of Resolution No. 2021-04-12-5B, *authorizing the negotiation, execution and delivery of an Agreement for Purchase and Sale with Berry Hill Solar, LLC, a North Carolina limited liability company, under which the Authority will purchase a portion of certain real property near the Authority's Southern Virginia Megasite at Berry Hill Project located in Pittsylvania County, Virginia in support of building a connector road to service the Authority's Southern Virginia Megasite at Berry Hill Project.*

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

VOTE: 4-0
AYE: Scarce, Warren, Saunders, and Vogler (4)
NAY: None (0)

5C. CONSIDERATION OF RESOLUTION NO. 2021-04-12-5C, AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGREEMENT FOR PURCHASE AND SALE OF UTILITY EASEMENT WITH BERRY HILL SOLAR, LLC,

Mr. Scarce **moved** for adoption of Resolution No. 2021-04-12-5C, *authorizing the negotiation, execution and delivery of an Agreement for Purchase and Sale of Utility Easement with Berry Hill Solar, LLC, a North Carolina limited liability company, as purchaser, under which purchaser will purchase a portion of certain real property in the Authority's*

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Southern Virginia Megasite at Berry Hill project located in Pittsylvania County, Virginia, in support of building a connector road to service the Authority's Southern Virginia Megasite at Berry Hill Project and of further development of the Project.

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

VOTE: 4-0
AYE: Scarce, Warren, Saunders, and Vogler (4)
NAY: None (0)

5D. CONSIDERATION OF RESOLUTION NO. 2021-04-12-5D, CLARIFYING RESOLUTION NO. 2021-03-08-6FA

Mr. Guanzon explained last month, the RIFA board approved the conversion of the Contract of Sale to a Ground Lease to enable RealtyLink to do some site development work on the property for a subtenant in advance of buying the property. There were some minimum terms but the form of the document had not been finalized. This was a situation two years in the making starting with agreements, then a contract of sale where RIFA would sell them the property in Cane Creek, and then RIFA entered into a local performance agreement with Aerofarms. Realty Link had completed its due diligence and there were several extensions for them to take a longer time to review the property. Late last year, they needed more time, so RIFA extended the period of time to close and gave them 60 days. It was RealtyLink's idea to change this to a short term ground lease for a period of time so that they could do the work, have the control, RIFA would own it, and they would pretty much wait until their ultimate subtenant would be ready to do this transaction. The team, RealtyLink's legal counsel and Aerofarms legal counsel started negotiating the terms of that ground lease and he thought they were done. Then late last week, RealtyLink wanted to change terms of the ground lease, but RIFA hadn't signed it and was still finalizing what was going in. It was his opinion, legally, that the first Resolution he had prepared last month would have been good enough to take care of whatever minor things that needed to be changed. This resolution says clarifying; it was whatever this board decided to authorize the officers, within the range of what has been approved, to make certain adjustments. For example, if the lease would end on July 1, and they needed to August 1st, those were minor types of things that the Board does not want to have to convene everyone for. If it were a material change, the chairman or vice chairman, would probably consult legal counsel to determine if a meeting was needed, because it was either way off the scope of what was intended or it was a material change that required the whole board to convene to discuss. This was to give the board some flexibility to consider what RealtyLink wants; RealtyLink was requesting a longer period of time for the ground lease, even though the time frame given to them was what they suggested. There was some legal advice he wanted to give to the board on this item; the Board can table this until after closed session, discuss it in closed session, or go to closed session now and then come back.

Mr. Saunders noted if there was no objection, he would be in favor of tabling Resolution 2021-04-12-5D. Mr. Warren moved that Resolution 2021-04-12-5D be **TABLED** until following the closed session to allow legal counsel to consult with the Board on the extension. The Motion was **seconded** by Mr. Scarce and carried by the following vote:

VOTE: 4-0
AYE: Scarce, Warren, Saunders, and Vogler (4)
NAY: None (0)

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5E. FINANCIAL STATUS REPORTS AS OF MARCH 31, 2021

Authority Treasurer Michael Adkins gave the Financial Status report as of March 31, 2021 beginning with the Cane Creek Bonds which showed no expenditures for March. General Expenditures for Fiscal Year 2021 show RIFA paid \$2,840 to WTP Services for registering the Berry Hill main logo, \$233 for meals and \$41 for monthly utilities. Funding Other than Bonds for Berry Hill showed no expenditures for the month of March, and Lots 1 and 2 Site Development at Berry Hill showed RIFA expended \$49,500 to Dewberry for work done under Amendment #30. Under Water and Sewer at Berry Hill, RIFA expended \$6,750 to Dewberry for work under Amendment #38, and \$376,713 to Haymes Brothers for continued work on Phase 1 Sanitary Sewer. Rent, Interest and Other Income show RIFA received \$22,817 in rent from the Institute for the Hawkins Building, \$35 earned in interest, and \$6,328 each from Pittsylvania County and the City of Danville for their share of the Harlow Fastech incentive. Under Expenditures, \$22,817 was paid to the Institute for the Hawkins' Building Maintenance.

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

VOTE: 4-0
AYE: Searce, Warren, Saunders, and Vogler (4)
NAY: None (0)

6. CLOSED SESSION

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

At 12:28 p.m. Mr. Searce **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

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;

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

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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.

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

VOTE: 4-0
AYE: Scarce, Warren, Saunders, and Vogler (4)
NAY: None (0)

RETURN TO OPEN SESSION

On **Motion** by Mr. Scarce and **second** by Mr. Warren and by unanimous vote at 2:00 p.m., the Authority returned to open meeting. (Reinstatement/Unmuting of Conference Line [see Agenda Item 5E above].)

Mr. Scarce **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. Vogler and carried by the following vote:

VOTE: 4-0
AYE: Saunders, Vogler, Scarce, Warren (4)
NAY: None (0)

CONTINUATION OF NEW BUSINESS

5D. CONSIDERATION OF RESOLUTION NO. 2021-04-12-5D, CLARIFYING RESOLUTION NO. 2021-03-08-6FA (AMENDED)

Mr. Vogler **moved** to approve Resolution 2021-04-12-5D, *clarifying that Resolution No. 2021-03-08-6FA includes authorization to make adjustments to the term of the Ground Lease and the right of the Subtenant to exercise the Option to purchase in the event of an uncured*

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Monetary Default by the Tenant. Amended to include the term of the Ground Lease be extended to August 31st.

The Motion was **seconded** by Mr. Scarce.

Mr. Scarce noted he had full confidence in the Authority's legal counsel, Mr. Guanzon, and what he has been doing for this contract, but stated he wanted to put RealtyLink on notice that he was not happy with their negotiating tactics, and any further delays with this process with them will make him less likely to affirm any other future negotiations with them. Mr. Warren noted his agreement with Mr. Scarce's comments.

The **Motion** was carried by the following vote:

VOTE: 4-0
AYE: Scarce, Warren, Saunders, and Vogler (4)
NAY: None (0)

7. COMMUNICATIONS

There were no communications from Board Members or staff.

Meeting adjourned at 2:05 p.m.

APPROVED:

Chairman

Secretary to the Authority

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5A

Meeting Date: 05/10/2021

Subject: Resolution 2021-05-10-5A

From: Matthew D. Rowe, Director of Economic Development, Pittsylvania County.

SUMMARY

The Board will be asked to consider Resolution 2021-05-10-5A, approving a one year lease renewal with the Osborne Company.

ATTACHMENTS

Resolution

Exhibit

Resolution No. 2021-05-10-5A

A RESOLUTION APPROVING A ONE-YEAR RENEWAL OF THE LEASE TO THE OSBORNE COMPANY OF NORTH CAROLINA, INC., A NORTH CAROLINA CORPORATION, OF APPROXIMATELY 100 ACRES OF PASTURELAND IN THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT (A PORTION OF GPINs 1366-78-4718 AND 1367-70-4519), COMMONLY KNOWN AS 4380 BERRY HILL ROAD, IN PITTSYLVANIA COUNTY, VIRGINIA; THE LEASE TERM SHALL BE SUBJECT TO A RIGHT OF LANDLORD TO SHOW THE DEMISED PREMISES UPON AT LEAST 24-HOURS NOTICE AND THE OBLIGATION OF TENANT TO KEEP THE IDENTITY OF ANY PROSPECTIVE BUSINESS RECRUITS CONFIDENTIAL UNTIL A PUBLIC ANNOUNCEMENT IS MADE, IF EVER, OR AS OTHERWISE REQUIRED BY LAW; THE AUTHORITY SHALL HAVE THE RIGHT TO EARLY TERMINATE THE LEASE WITH AT LEAST 30-DAYS NOTICE; AND THE LEASE SHALL BE FOR THE USE OF HARVESTING GRASS HAY AND INCIDENTAL USES ACCEPTABLE TO THE AUTHORITY, AT A TOTAL RENTAL FEE OF \$1,000.00

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

WHEREAS, The Osborne Company of North Carolina, Inc., a North Carolina corporation, entered into that certain Lease Agreement with the Authority, dated May 9, 2011 as amended and renewed (the "**Lease**"), for the lease of one hundred (100) acres, more or less, of pasture land in the Authority's Southern Virginia Megasite at Berry Hill project (formerly the Berry Hill Industrial Park) (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia, for the use of harvesting grass hay and incidental uses acceptable to the Authority, which Lease was subsequently renewed by the parties, at a total rental fee of One Thousand Dollars (\$1,000); and

WHEREAS, the current term of the Lease expires on May 15, 2021; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and of the citizens of Pittsylvania County and the City of Danville, Virginia, for the Authority to enter into a one-year renewal of the Lease at a total rental fee of One Thousand and 00/100 Dollars (\$1,000), subject to (i) a 30-day right of early termination by the Authority, (ii) the right of the Authority upon at least twenty-four (24) hours' notice to Tenant to enter upon and to show the demised premises to prospective business recruits, and (iii) Tenant's agreement to keep in strictest confidence the identity of any such prospective business recruits until a public announcement is made by the Authority, if ever, or as otherwise required by law; and

WHEREAS, the terms of such proposed renewal are set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "**Renewal**"); and

WHEREAS, the Authority finds appropriate and proper that in the event both the Director of Economic Development for Pittsylvania County, Virginia, and the Director of Economic Development for the City of Danville, Virginia (collectively, the "**Authority Staff Leadership**"), recommend that the Lease be terminated early in order to facilitate the orderly and efficient

Resolution No. 2021-05-10-5A

development of the real property covered by the Lease, each of the Chairman and the Vice Chairman should be authorized to exercise the Authority's right of early termination under the Lease.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves execution and delivery of the Renewal as reviewed at this meeting, each of the Authority's Chairman and Vice Chairman, in consultation with the other, is authorized to further modify the Renewal 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 Renewal on behalf of the Authority, such execution of the Renewal 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.

2. In the event that the Authority Staff Leadership recommends that the Lease be terminated early in order to facilitate the orderly and efficient development of the real property covered by the Lease, the Chairman and the Vice Chairman, either of whom may act independently of the other, are hereby authorized to exercise the Authority's right of early termination under the Lease.

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 the Renewal, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

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

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 regular meeting duly called and held on May 10, 2021, 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 10th day of May, 2021.

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

(SEAL)

Exhibit A

(Lease Renewal)

THIS 2021 LEASE RENEWAL, made as of the 15th day of May 2021, by and between **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Landlord**”); and **THE OSBORNE COMPANY OF NORTH CAROLINA, INC.**, a North Carolina corporation (“**Tenant**”);

W I T N E S S E T H :

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated as of May 9, 2011 (the “**Lease**”), which has been subsequently renewed, for that certain real property located in Landlord’s Southern Virginia Megasite at Berry Hill project (formerly the Berry Hill Industrial Park) in Pittsylvania County, Virginia, containing an aggregate of 100 acres, more or less, commonly known as 4380 Berry Hill Road (a portion of GPINs 1366-78-4718 and 1367-70-4519); and

WHEREAS, Landlord and Tenant desire to renew the Lease for an additional one (1) year term, subject to an early termination right by Landlord, and provide for the payment of additional rent during such renewal term, all as set forth herein.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in this Lease, the parties agree as follows:

1. The “**Renewal Term**” shall be for a term of one (1) year beginning on May 15, 2021, and ending on May 15, 2022. The “**Term**” (as defined in the Lease) shall include the initial Term and any Renewal Term.

2. Prior to the end of the Renewal Term, Landlord shall have the right to terminate the Lease upon giving at least thirty (30) days prior written notice to Tenant, in which event Landlord shall reimburse Tenant for a pro rata portion of the Additional Rent (as hereafter defined) covering the period between the date of termination and May 15, 2022.

3. Tenant agrees to pay to Landlord as additional rent (“**Additional Rent**”) for the Renewal Term set forth herein the amount of One Thousand and 00/100 Dollars (\$1,000.00), due and payable on the first day of the Renewal Term set forth herein. The “**Base Rent**” (as defined in the Lease) shall include the Base Rent payable for the initial Term and any Additional Rent payable for any Renewal Term.

4. At any time during the Renewal Term, Landlord shall have the right, upon at least twenty-four (24) hours’ notice to Tenant (which can be by telephone or by e-mail), to enter upon and to show the demised premises to prospective business recruits (the “**Recruits**”).

5. Tenant agrees to keep in strictest confidence the identity of any Recruits until a public announcement is made by Landlord, if ever, or as otherwise required by law.

6. All other terms and conditions of the Lease not specifically changed herein shall remain in full force and effect.

WITNESS the following signatures to this **2021 LEASE RENEWAL**:

LANDLORD:

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

By: _____
Sherman M. Saunders, Chairman

TENANT:

**THE OSBORNE COMPANY OF NORTH
CAROLINA, INC.**, a North Carolina corporation

By: _____
Peter F. Osborne, President

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5B

Meeting Date: 05/10/2021

Subject: Resolution 2021-05-10-5B

From: Corrie Teague-Bobe, Director of Economic Development,
City of Danville

SUMMARY

The Board will be asked to consider Resolution 2021-05-10-5B, approving the execution of a Forbearance Agreement.

ATTACHMENTS

Resolution

Exhibit

Resolution No. 2021-05-10-5B

A RESOLUTION AUTHORIZING THE EXECUTION OF A FORBEARANCE AGREEMENT WITH THE TOBACCO REGION REVITALIZATION COMMISSION, THE CITY OF DANVILLE, VIRGINIA, PITTSYLVANIA COUNTY, VIRGINIA AND HARLOW FASTECH LLC, A VIRGINIA LIMITED LIABILITY COMPANY FOR A LOAN APPROVED ON OCTOBER 15, 2018 USED TO RECRUIT HARLOW FASTECH LLC TO THE AUTHORITY'S CYBER PARK PROJECT, LOCATED IN DANVILLE, VIRGINIA

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

WHEREAS, the Authority, entered into that certain Performance Agreement (the “**Performance Agreement**”), dated October 15, 2018, with the Virginia Tobacco Region Revitalization Commission, a body corporate and political subdivision of the Commonwealth of Virginia (“**Commission**”), the City of Danville (the “**City**”) and the County of Pittsylvania (the “**County**”), both political subdivisions of the Commonwealth of Virginia, and Harlow Fastech LLC, a Virginia limited liability (the “**Company**”) for the purpose of recruiting the Company to construct or locate taxable assets and employ persons in the Authority’s Cyber Park project (the “**Cyber Park**”), located in Danville, Virginia; and

WHEREAS, the Commission made a cash loan in the amount of \$630,000 (the “**Loan**”) to the Authority for the benefit of the Company in exchange for the Company’s promise to make certain capital investments and employ a specific number of persons in the City and the County; and

WHEREAS, the Company promised to pay the Commission the principal sum of \$630,000 payable in six (6) equal semiannual payments of \$105,000 each, due on the first day of February and the first day of August, respectively, with the first Loan payment due on the first semiannual due date to arrive twenty four (24) months after the Loan was disbursed; and

WHEREAS, the Commission fully disbursed the Loan to the Authority as of September 17, 2019 with the first repayment installation due on February 1, 2022; and

WHEREAS, the Company has been negatively impacted by the worldwide pandemic causing a substantial delay in the delivery and installation of a Gefertec 605 3D metal printing machine; and

WHEREAS, at the request of the Company, the Commission is agreeable to forbear from exercising any and all rights and remedies under the Loan for a period of two (2) years with the first Loan repayment installment being due February 1, 2024, on the condition that the Authority execute the forbearance agreement (the “**Forbearance Agreement**”), substantially in the form of **Exhibit A**, attached hereto and incorporated herein by this reference; and

Resolution No. 2021-05-10-5B

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the citizens of the County and the City, and the development of the Cyber Park for the Authority to authorize the execution of the Forbearance Agreement.

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby authorizes the execution and delivery of the Forbearance Agreement attached hereto as **Exhibit A**, each of the Authority's Chairman and Vice Chairman, in consultation with the other, is authorized to further modify the Forbearance Agreement on such terms and conditions as the Chairman or Vice Chairman, in consultation with the other, determines to be reasonable, appropriate and consistent with this Resolution and hereby authorizes the Chairman and the Vice Chairman, either of whom may act independently of the other, to execute and deliver the Forbearance Agreement on behalf of the Authority, such execution of the Forbearance Agreement 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.

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 Forbearance Agreement, or as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.

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

4. This Resolution shall take effect immediately upon its adoption

- # -

CERTIFICATE

I, the undersigned Secretary of the Danville-Pittsylvania Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Danville-Pittsylvania Regional Industrial Facility Authority at a regular meeting duly called and held on May 10, 2021, 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 10th day of May 2021.

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

(SEAL)

Exhibit A

(Forbearance Agreement)

FORBEARANCE AGREEMENT

This FORBEARANCE AGREEMENT (this “Forbearance Agreement”), dated as of February 1, 2021, between the DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL DEVELOPMENT AUTHORITY, (the “RIFA”) the CITY OF DANVILLE, VIRGINIA (the “City”) and the COUNTY OF PITTSYLVANIA, VIRGINIA (the “County”), all political subdivisions of the Commonwealth of Virginia (together the “Debtors”) and the Tobacco Region Revitalization Commission, a political subdivision of the Commonwealth of Virginia (the “Commission”) recites and provides as follows:

RECITALS

- A. The Parties entered into a certain Loan Agreement, dated October 15, 2018 (the "Loan Agreement"), by and among the Debtors, the Commission, and Harlow Fastech LLC (“the Company”).
- B. Pursuant to the Loan Agreement, (i) the Commission made a cash loan in the amount of \$630,000 (“the Loan”) to the RIFA for the benefit of the Company in exchange for the Company’s promise to make certain capital investments and employ a specific number of persons in the City and County, (ii) the Company promised to pay the Commission the principal sum of \$630,000 payable in six (6) equal semi-annual payments of \$105,000 due on the first of February and the first of August, respectively, with the first loan payment due on the first semi-annual due date to arrive 24 months after the loan is disbursed.
- C. The Commission fully disbursed the Loan to the RIFA for the benefit of the Company by September 17, 2019 and the first semi-annual due date to arrive 24 months after disbursement thereby is February 1, 2022.
- D. Subject to the terms herein, the RIFA has requested that the Commission forbear from exercising any and all rights and remedies under the Loan Agreement for a period of two (2) years with the first semi-annual loan payments being due February 1, 2024.

AGREEMENT

NOW, THEREFORE, for and in consideration of the promises, mutual covenants, releases, and agreements herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. **Terms.** Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Performance Agreement.
- 2. **Forbearance.** From and after the execution of this Forbearance Agreement through 5:00 p.m. Eastern Standard Time on January 31, 2024, (the “Forbearance Period”), the Commission will forbear from exercising any and all rights and remedies under the Loan Agreement; however the Forbearance Period shall automatically terminate in the event that the Commission fails to ratify this Forbearance Agreement at its next regular meeting, currently scheduled for May, 2021. During the Forbearance Period, the Commission shall not request, demand, or provide notice of additional

payment requirements, nor shall it withhold from the RIFA any benefit or consideration otherwise due to the RIFA arising from other transactions made in the normal course of Commission business.

3. **No Waiver of Rights or Remedies.** Each of the Parties agree that other than as expressly set forth herein, nothing in this Forbearance Agreement or the performance by the Parties of their respective obligations hereunder constitutes or shall be deemed to constitute a waiver of any of the parties' rights or remedies under the terms of the Performance Agreement or applicable law, all of which are hereby reserved.
4. **Representations and Warranties by Both Parties.** Each of the Parties hereby represents and warrants that each of the following statements is true, accurate, and complete as to such party as of the date hereof:
 - a. Such party has carefully read and fully understood all of the terms and conditions of this Forbearance Agreement;
 - b. Such party has consulted with, or had a full and fair opportunity to consult with, an attorney regarding the terms and conditions of this Forbearance Agreement;
 - c. Such party is freely, voluntarily, knowingly and intelligently entering into this Forbearance Agreement;
 - d. In entering into this Forbearance Agreement, such party has not relied upon any representation, warranty, covenant or agreement not expressly set forth herein;
 - e. This Forbearance Agreement has been duly authorized and validly executed and delivered by such party and constitutes each such party's legal, valid and binding obligation, enforceable in accordance with its terms; and
 - f. Such party has the full power and legal authority to execute this Forbearance Agreement; consummate the transactions contemplated hereby, and perform its obligations hereunder.
5. **Governing Law.** This Forbearance Agreement shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Virginia, notwithstanding its conflict of laws principles or any other rule, regulation or principle that would result in the application of any other state's law. Venue for any dispute involving this Forbearance Agreement shall lie in the Circuit Court for the City of Richmond.
6. **Entire Agreement.** This Forbearance Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements.
7. **Modifications.** No part or provision of this Forbearance Agreement may be changed, modified, waived, discharged, or terminated except by an instrument executed under oath, sealed and delivered by the party hereto against whom enforcement of such change, modification, waiver, discharge, or termination is sought.

- 8. **Successors and/or Assigns.** This Forbearance Agreement shall inure to the benefit of and bind each of the parties and their respective successors and/or assigns.
- 9. **Counterparts.** This Forbearance Agreement may be executed in counterparts, each of which shall constitute an original and all of which when taken together shall constitute one and the same instrument.

TOBACCO REGION
REVITALIZATION COMMISSION

By: _____

Title: _____

Date: _____

DANVILLE-PITTSYLVANIA REGIONAL
INDUSTRIAL FACILITY AUTHORITY

By: _____

Title: _____

Date: _____

CITY OF DANVILLE, VIRGINIA

By: _____

Title: _____

Date: _____

COUNTY OF PITTSYLVANIA, VIRGINIA

By: _____

Title: _____

Date: _____

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.:	Item 5C
Meeting Date:	May 10, 2021
Subject:	Financial Status Reports – April 30, 2021
From:	Michael L. Adkins, Authority Treasurer

SUMMARY

A review of the financial status reports through April 30, 2021 will be provided at the meeting. The financial status reports as of April 30, 2021 are attached for the DPRIFA Board's review.

RECOMMENDATION

Staff recommends approving the financial status reports as of April 30, 2021 as presented.

ATTACHMENTS

Financial Status Reports

Financial Status

Table of Contents

- A. \$7.3 Million Bonds - Cane Creek Centre
- B. General Expenditures for FY2021
- C. SVM at Berry Hill – Funding Other than Bond Funds
- D. SVM at Berry Hill – Lots 1 & 2 Site Development
- E. SVM at Berry Hill – Water & Sewer
- F. Rent, Interest, and Other Income Realized
- G. Monthly Checks
- H. Unaudited Financial Statements

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of April 30, 2021

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
Funds from bond issuance	\$7,300,000.00				
Issuance cost	(155,401.33)				
Refunding cost ⁷	(52,500.00)				
Bank fees	(98.25)				
Interest earned to date	486,581.70				
Cane Creek Parkway ³		\$3,804,576.00	\$3,724,241.16	\$ -	
Swedwood Drive ²		69,414.00	69,414.00	-	
Cane Creek Centre entrance ³		72,335.00	53,878.70	-	
Financial Advisory Services		9,900.00	9,900.00	-	
Dewberry contracts ¹		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant ^{4,5}		76,986.46	50,001.62	26,984.84	
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		-	347,194.30	-	
Total	\$ 7,578,582.12	\$ 4,316,245.58	\$ 7,548,722.28	\$ 26,984.84	<u><u>\$ 2,875.00</u></u>

Notes:

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

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

³ Project completed under budget

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 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 2021

As of April 30, 2021

	<u>Funding</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
City Contribution	\$ 25,000.00				
County Contribution	25,000.00				
Carryforward from FY2020	(50,019.37)				
Transfer from Unrestricted Fund Balance	200,000.00				
Reimbursement from Dominion Energy	35,905.00				
Contingency					
Miscellaneous contingency items	\$ 25,905.00	\$ 25,905.00	\$ 6,460.05	\$ -	\$ 19,444.95
SVM at Berry Hill - grading for sign placement	\$ 20,000.00	\$ 20,000.00		\$ 20,000.00	-
Total Contingency Budget		45,905.00	6,460.05	20,000.00	19,444.95
Legal		160,080.63	60,384.50	-	99,696.13
Accounting		22,400.00	22,400.00	-	-
Postage & Shipping		100.00		-	100.00
Meals		4,000.00	2,192.38	-	1,807.62
Utilities		400.00	276.30	-	123.70
Insurance		3,000.00	2,353.00	-	647.00
Total	\$ 235,885.63	\$ 235,885.63	\$ 94,066.23	\$ 20,000.00	\$ 121,819.40

Danville-Pittsylvania Regional Industrial Facility Authority
Southern Virginia Megasite at Berry Hill - Funding Other than Bond Funds
As of April 30, 2021

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 - Phase II Land and Engineering	3,700,000.00				
VA Economic Development Partnership MEI Grant Funds	577,503.14				
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	-	
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		405,090.00	388,915.00	16,175.00	
Appalachian Power Company		1,655,000.00	678,500.00	976,500.00	
Banister Bend Farm, LLC		199,064.00	199,064.00	-	
Transfer available funds to "Berry Hill Mega Park - Lot 4 Site Development" Project ⁸		-	11,203.15	-	
Total	\$ 18,509,027.97	\$ 17,441,048.58	\$ 16,445,402.87	\$ 995,645.71	\$ 1,067,979.39

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

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

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

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

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

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

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

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

Danville-Pittsylvania Regional Industrial Facility Authority

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

As of April 30, 2021

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
<i>Funding</i>					
<i>TIC #3358 Site Improvements</i>					
Tobacco Commission Grant	\$ 2,624,800.00				
<i>Expenditures</i>					
Dewberry Engineers Inc.		379,300.00	206,550.00	172,750.00	
<i>Total</i>	\$ 2,624,800.00	\$ 379,300.00	\$ 206,550.00	\$ 172,750.00	<u>\$ 2,245,500.00</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Southern Virginia Megasite at Berry Hill - Water & Sewer

As of April 30, 2021

	<u>Funding</u>	<u>Budget / Contract Amount</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Unexpended / Unencumbered</u>
Funding					
TIC #2641 Phase I Sanitary Sewer					
Tobacco Commission Grant 2641	\$ 4,840,977.86				
Local Match for Contractual Services	274,926.43				
Local Match for Property & Imp.	262,960.00				
TIC #3011 Water System Improvements Phase II					
Tobacco Commission Grant 3011	2,241,567.00				
Local Match for Property & Imp.	224,160.00				
City of Danville Utilities	3,839,130.76				
Expenditures					
Dewberry Engineers Inc.		1,019,764.99	743,689.99	276,075.00	
Haymes Brothers, Inc. - Phase I Sanitary Sewer		5,092,668.30	5,092,668.30	-	
Haymes Brothers, Inc. - Phase I Sanitary Sewer (City)		3,225,090.76	2,297,717.16	927,373.60	
C.W. Cauley & Son - Phase 1 Water		1,843,540.00	950,565.25	892,974.75	
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	\$ 11,683,722.05	\$ 11,218,635.05	\$ 9,122,211.70	\$ 2,096,423.35	\$ <u>465,087.00</u>

Danville-Pittsylvania Regional Industrial Facility Authority

Rent, Interest, and Other Income Realized for Fiscal Year 2021

As of April 30, 2021

Source of Funds	Funding		Expenditures FY2021	Unexpended / Unencumbered
	Carryforward from FY2020	Receipts Current Month		
<u>Carryforward</u>	\$ 1,034,570.10			
<u>Current Lessees</u>				
Institute for Advanced Learning and Research (IALR) ¹		\$ -	\$ 217,801.66	
Mountain View Farms of Virginia, L.C.		-	1,200.00	
Total Rent		\$ -	\$ 219,001.66	
<u>Interest Received</u> ²		\$ 38.27	\$ 506.91	
<u>Miscellaneous Income</u>		\$ -	\$ 781,441.60	
Expenditures				
Hawkins Research Bldg. Property Mgmt. Fee			\$ 217,801.66	
Hawkins Research Bldg. Repairs & Maintenance			\$ 868.36	
Transfer to General Expenditures budget			\$ 200,000.00	
Disbursements for Gerfertec incentives			\$ 16,917.36	
Disbursements for Harlow Fastech incentives			\$ 365,000.00	
Totals	\$ 1,034,570.10	\$ 38.27	\$ 1,000,950.17	\$ 800,587.38
				\$ 1,234,932.89
				Restricted ¹ \$ 312,826.70
				Unrestricted \$ 25,106.19
				Committed \$ 897,000.00

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 Ind. Facility Authority
Check Detail
April 2021

<u>Check Number</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Paid Amount</u>
2404	04/12/2021	Dewberry Engineers Inc.	41,250.00
2405	04/12/2021	IALR	22,817.05
2406	04/12/2021	IALR	232.81
WIRE	04/20/2021	City of Danville, VA	30.70

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Net Position ^{1, 2}
April 30, 2021*

	Unaudited FY 2021
Assets	
<i>Current assets</i>	
Cash - checking	\$ 1,181,525
Cash - money market	456,456
<i>Total current assets</i>	1,637,981
<i>Noncurrent assets</i>	
Restricted cash - project fund CCC bonds	36,360
Restricted cash - debt service fund CCC bonds	24,015
Capital assets not being depreciated	24,560,850
Capital assets being depreciated, net	22,136,588
Construction in progress	19,115,392
<i>Total noncurrent assets</i>	65,873,205
Total assets	67,511,186
Liabilities	
<i>Current liabilities</i>	
Unearned income	600
Economic development payable - current portion	147,000
Bonds payable - current portion	465,000
<i>Total current liabilities</i>	612,600
<i>Noncurrent liabilities</i>	
Bonds payable - less current portion	1,210,000
<i>Total noncurrent liabilities</i>	1,210,000
Total liabilities	1,822,600
Net Position	
Net investment in capital assets	64,174,190
Restricted - debt reserves	24,015
Unrestricted	1,490,381
Total net position	\$ 65,688,586

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Revenues and Expenses and Changes in Fund Net Position
*April 30, 2021**

	Unaudited FY 2021
Operating revenues	
Virginia Tobacco Commission Grants	349,339
Rental income	221,877
Other Income	366,992
Total operating revenues	938,208
Operating expenses⁴	
Mega Park expenses ³	2,849,206
Cane Creek Centre expenses ³	49,713
Cyber Park expenses ³	261,625
Professional fees	50,432
Other operating expenses	8,017
Total operating expenses	3,218,993
Operating income (loss)	(2,280,785)
Non-operating revenues (expenses)	
Interest income	507
Total non-operating expenses, net	507
Net income (loss) before capital contributions	(2,280,278)
Capital contributions	
Contribution - City of Danville	2,109,005
Contribution - Pittsylvania County	293,164
Total capital contributions	2,402,169
Change in net position	121,891
Net position at July 1, 2020	65,566,695
Net position at April 30, 2021	\$ 65,688,586

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

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

Danville-Pittsylvania Regional Industrial Facility Authority
Statement of Cash Flows
*April 30, 2021**

	Unaudited FY 2021
Operating activities	
Receipts from grant reimbursement requests	\$ 1,620,691
Receipts from leases	219,002
Other receipts	795,905
Payments to suppliers for goods and services	(4,758,158)
Net cash used by operating activities	(2,122,560)
Capital and related financing activities	
Capital contributions	2,402,169
Interest paid on bonds	(37,496)
Principal repayments on bonds	(445,000)
Net cash provided by capital and related financing activities	1,919,673
Investing activities	
Interest received	507
Net cash provided by investing activities	507
Net increase (decrease) in cash and cash equivalents	(202,380)
Cash and cash equivalents - beginning of year (including restricted cash)	1,900,736
Cash and cash equivalents - through April 30, 2021 (including restricted cash)	\$ 1,698,356
Reconciliation of operating loss before capital contributions to net cash used by operating activities:	
Operating income (loss)	\$ (2,280,785)
Changes in assets and liabilities:	
Change in other receivables	1,700,265
Change in accounts payable	(1,186,821)
Change in unearned income	(355,219)
Net cash used by operating activities	\$ (2,122,560)

Components of cash and cash equivalents at April 30, 2021:

American National - Checking	\$ 1,181,525
American National - General money market	456,456
Wells Fargo - \$7.3M Bonds CCC Debt service fund	24,015
Wells Fargo - \$7.3M Bonds CCC Project fund	36,360
	\$ 1,698,356

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5D

Meeting Date: 05/10/2021

Subject: Resolution 2021-05-10-5D

From: Corrie Teague-Bobe, Director of Economic Development,
City of Danville

SUMMARY

Report on proposed ground lease arrangement with the City of Danville IDA and the Pittsylvania County IDA regarding property located in the Authority's Cyber Park. Discussion to be held in Closed Session.

ATTACHMENTS

Resolution – will be distributed after closed session.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 5E

Meeting Date: 05/10/2021

Subject: Purchasing Policy

From: Ken Larking, City Manager
David Smitherman, County Administrator

SUMMARY

Report on the Authority's Purchasing policies and procedures. Discussion will be held in closed session.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 6ABCDEF GH

Meeting Date: 05/10/2021

Subject: Closed Session

From: Chairman

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

RETURN TO OPEN SESSION

F. Reinstatement/Unmuting of Conference Line.

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

H. Motion to Certify Closed Meeting.

Danville-Pittsylvania Regional Industrial Facility Authority

Executive Summary

Agenda Item No.: Item 7A

Meeting Date: 05/10/2021

Subject: Resolution 2021-05-10-7A

From: Corrie Teague-Bobe, Director of Economic Development,
City of Danville

SUMMARY

The Board will be asked to consider Resolution 2021-05-10-7A, approving the negotiation, execution and delivery of a Ground Lease with the City of Danville IDA and the Pittsylvania County IDA.

ATTACHMENTS

Written Resolution will be distributed after the Closed Session.