

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT
AUTHORITY**

**TUESDAY, DECEMBER 8, 2020; 6:00 P.M.; CHATHAM COMMUNITY
CENTER; GALLERY ROOM, 115 SOUTH MAIN STREET, CHATHAM,
VIRGINIA 24531**

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. ANY ADDITIONS/REVISIONS TO AGENDA

IV. APPROVAL OF AGENDA

V. CONSENT AGENDA

- A. September IDA Meeting Minutes Approval
- B. IDA Financials Approval
- C. Temporary Suspension of IDA Bylaws Allowing January IDA Reorganizational Meeting/Officer Election Approval

VI. PRESENTATIONS

- A. 2020 IDA Audit Presentation (Scott Wickham, CPA); (Robinson, Farmer, Cox); (via telephone)
- B. Certificates of Service Presentations for Departing/Departed IDA Members
- C. New IDA Members Welcome

VII. NEW BUSINESS

- A. Dogwood Global Local Performance Agreement Execution Approval
- B. Ison Furniture Local Performance Agreement Execution Approval

VIII. ECONOMIC DEVELOPMENT UPDATES

- A. Aerofarms, Panacea, and Staunton River Plastics Economic Development Updates

IX. MATTERS FROM AUTHORITY MEMBERS

X. CLOSED SESSION

A. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

<u>Authority:</u>	Virginia Code § 2.2-3711(A)(5)
<u>Subject Matter:</u>	Project Matterhorn
<u>Purpose:</u>	Update on Prospective Unannounced Business

XI. RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION

A. Closed Session Certification

XII. ADJOURNMENT

Agenda Section:	Consent (Section V(A))
Agenda Title:	IDA Meeting Minutes Approval
Staff Contact:	JVH
Agenda Date:	December 8, 2020
Attachment:	1 (Sept. IDA Minutes)

SUMMARY:

For the Authority's review and consideration, attached are the September IDA Meeting Minutes.

RECOMMENDATION:

County Staff recommends the Authority approve the attached September IDA Minutes as presented.

MOTION:

"By approving the Consent Agenda, I make a Motion to approve the attached September IDA Minutes as presented."



INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

**TUESDAY, SEPTEMBER 8, 2020; 6:00 P.M., CHATHAM COMMUNITY CENTER
(GALLERY ROOM), 115 SOUTH MAIN STREET, CHATHAM, VIRGINIA 24531**

MEETING MINUTES

IDA Members Present

Eddie Hite, Jr. (Chairman)
Charlie Mahan (Vice Chairman)
Stanley Simpson (Secretary/Treasurer)
Joey Faucette
Ronnie Haymore
John Daniel
Randy Anderson

County Staff Present

Brenda O. Robertson (IDA Clerk/Legal Assistant)
J. Vaden Hunt, Esq. (IDA Attorney/County Attorney)
Susan McCulloch (Economic Development Manager)
Matthew D. Rowe (Economic Development Director);
(*via remote*)

I. CALL TO ORDER

Hite called Meeting to Order at 6:00 p.m.

II. ROLL CALL

Roll Call by Robertson. All IDA Members present

III. ADDITIONS/REVISIONS TO AGENDA

Motion by Daniel, second by Mahan, to add Resolution #2020-09-01 (Sale of Property to Axxor N.A., LLC, Authorization) Adoption to New Business Agenda Section. Motion unanimously approved.

IV. APPROVAL OF AGENDA

Motion by Daniel, second by Mahan, to approve Agenda. Motion unanimously approved.

V. CONSENT AGENDA

Motion by Haymore, second by Anderson, to approve Consent Agenda. Motion unanimously approved.

A. Approval of Meeting Minutes (June 17, 2020) and (July 14, 2020)

B. Review of Financial Statements (July - September 2020)

1. Regular Checking

(\$272,865.47 as of July 10, 2020)

(\$232,768.00 as of August 5, 2020)

(\$228,522.49 as of September 2, 2020)

2. Axxor Debt Reserve

(\$587,373.47 as of July 10, 2020)

(\$607,413.38 as of August 5, 2020)

(\$615,472.95 as of September 2, 2020)

3. ANB Loan (Axxor)

(\$1,325,737.94 as of July 10, 2020)

(\$1,325,737.94 as of August 5, 2020)

(\$1,325,737.94 as of September 2, 2020)

4. ANB Loan (Intertape)

(\$2,972,036.45 as of July 10, 2020)

(\$2,951,799.25 as of August 5, 2020)

(\$2,931,507.84 as of September 2, 2020)

5. BB&T Loan (Purchase Building/Upfit Cost)

(\$991,123.00 as of July 10, 2020)

(\$645,132.00 as of August 5, 2020)

(\$945,132.00 as of September 2, 2020)

6. FCB Loan (Panacea MEL)

(\$338,494.08 as of July 10, 2020)

(\$332,991.92 as of August 5, 2020)

(\$327,545.66 as of September 2, 2020)

7. FCB Panacea Debt Reserve Checking Account

(\$83,564.17 as of July 10, 2020)

(\$85,945.17 as of August 5, 2020)

(\$79,325.93 as of September 2, 2020)

C. Robinson, Farmer, Cox Associates Audit Scope Expansion Approval

D. Resolution #2020-09-01 (Supporting Mountain Valley Pipeline's FERC Certification Extension) Adoption (attached)

VI. NEW BUSINESS

A. Panacea MEL from Excel Packing (PP1008-72-High Speed Shrink Tunnel; \$7,035.22) Ratification

Motion by Daniel, second by Anderson, to approve/ratify Panacea MEL from Excel Packing (PP1008-72-High Speed Shrink Tunnel; \$7,035.22). Motion unanimously approved.

B. Potential Panacea Late Fee Waiver Discussion

Motion by Daniel, second by Faucette, to waive late fees for loan and rent payments in the amount to \$295.00 and \$275.00, totaling (\$570.00), due to hardship of COVID-19 related issues. Motion unanimously approved.

C. **Axxor N.A., LLC Financing Update**

Hunt provided IDA with Axxor financing and closing update.

D. **Resolution #2020-09-02 Authorization of Sale of Property/ Axxor**

Motion by Haymore, second by Anderson to adopt attached Resolution #2020-09-02 (Authorizing Sale of IDA Shell Building to Axxor). Motion unanimously approved.

VII. **ECONOMIC DEVELOPMENT UPDATES**

Rowe, telephonically, gave a brief update on County Economic Development projects.

VIII. **MATTERS FROM THE BOARD**

Faucette, discussed whether the County would be interested in joining SBA, which disburses funds throughout the State to support local small businesses. Faucette, will provide more information at future IDA Meeting. Hite (term ending 12/31/2020) and Mahan (term ending 11/30/2020), both announced they will not be seeking reappointment at their respective IDA term's end.

IX. **CLOSED SESSION**

Motion by Haymore, second by Simpson, to enter Closed Session at 6:22 p.m. Motion passed unanimously.

A. **Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body.**

Legal Authority: Virginia Code §§ 2.2-3711(A)(1)
Subject Matter: IDA Clerk
Purpose: Discussion of IDA Clerk's Employment Agreement

B. **Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.**

Legal Authority: Virginia Code §§ 2.2-3711(A)(6)
Subject Matter: IDA Auditor
Purpose: Discussion of 2019 IDA Audit Additional Fees Request

X. **RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION**

IDA returned to Open Session at 6:32 p.m. Robertson conducted the below Closed Session Certification:

XI. **ACTION FROM CLOSED SESSION**

Motion by Faucette, second by Haymore, to compensate Robertson \$1,200.00 for additional IDA Clerk services from the past six months. Motion passed unanimously (note: Robertson submitted to the IDA Board an IDA Clerk retirement Letter effective 12/08/2020).

Motion by Faucette, second by Haymore, compensate Stephen Gay, CPA, \$1,500.00 for additional 2019 Audit Services. Motion passed unanimously.

XII. ADJOURN

Motion by Daniel second by Mahan, to adjourn Meeting. Motion carried unanimously. Hite adjourned Meeting at 6.42 p.m.

Respectfully Submitted,

Approved:

W. Stanley Simpson, Secretary/ Treasurer

Eddie L. Hite, Jr., Chairman

RESOLUTION 2020-09-02

AUTHORIZATION OF SALE OF PROPERTY

VIRGINIA: At a meeting to the Pittsylvania County Industrial Development Authority (“IDA”) on Tuesday, September 8, 2020, at the Chatham Community Center, Gallery Room, 115, Center Street, Chatham, Virginia 24531, the following Resolution was presented and adopted:

WHEREAS, the IDA was created under the Industrial Development and Revenue Bond Act (§ 15.2-4900 *et seq.*) of the Code of Virginia, 1950, as amended, to promote economic development, industry and trade; and

WHEREAS, the IDA is the owner of property and appurtenances thereon located in the Ringgold Industrial Park at 2275 Cane Creek Parkway (GPIN # 2348-40-5437); (“Property”); and

WHEREAS, to expand manufacturing operations in the County, thereby promoting industrial development and the County’s economy, in 2011, the IDA borrowed funds to upfit the Property for Axxor N.A., LLC (“Axxor”); and

WHEREAS, for said upfit, the IDA and Axxor entered into a Lease Purchase Agreement (“LPA”), wherein Axxor contractually agreed to purchase the Property from the IDA for \$900,000 on or before the LPA’s termination date.

NOW, THEREFORE BE IT RESOLVED, that the IDA approves and authorizes the sale of the Property to Axxor for \$900,000; and

BE IT FURTHER RESOLVED, that the IDA wishes Axxor the best of luck with all its future endeavors in the County; and

BE IT FINALLY RESOLVED, that a copy of this Resolution be forwarded to the Closing Attorney responsible for the Property’s sale.

Adopted the 8th day of September, 2020.

Eddie Hite, Chairman
Pittsylvania County IDA

Attest:

Brenda O. Robertson, Clerk
Pittsylvania County IDA

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
RESOLUTION # 2020-09-01**

SUPPORT FOR MOUNTAIN VALLEY PIPELINE’S FERC CERTIFICATE EXTENSION

WHEREAS, at the Regular Meeting of the Pittsylvania County Industrial Development Authority (“IDA”) held on Tuesday, September 8, 2020, in the Gallery Room of the Chatham Community Center, the following Resolution was presented and adopted:

WHEREAS, the Mountain Valley Pipeline (“MVP”) is a proposed underground interstate natural gas pipeline that will span three hundred and three (303) miles from northwestern West Virginia to southern Virginia (“Project”); and

WHEREAS, currently, the total Project is ninety-two percent (92%) complete, with all three (3) compression stations one hundred percent (100%) complete, eighty percent (80%) of all pipeline work complete, and fifty percent (50%) of full restoration of the right-of-way complete; and

WHEREAS, the EQM Midstream Partners will operate the Project and it is anticipated that the Project will be fully operational in early 2021; and

WHEREAS, in 2017, and after three (3) years of review, the Federal Energy Regulatory Commission (“FERC”) issued a Certificate of Public Convenience and Necessity (“Certificate”) for the Project; and

WHEREAS, this Certificate is valid for three (3) years, and MVP has requested an extension while it finishes construction.

NOW THEREFORE, BE IT HEREBY RESOLVED, that the IDA does hereby fully support MVP’s FERC Certificate extension for the following non-exhaustive reasons:

- Completing the Project and fully restoring the right-of-way is the most effective way to prevent erosion and sediment control issues;
- The Project’s capacity if fully subscribed (meaning, it has all been purchased);
- According to market analyses by Woods Mackenzie, global energy consultant, Demand for natural gas pipeline transportation capacity in the Southeaster and Mid-Atlantic Regions support the Project;
- Natural gas is the preferred fuel source of major manufacturers;
- Once the Project is operational, it will generate approximately seven million dollars (\$7,000,000) of new annual ad valorem tax revenue for Virginia localities along the route;
- In the summer of 2018, approximately two thousand and five hundred (2,500) workers were employed on the Project’s construction in Virginia, with roughly a third of those being Virginia residents;
- Once operational, the Project will generate up to one million and two hundred thousand dollars (\$1,200,000) of new ad valorem taxes (property taxes) in Pittsylvania County;
- The federal government has credited the increased use of natural gas and the declining use of coal as a major factor in the reduction in carbon emissions in the United States by more than eleven percent (11%) between 2008 and 2017; and
- The Project is being building using best practices and modern safety features, including 24/7 remote monitoring; and

BE IT FURTHER RESOLVED, that the IDA does hereby authorize the IDA Clerk, or her designee, to submit this Resolution into the record under the public comment portion of the related pending Project FERC Certificate Extension Request Hearing.

Given under my hand this 8th day of September, 2020.

_____/s/_____
Eddie Hite,
Chairman
Pittsylvania County IDA

_____/s/_____
Brenda O. Robertson, Clerk
Pittsylvania County IDA

PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
CLOSED MEETING CERTIFICATION

BE IT RESOLVED that at the Meeting of the Pittsylvania County Industrial Development Authority on Tuesday, September 8 2020, the IDA Board members hereby certify by a recorded vote that to the best of each Board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act ("Act") and identified in the Motion authorizing the Closed Meeting were heard, discussed, or considered in the Closed Meeting. If any Member believes that there was a departure from the requirements of the Act, he shall so state prior to the vote indicating the substance of the departure. The Statement shall be recorded in the Minutes.

Vote

Hite	Yes
Mahan	Yes
Simpson	Yes
Anderson	Yes
Daniel	Yes
Faucette	Yes
Haymore	Yes

Agenda Section:	Consent (Section V(B))
Agenda Title:	IDA Financials Approval
Staff Contact:	KVH
Agenda Date:	December 8, 2020
Attachment:	2 (IDA Financials)

SUMMARY:

For the Authority’s review and consideration, the recent IDA financials are attached. As County Finance has recently taken responsibility for IDA financials, the attached will be the new format for IDA financials. Please see Kimberly Van Der Hyde, Finance Director, if you have any related questions.

RECOMMENDATION:

County Staff recommends the Authority approve the attached IDA financials as presented.

MOTION:

“By approving the Consent Agenda, I make a Motion to approve the attached IDA financials as presented.”

Pittsylvania County Industrial Development Authority
Bills Paid September-November 2020
September through November 2020

Type	Date	Num	Name	Memo	Class	Split	Credit
10000 · BB&T-Regular Checking							
Check	09/08/2020	2129	American National Bank			-SPLIT-	30,324.97
Check	09/08/2020	2130	Brenda Robertson			5030 · 5030 Pr...	400.00
Check	09/08/2020	2131	Brenda Robertson			5020 · Travel	13.80
Check	09/08/2020	2132	First Citizens Bank			2532 · Note Pa...	9,000.00
Check	09/08/2020	2133	Cheerpack			121000 · Note ...	26,125.50
Check	09/08/2020	2134	Eddie Hite			5030 · 5030 Pr...	143.75
Check	09/08/2020	2135	Charlie Mahan			5030 · 5030 Pr...	143.75
Check	09/08/2020	2136	Stanley Simpson			5030 · 5030 Pr...	143.75
Check	09/08/2020	2137	Randy Anderson			5030 · 5030 Pr...	143.75
Check	09/08/2020	2138	Ronnie Haymore			5030 · 5030 Pr...	143.75
Check	09/08/2020	2139	Joey Faucette			5030 · 5030 Pr...	143.75
Check	09/08/2020	2140	John Daniel			5030 · 5030 Pr...	143.75
Check	09/08/2020	2141	Eddie Hite			5020 · Travel	25.76
Check	09/08/2020	2142	Charlie Mahan			5020 · Travel	14.09
Check	09/08/2020	2143	Stanley Simpson			5020 · Travel	19.03
Check	09/08/2020	2144	Randy Anderson			5020 · Travel	13.22
Check	09/08/2020	2145	Ronnie Haymore			5020 · Travel	14.60
Check	09/08/2020	2146	Joey Faucette			5020 · Travel	13.17
Check	09/08/2020	2147	John Daniel			5020 · Travel	28.40
Check	09/09/2020	2148	Harris, Harvey, Neal & Associates			5030 · 5030 Pr...	1,500.00
Check	09/09/2020	2149	Brenda Robertson			5030 · 5030 Pr...	1,200.00
Check	09/26/2020	2150	Brenda Robertson			5020 · Travel	59.80
Check	09/26/2020	2151	Excel Packing			121000 · Note ...	7,035.22
Check	10/13/2020	2152	American National Bank			-SPLIT-	30,324.97
Check	10/13/2020	2153	Brenda Robertson			5030 · 5030 Pr...	400.00
Check	10/13/2020	2154	First Citizens Bank			2532 · Note Pa...	9,000.00
Check	10/13/2020	2155	Pittsylvania County School			60900 · Busine...	96,126.00
Check	11/16/2020	2156	American National Bank			-SPLIT-	30,324.97
Check	11/16/2020	2157	First Citizens Bank			2532 · Note Pa...	9,000.00
Check	11/16/2020	2158	Robinson, Farmer, Cox Associates			5030 · 5030 Pr...	3,800.00
Total 10000 · BB&T-Regular Checking							
255,769.75							
10300 · FCB-Panacea Reserve Account							
Check	09/08/2020	1081	First Citizens Bank			-SPLIT-	6,614.24
Check	10/11/2020	1082	VOID			121000 · Note ...	
Check	10/19/2020	1083	First Citizens Bank			-SPLIT-	6,614.24
Check	11/18/2020	1084	First Citizens Bank			-SPLIT-	6,614.24
Total 10300 · FCB-Panacea Reserve Account							
19,842.72							
TOTAL							
275,612.47							

Pittsylvania County Industrial Development Authority
Trial Balance
As of November 30, 2020

	Nov 30, 20	
	Debit	Credit
10000 · BB&T-Regular Checking	389,983.78	
10200 · ANB-Axxor Reserve Account	615,513.42	
10300 · FCB-Panacea Reserve Account	95,493.21	
12000 · Accounts Receivable	0.00	
11000 · Inventory	1,303,700.00	
150100 · Land	193,345.00	
150200 · Industrial Building	713,118.00	
160000 · Accumulated Depreciation		40,686.80
120100 · Notes Receivable-Intertape	2,820,411.60	
120200 · Note Receivable-Axxor	1,009,229.62	
120500 · Notes Receivable-Axxor-Land	301,368.79	
121000 · Note Receivable-Panacea Equip	258,601.06	
121100 · Notes Rec-Panacea Equip Reserve		90,935.71
121500 · Note Receivable-Panacea Uffit	124,619.17	
130000 · Interest Receivable		400.00
200000 · Accounts Payable	0.00	
210000 · Security Deposit-Panacea		6,750.00
250000 · Note Payable-ANB-Intertape		2,875,297.05
252500 · Note Payable-ANB Axxor Note		1,325,737.94
252600 · Closing Costs	0.00	
253000 · Bond Payable-Panacea		991,123.00
260000 · Interest Payable	0.00	
270000 · Reserve-Panacea	0.00	
2532 · Note Payable-First Citizens-Pana		213,235.96
30000 · Opening Balance Equity		2,465,936.94
32000 · Unrestricted Net Assets	62,038.66	
404000 · Rent Revenue-Panacea Facility		11,000.00
43410 · Pittsylvania Cty Contribution		26,542.83
45030 · Interest Revenue	17,777.60	
46440 · Administrative Fees		100.00
50200 · Travel	316.99	
50300 · 5030 Professional Services	9,106.25	
504000 · Interest Expense	36,972.08	
5050 · Bank Charges	0.00	
609000 · Business Expenses	96,126.00	
65020 · Postage, Mailing Service	25.00	
TOTAL	8,047,746.23	8,047,746.23

Agenda Section:	Consent (Section V(C))
Agenda Title:	Temporary Suspension of IDA Bylaws Approval
Staff Contact:	JVH
Agenda Date:	December 8, 2020
Attachment:	1 (IDA Bylaws)

SUMMARY:

The IDA's Bylaws, attached, call for the Authority's Reorganizational Meeting, to include the election of new IDA Officers, to occur annually at its December Meeting. Due to the significant IDA turnover, County Staff recommends the IDA suspend its Bylaws until a new Reorganizational Meeting in January 2021. At this new Reorganizational Meeting, County Staff will propose a slate of changes for the IDA to consider, including, but not limited to, staffing, financials, pay, mission, and other important items.

RECOMMENDATION:

County Staff recommends the IDA approve the temporary suspension of the IDA's Bylaws until a new January Reorganizational Meeting."

MOTION:

"By approving the Consent Agenda, I make a Motion to approve the temporary suspension of the IDA's Bylaws until a new January Reorganizational Meeting."

BY-LAWS

ARTICLE I. NAME AND OFFICES

1. The name of this Authority shall be the INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PITTSYLVANIA, VIRGINIA (the "Authority").
2. The principal Office of the Authority shall be located at 1 Center Street, Chatham, Virginia 24531. The Authority may also have other Offices at such other places, both within and outside the State of Virginia, as the Board of Directors may from time-to-time fix or determine or the business of the Authority may require.
3. Except as otherwise required by Resolution of the Authority, or as the business of the Authority may require, all of the books and records of the Authority shall be kept at the Office to be designated by the Directors of said Authority. The Minutes of the Authority shall be open and available for public inspection at all times during normal business hours, and copies of said Minutes may be produced to any citizen pursuant to the Virginia Freedom of Information Act.

ARTICLE II. PURPOSES AND POWERS

The Authority shall fulfill all the purposes and intents of the General Assembly of Virginia, as expressed in Chapter 49, Subtitle IV of Title 15.2 of the Code of Virginia, 1950, as amended, and by any other enactment that may hereafter be adopted by the General Assembly. Said Authority shall also fulfill all purposes and intents of the Board of Supervisors of Pittsylvania County, Virginia ("Board of Supervisors"), as may hereafter be provided, and the general purpose of the Authority shall be to promote industry and develop trade in the area within its jurisdiction for the general good of the people of said area and of the Commonwealth of Virginia. The Authority shall have any and all powers that have been granted to it by the Acts of Assembly of Virginia, aforesaid, and the powers that may hereafter be granted to it by any enactment of the General Assembly and, also, those powers that may be granted to it by any delegation of authority hereafter granted by the Board of Supervisors.

ARTICLE III. BOARD OF DIRECTORS

1. The Authority shall be governed by a Board of Directors ("the Board," "the Board of Directors," or "the Directors") composed of seven (7) Directors, appointed by the Board of Supervisors. All powers of the Authority shall be vested in the Board of Directors.
2. The seven (7) Directors shall serve a four (4) year term, all as appointed by the Board of Supervisors, except where there have been appointments to fill vacancies in which case the terms shall be for the unexpired terms.
3. No Director shall be an officer or employee of Pittsylvania County, Virginia. Directors may receive a stipend and be reimbursed for necessary traveling and other expenses incurred in

the performance of their duties, subject to the approval of the Board of Directors. Said stipend shall be set annually via Resolution, following an affirmative majority vote of the Board of Directors at the Annual Meeting. Stipend shall be paid regardless of meeting attendance. Habitual IDA meeting non-attendance issues may be reviewed by the Board of Supervisors for potential corrective action measures.

4. The Board of Directors shall have the right to prepare, or delegate the preparation of, confidential reports for submission to any person, governmental body, or agency consistent with the purposes and powers stated in Article II, the Board of Directors shall also have and the right to receive from any source confidential reports consistent with the purposes and powers stated in said Article, but no action binding the Authority, may be taken respecting such reports except by action of the Board of Directors.

ARTICLE IV. OATH OF DIRECTORS; FINANCIAL DISCLOSURE FORM

Each Director shall, before entering on his duties, take and subscribe the Oath prescribed by Section 49-1 of the Code of Virginia, 1950, as amended, which shall be administered in accordance with law. Thereafter, each Director shall be sworn in annually at the Annual Meeting of the Board. Annually, as required by the Virginia Conflicts of Interest Act, each Director shall file a Financial Disclosures Form.

ARTICLE V. OFFICERS

1. The Board of Directors shall elect from its membership a Chairman, a Vice-Chairman, and, from its membership or not as they desire, a Secretary and a Treasurer, or a Secretary-Treasurer.

2. The regular terms of Office for the officers shall commence on the date of the regular or Annual Meeting of the Directors each year, and shall continue until the next such Annual Meeting, and thereafter until their successors are elected. Any officer may be elected to succeed himself.

3. The duties of the Chairman shall be to preside at meetings of the Board of Directors and at meeting of the Executive Committee; to prepare the Agenda for any and all Meetings, and to make a copy of the said Agenda available to the Secretary for the purpose of providing adequate Notice of Special Meetings as hereinafter provided; to call Special Meetings; to call Special Elections; to be ex-officio a member of all committees; to sign, with the Secretary or Treasurer, or any other proper officer of the Authority thereunto authorized by the Board of Directors, any documents or instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by the By-Laws to some other officer of the Board of Directors, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time-to-time. The Chairman shall have an equal vote with the other Directors, and shall not have a second, tie-breaking vote on any question.

4. The duties of the Vice-Chairman shall be to preside at Meetings on the request of the Chairman, or in the absence of the Chairman; and in case of the death or resignation of the Chairman shall become Chairman for the remainder of the term for which the Chairman was elected. In the absence of the Chairman, the Vice-Chairman shall perform the duties of the

Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall perform such other duties as may be assigned by the Board of Directors from time-to-time.

5. The Secretary or the Secretary-Treasurer in his/her capacity as Secretary shall be responsible for the preparation of the Minutes of Meetings of the Board of Directors and Executive Committee, kept in a record book and made available for public inspection at all times; to have custody of all important records of the Authority; to have custody of the seal of the Authority and to see that the seal of the Authority is affixed to all documents or instruments, the execution of which on behalf of the Authority under its seal is duly authorized by the Board of Directors; to sign with the Chairman or Vice-Chairman any documents or instruments which the Board of Directors has authorized to be executed; to see that all notices are duly given as required by law, these By-Laws or by the Board of Directors; to call Meetings of the Board of Directors to order in the absence of the Chairman and Vice-Chairman and thereupon to conduct an election for a temporary presiding officer for that meeting; and in general to perform all the duties incident to the office of Secretary and such other duties as from time-to-time may be assigned by the Board of Directors. In the absence of the Secretary, the Chairman shall appoint a Director to be responsible for the preparation of detailed minutes of the meeting.

6. The Treasurer or the Secretary-Treasurer in his/her capacity as Treasurer shall be responsible for the keeping of suitable records of all financial transactions of the Authority; to have such records audited annually; to furnish a copy of such audit to the Board of Supervisors; to make available for public inspection at all times such annual audit; to have charge and custody of all funds and be responsible for their investment and deposit in the name of the Authority when authorized by the Board of Directors; and in general to perform all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned by the Board of Directors. The Treasurer or the Secretary-Treasurer shall give bond in such a sum as may from time-to-time be fixed by Resolution of the Board of Directors, payable to the Authority and to Pittsylvania Commonwealth Virginia, as their interests may appear, with corporate surety authorized to act as such in the State of Virginia, premium on which bond is to be paid as an expense of the Authority.

ARTICLE VI. ELECTION OF OFFICERS

1. The regular election of officers shall be held at the Regular Annual Meeting to be held on the second Tuesday in December of each year as hereinafter provided in Article VII.
2. Special Elections may be held at any Regular or Special Meeting in order to fill vacancies or to fill newly created offices, but only after specific notice, as required by law has been given.

ARTICLE VII. MEETINGS OF DIRECTORS

1. Annual Meeting. The Annual Meeting shall be held on the second Tuesday in December of each year at a time and location designated by the Board of Directors.

2. Regular Meetings. Monthly Meetings shall be held on the second Tuesday of each month without Notice, unless the same shall be a legal holiday; if so, said Meeting shall be held on the immediate following business day; further provided, however, that if the Chairman or the Vice-Chairman in his/her absence or incapacity shall determine, after consultation with the Secretary, that there are no matters requiring action by the Board of Directors at any scheduled Regular meeting, the Chairman or Vice-Chairman in his/her absence or incapacity may cancel any such Regular Meeting.

3. Special Meetings. Special Meetings of the Board of Directors may be held whenever called by the Chairman, the Vice-Chairman or any two (2) Directors. Whenever any two (2) Directors, not including the Chairman or Vice-Chairman, request a Special Meeting they shall provide the Secretary or the Secretary-Treasurer with a written statement of the business to be considered for the purpose of providing adequate Notice.

4. Notice of Meetings. Three (3) days' written Notice of all Regular or Special Meetings of the Board of Directors stating the time and place and in the case of a Special Meeting, the purpose thereof, shall be given by the Chairman, Vice-Chairman, Secretary, or Secretary-Treasurer by mailing the same to each Director at his residence or business address or by electronic mail, if requested by the Director. If mailed, such Notice shall be deemed to be delivered when deposited in the United States Mail so addressed with postage prepaid. Notwithstanding the foregoing, no Notice need be given to hold a legally constituted Special Meeting, if all the Directors are present or sign a Waiver of Notice.

5. Waiver of Notice. Whenever any Notice is required to be given to any Director of any Meeting under these By-Laws, a Waiver thereof in writing signed by all of the Directors, whether before or after the time stated therein, shall be equivalent to the giving of such Notice. The attendance of a Director at a Meeting shall constitute a Waiver of Notice of such, Meeting, except where a Director attends a Meeting for the express purpose of objecting to the transaction of any business, because the Meeting was not lawfully called or convened.

6. Quorum. Four (4) members of the Board of Directors shall constitute a quorum of the Board for the purpose of conducting its business and exercising its powers and for all other purposes, except that no facilities owned by the Authority shall be leased or disposed of in any manner without a majority vote of the Board of Directors. No vacancy in the membership of the Board shall impair the right of a quorum to exercise all of the powers and perform all of the duties of the Board.

7. Order of Business. At all Meetings of the Authority, the following Order of Business shall be observed, as far as consistent with the purpose of the meeting:

- Call to Order
- Roll Call
- Approval of Agenda
- Approval of Minutes
- Review of Financial Statement
- New Business

Economic Development Updates
Closed Session *(if any)*
Matters from Closed Session *(if Any)*
Adjourn

8. Meetings to be Open to Public. Formal action shall be taken by the Board of Directors only at Open Sessions and such Meetings shall be open to the public.
9. Voting. The vote on the adoption of every Resolution, any proposals creating a liability, or for the appropriation or expenditure of funds shall be by yeas or nays, and whenever the vote is not unanimous, the names of members voting for and of those voting against such action shall be entered upon the minutes.
10. Procedure. Unless otherwise provided, procedure at meetings shall follow Robert's Rules of Order (latest edition).
11. Signing of Minutes. When approved, all Minutes of Meetings of the Board of Directors shall be signed by the Secretary, and the presiding officer of the particular Meeting.

ARTICLE VIII. COMMITTEES

1. The Executive Committee shall be composed of the Chairman, Vice-Chairman, Secretary and Treasurer, or Secretary-Treasurer of the Authority. The Executive Committee shall meet at a time and location as determined by the Chairman. The Secretary shall record Minutes of the meetings, which shall be preserved along with the Minutes of the Board of Directors and read to the Board of Directors at its next Meeting. Three (3) members of the Executive Committee shall constitute a quorum to transact business, unless the offices of Secretary and Treasurer are held by one (1) individual, in which case, two (2) members shall constitute a quorum. In the absence of any member of the Executive Committee, the Chairman may, but is not required, to, appoint one (1) other Director to act on the Executive Committee as a member *pro tempore*, and to be counted as a member of such Committee for the purpose of constituting a quorum, and such appointment shall be recorded in the Minutes. Any action taken by the Executive Committee shall be tentative and advisory only and shall be subject to approval by the Board of Directors.
2. The Chairman may, with the advice and consent of the Board of Directors, appoint such Special Committees as may be deemed appropriate to carry out the intents and purposes of the Authority.

ARTICLE IX. STAFF

1. The Board of Directors shall employ and compensate such employees and agents, including, but not limited to attorneys, accounting firms, clerks, as it deems necessary in carrying on the business of the Authority.
2. The employees and agents of the Authority may prepare and submit confidential reports and recommendations to the Board of Directors, but no action binding on the Authority shall be taken respecting such reports except as provided in Article III.

ARTICLE X. OFFICIAL SEAL

The official seal of the Authority shall consist of a disc having engraved or impressed upon it the following words or figures: INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PITTSYLVANIA, VIRGINIA.

ARTICLE XI. FISCAL YEAR

The fiscal year of the Authority shall be from January 1 through December 31 of the current year.

ARTICLE XII. AMENDMENTS

Except as otherwise provided by law, these By-Laws may be amended, added to, altered, or repealed, in whole or in part by the Board of Directors at any Meeting of the Board of Directors, provided that Notice of the proposed amendment, addition, alteration or repeal is given in the Notice of the Call of such Meeting, and such Notice is given in the manner provided in Article VII. Paragraph 4, not less than one (1) week prior to the holding of such Meeting. Any Director may Waive written Notice.

ARTICLE XIII. CONFLICTING PROVISIONS

If any provision of these By-Laws should be inconsistent with the enabling Act or with the terms, conditions, or stipulations of any trust agreement entered into by the Authority, such conflicting provisions of these By-Laws shall, to the extent of such conflict, be deemed ineffective and of no force. The remainder of the By-Laws shall remain in full legal force and effect.

Amended this 11th day of December, 2012.

Amended this 13th day of December, 2016.

Amended this 11th day of December 2018.

Agenda Section:	Presentations (Section VI(A))
Agenda Title:	2020 IDA Audit Presentation
Staff Contact:	KVH
Agenda Date:	December 8, 2020
Attachment:	1 (Audit)

SUMMARY:

Scott Wickham, CPA, with Robinson, Farmer, Cox Associates, PLLC, will telephonically present the IDA's 2020 Audit. This Audit presentation is for informational purposes only. No IDA action is required on this matter.



Communication with Those Charged with Governance

**To the Board of Directors
Industrial Development Authority of Pittsylvania County**

We have audited the financial statements of the business-type activities of Industrial Development Authority of Pittsylvania County for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 8, 2020 (and as amended August 12, 2020). Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Industrial Development Authority of Pittsylvania County are described in Note 1 to the financial statements. No new accounting policies were adopted and no other application of existing policies was changed during 2020 other than the change of the fiscal year. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements are:

Management's estimate of the estimated useful lives of its capital assets is based on historical data. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of its capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the market value of the industrial sites held for resale is based on the assessed value of the property. We have evaluated the estimate and determined that is reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.



CPAs | CONSULTANTS

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: October 6, 2020
Memorandum to: Ms. Brenda Robertson, Clerk and Board Members
From: Robinson, Farmer, Cox Associates
Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the Industrial Development Authority of Pittsylvania County for the year ended June 30, 2020, we considered the Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving internal control structure and other operational matters that are presented for your consideration. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience.

Accounting and Reconciliations:

During our audit we noted that the only accounting prior to the Pittsylvania County Finance Department taking over the records to prepare for audit was a check register. The Authority should have had bank reconciliations and financial reports to review, approve, and provide proper monitoring during the year.

Board Member Disclosure Forms:

During our audit we noted that one member did not complete the required disclosure form. We recommend all Board members complete the form entirely during the required timeframe of January 1st - February 1st.

Bank Statements:

During our audit we noted the bank statements did not include images of the cleared checks. Certain checks were printed from online banking access, as requested during the audit, but we recommend the Authority work with the bank to include those images as part of the bank statement to be reviewed monthly.

Board Stipends:

During our audit we found that payments to the Board are being processed through accounts payable. We recommend the Authority process such payments through payroll going forward.

IRS Form 1099:

During our audit we noted that the 1099 issued to the Board Clerk was not properly completed as it did not include the contractor's social security number but instead included the Authority's EIN in two places.

Travel Reimbursements:

During our audit we found that the Authority was not providing documentation for travel reimbursement payments. Detailed documentation should be provided for each payment including the business purpose of the travel and each trip included in the mileage reimbursements.

BLACKSBURG OFFICE:
108 South Park Drive
Blacksburg, Virginia 24060
(540) 552-7322

CONTACT:
Scott Wickham, CPA, CFE
Member
swickham@rfca.com

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 6, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board and management of Industrial Development Authority of Pittsylvania County and is not intended to be, and should not be, used by anyone other than these specified parties.

Robinson, James, Cox Associates

Blacksburg, Virginia
October 6, 2020

**INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
(A COMPONENT UNIT OF PITTSYLVANIA COUNTY, VIRGINIA)**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
 (A COMPONENT UNIT OF PITTSYLVANIA COUNTY, VIRGINIA)
 FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
BOARD MEMBERS

Eddie Hite, Jr., Chairman

Charlie Mahan, Vice Chairman

Stanley Simpson, Secretary/Treasurer

Joey Faucette

Ronnie Haymore

John Daniel

Randy Anderson

FINANCIAL SECTION



Independent Auditors' Report

**To the Board of Directors
Industrial Development Authority of Pittsylvania County
Chatham, Virginia**

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Industrial Development Authority of Pittsylvania County, a component unit of Pittsylvania County, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Industrial Development Authority of Pittsylvania County, as of June 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 12 to the financial statements, in 2020, the Authority adopted new accounting guidance, GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 11 to the financial statements, in 2020, the Authority restated beginning balances to reflect the change in fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Industrial Development Authority of Pittsylvania County's basic financial statements. The introductory section is presented for additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2020 on our consideration of Industrial Development Authority of Pittsylvania County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Industrial Development Authority of Pittsylvania County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Industrial Development Authority of Pittsylvania County's internal control over financial reporting and compliance.

Robison, Famer, Cox Associates

Blacksburg, Virginia
October 6, 2020

Basic Financial Statements

Industrial Development Authority of Pittsylvania County
(A Component Unit of Pittsylvania County, Virginia)
Statement of Net Position
June 30, 2020

ASSETS

Current Assets:

Cash and cash equivalents	\$ 909,459
Accounts receivable	5,599
Notes receivable, current portion	1,744,720
Interest receivable	17,505
Prepaid items	1,488
Inventory:	
Property held for resale	1,303,700
	<u>1,303,700</u>
 Total current assets	 \$ 3,982,471

Noncurrent Assets:

Notes receivable, net of current portion	\$ 3,239,334
Capital Assets (net of accumulated depreciation):	
Land	193,345
Industrial building	672,431
	<u>865,776</u>
 Total capital assets	 \$ 865,776
 Total noncurrent assets	 \$ 4,105,110
 Total assets	 \$ 8,087,581

LIABILITIES

Current Liabilities:

Accounts payable	\$ 17,804
Interest payable	35,634
Security deposit	6,750
Note payable, current portion	1,632,142
Bond payable, current portion	91,984
	<u>1,784,314</u>
 Total current liabilities	 \$ 1,784,314

Noncurrent Liabilities:

Notes payable, net of current portion	\$ 2,998,742
Bond payable, net of current portion	899,139
	<u>3,897,881</u>
 Total noncurrent liabilities	 \$ 3,897,881
 Total liabilities	 \$ 5,682,195

NET POSITION

Investment in capital assets	\$ 865,776
Unrestricted	1,539,610
	<u>2,405,386</u>
 Total net position	 \$ 2,405,386

The accompanying notes to financial statements are an integral part of this statement.

Industrial Development Authority of Pittsylvania County
(A Component Unit of Pittsylvania County, Virginia)
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2020

Operating Revenues:	
Rent revenue	\$ 66,000
Contributions from Pittsylvania County	72,712
Other miscellaneous	1,775
	<hr/>
Total operating revenues	\$ 140,487
Operating Expenses:	
Bank fees	\$ 209
Insurance	1,488
Professional services	12,625
Travel	1,104
Depreciation	17,828
	<hr/>
Total operating expenses	\$ 33,254
Operating income (loss)	\$ 107,233
Nonoperating Revenues (Expenses):	
Interest income	\$ 211,435
Interest expense	(253,169)
	<hr/>
Total nonoperating revenues (expenses)	\$ (41,734)
Change in net position	\$ 65,499
Net position, beginning of year as restated	\$ 2,339,887
	<hr/>
Net position, end of year	\$ 2,405,386
	<hr/> <hr/>

The accompanying notes to financial statements are an integral part of this statement.

Industrial Development Authority of Pittsylvania County
(A Component Unit of Pittsylvania County, Virginia)
Statement of Cash Flows
For the Year Ended June 30, 2020

Cash Flows from Operating Activities:	
Receipts from renters	\$ 66,000
Receipts from Pittsylvania County, Virginia	72,712
Receipts from others	1,775
Payments to suppliers	<u>(32,245)</u>
Net cash provided by (used for) operating activities	<u>\$ 108,242</u>
Cash Flows from Noncapital Financing Activities:	
Principal payments on indebtedness	\$ (421,439)
Interest payments on indebtedness	(245,965)
Issuance of notes payable	204,089
Issuance of notes receivable	(204,089)
Principal payments received on notes receivable	488,708
Interest received	<u>202,620</u>
Net cash provided by (used for) noncapital financing activities	<u>\$ 23,924</u>
Increase (decrease) in cash and cash equivalents	\$ 132,166
Cash and cash equivalents at beginning of year	<u>777,293</u>
Cash and cash equivalents at end of year	<u><u>\$ 909,459</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 107,233
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	17,828
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	(5,599)
Increase (decrease) in accounts payable	<u>(11,220)</u>
Net cash provided by (used for) operating activities	<u><u>\$ 108,242</u></u>
Supplemental disclosure required:	
Interest paid during the year on indebtedness	<u>\$ 245,965</u>

The accompanying notes to financial statements are an integral part of this statement.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
(A Component Unit of Pittsylvania County, Virginia)
Notes to Financial Statements
June 30, 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Authority conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

A. Financial Reporting Entity:

The Industrial Development Authority of Pittsylvania County, Virginia was created as a political subdivision of the Commonwealth of Virginia by ordinance of the Board of Supervisors of Pittsylvania County, Virginia on November 4, 1969, pursuant to the provisions of the Industrial Development and Revenue Bond Act (Chapter 33, Section 15.1-1373, et seq., of the Code of Virginia (1950), as amended). The Authority is governed by seven directors appointed by the Board of Supervisors of Pittsylvania County, Virginia. It is authorized to acquire, own, lease, and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Pittsylvania County, Virginia. The Authority is a component unit of Pittsylvania County, Virginia.

In addition, the Authority is authorized to issue revenue bonds for the purpose of obtaining and constructing facilities. Liability under the bonds may be retained by the Authority or it may be assumed by the enterprises for whom facilities are constructed. Collection of revenues pledged to liquidate the bonds may be assigned to a trustee. The revenue bonds are not deemed to constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any municipality thereof. The bonds are payable solely from revenues generated from the lease or sale of the facilities constructed and may be secured by a deed of trust on those facilities.

B. Basis of Presentation:

The financial statements have been prepared in accordance with current reporting standards, which provides that the following sections be included in the annual financial report:

1. Management discussion and analysis (omitted)
2. Basic financial statements including a statement of net position, statement of revenues, expenses and changes in net position, and a statement of cash flows
3. Notes to financial statements

C. Basis of Accounting:

For financial reporting purposes, Industrial Development Authority of Pittsylvania County is considered a special-purpose government, engaged only in business-type activities. Accordingly, the Authority's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
(A Component Unit of Pittsylvania County, Virginia)
Notes to Financial Statements (Continued)
June 30, 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Prepaid Items:

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

G. Capital Assets:

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current or previous fiscal year.

Property, plant and equipment are carried at cost. No depreciation is taken on industrial projects, which are held for the purpose of development and resale.

Property, plant, equipment, and leasehold improvements are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	40

H. Pass-through Financing Leases and Installment Sales:

The principal activities of the Authority represent pass-through leases or installments sales. These agreements provided for periodic payments in amounts which are equal to the principal and interest payments due to project bond holders.

The Authority has assigned all rights to the payments to the trustees, agents or the holders of the bonds, and the lessees or purchasers have assumed responsibility for all operating costs such as utilities, repairs and property taxes. In such cases, the Authority neither receives nor disburses funds.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
(A Component Unit of Pittsylvania County, Virginia)
Notes to Financial Statements (Continued)
June 30, 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. Pass-through Financing Leases and Installment Sales: (Continued)

Although title to these properties may rest with the Authority, bargain purchase options or other provisions eliminate any equity interest that would otherwise be retained in the lease transactions. Deeds of trust secure outstanding bond obligations and title will pass to the lessee or purchaser at such time as the bonds are fully paid.

Although the Authority provides a conduit to execute such transactions, it does not retain either the benefits of asset ownership or the liability for bond liquidation. Accordingly, the Authority does not recognize assets, liabilities, rental income or interest expense in its financial statements.

I. Net Position:

The Statement of Net Position reports the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources as net position.

The Authority's net position is classified as follows:

Net Investment in Capital Assets - This category represents the net value of capital assets (property, plant, and equipment less accumulated depreciation) reduced by the debt incurred to acquire or construct the asset, if any.

Restricted - This category includes resources for which the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted - Unrestricted net position represents resources derived from charges to customers for goods received, services rendered or privileges provided, operating grants and contributions, and capital grants and contributions. These resources are used for transactions relating to the operations of the Authority and may be used at the Authority's discretion to meet current expenses for any lawful purposes.

J. Net Position Flow Assumption:

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
(A Component Unit of Pittsylvania County, Virginia)
Notes to Financial Statements (Continued)
June 30, 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

K. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority does not have any deferred inflows or outflows of resources as of June 30, 2020.

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

The Authority did not have any investments as of June 30, 2020.

NOTE 3—INVENTORY: PROPERTY HELD FOR RESALE:

The Authority purchases land and develops it to promote industry in Pittsylvania County, Virginia. The Authority records this land at the lower of cost or market. The total recorded value as of June 30, 2020 was \$1,303,700.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
(A Component Unit of Pittsylvania County, Virginia)
Notes to Financial Statements (Continued)
June 30, 2020

NOTE 4—NOTES RECEIVABLE:

The Authority has multiple note receivable agreements with various companies in an effort to boost economic development in Pittsylvania County. Payments related to those agreements are due to the Authority as noted below:

Year Ending June 30,	Notes Receivable	
	Principal	Interest
2021	\$ 1,744,720	\$ 158,151
2022	2,890,469	124,452
2023	172,254	19,694
2024	99,237	17,243
2025	31,845	6,442
2026-2030	45,529	-
Totals	\$ 4,984,054	\$ 325,982

A lease agreement was entered into with Intertape Polymer Group, Inc., as of July 29, 2003, for the construction and permanent financing for a 200,000 square foot distribution facility that would be leased to Intertape Polymer Group. Terms of the lease agreement require Intertape Polymer Group to make payments to the Industrial Development Authority of Pittsylvania County that are sufficient to redeem and pay interest on the Industrial Development's corresponding note payable. As of June 30, 2020, the amount of principal due under this agreement totaled \$2,972,036.

A lease purchase agreement was entered into with Axxor N.A., LLC, as of September 30, 2011, for the construction and permanent financing for a facility that would be leased to Axxor N.A., LLC. Terms of the lease agreement require Axxor N.A., LLC to purchase the property on or before the lease's termination date at a price equal to the outstanding balance plus \$900,000. Axxor, N.A., LLC is making payments to the Industrial Development Authority of Pittsylvania County in the amount of \$20,000 for sixty months, consisting of principal and interest on the Industrial Development Authority's note dated September 29, 2017 and the remaining amount paid into a debt reserve fund towards the additional purchase price. As of June 30, 2020, the amount of principal due under this agreement totaled \$1,635,125.

The Authority purchased manufacturing equipment on behalf of Panacea Biomatrix, Inc. which they need to produce their product. On April 19, 2018 the Authority entered into a manufacturing equipment lease with the Panacea Biomatrix, Inc. (the "Company"). The Company is making payments of \$9,100 consisting of principal and interest on the Authority's note dated January 17, 2019 and the remaining amount paid into a debt reserve. As of June 30, 2020, the amount of principal due under this agreement is \$249,546.

The Authority also financed \$143,710 of required upfitting of the building that was purchased in which Panacea Biomatrix, Inc. is leasing. The total cost of the upfit was \$310,194, of which Panacea Biomatrix, Inc. funded \$166,484. Panacea Biomatrix, Inc. is paying monthly payments of \$1,364 until the note is paid off. As of June 30, 2020, the balance of the note is \$127,347.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
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Notes to Financial Statements (Continued)
June 30, 2020

NOTE 5—OPERATING LEASES:

The Authority entered into a facility lease on July 10, 2018 with Panacea Biomax, Inc. (Tenant). The Tenant and Authority entered into a Local Performance Agreement under which the Tenant agreed to locate and establish a manufacturing operation in Pittsylvania County. The Authority obtained financing to purchase property and for upfitting of the building for the Tenant. The lease agreement provides for a monthly base rent of \$5,500 for 120 months.

NOTE 6—LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligation transactions of the Authority for the year ended June 30, 2020:

	Balance July 1, 2019	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2020
Direct borrowings:				
Lease revenue bonds	\$ 1,079,198	\$ -	\$ (88,075)	\$ 991,123
Notes payable	4,760,159	204,089	(333,364)	4,630,884
Total	\$ 5,839,357	\$ 204,089	\$ (421,439)	\$ 5,622,007

Annual requirements to amortize long-term obligations and the related interest are as follows:

Year Ending June 30,	Direct Borrowings			
	Notes Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 1,632,142	\$ 158,151	\$ 91,984	\$ 42,501
2022	2,777,891	124,452	96,067	38,418
2023	59,677	19,694	100,331	34,154
2024	62,128	17,243	104,784	29,700
2025	99,046	6,442	109,436	25,049
2026-2030	-	-	488,521	49,417
Totals	\$ 4,630,884	\$ 325,982	\$ 991,123	\$ 219,239

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June 30, 2020

NOTE 6—LONG-TERM OBLIGATIONS: (Continued)

Details of long-term indebtedness:

	Interest Rates	Issue Date	Installment Amounts	Final Maturity Date	Amount of Original Issue	Balance Outstanding	Amount Due Within One Year
Direct Borrowings							
Lease Revenue Bond - Panacea	4.39%	1/30/2018	\$67,242 (sa)**	2/1/2029	\$ 1,079,198	\$ 991,123	\$ 91,984
Notes Payable:							
Intertape Polymer Group	3.95%	6/1/2015	30,325 (m)*	6/1/2022	5,350,000	2,972,036	251,425
Axxor, Inc.	4.95%	9/29/2017	11,981 (m)*	10/1/2020	1,512,500	1,325,738	1,325,738
Panacea	4.05%	1/17/2019	6,614 (m)	11/17/2024	650,000	333,110	54,979
Total Direct Borrowings						<u>\$ 5,622,007</u>	<u>\$ 1,724,126</u>
Total Long-Term Obligations						<u>\$ 5,622,007</u>	<u>\$ 1,724,126</u>

(sa) - semi-annual installments, including interest as applicable

(m) - monthly installments, including interest as applicable

*installments also include an irregular final payment

**semi-annual payments include small change - amount noted is average payment

The direct borrowings above are all secured by a deed of trust and the land, buildings, and equipment of the corresponding companies.

NOTE 7—CONDUIT FINANCING:

On January 30, 2018, the Authority issued a \$1,803,802 tax-exempt bond bearing interest at 3.59% that matures on June 30, 2028. The bond proceeds were used for various projects for the benefit of Pittsylvania County, Virginia (the County). The County intends to repay this debt and has agreed to report the debt on their financial statements. Therefore, the impact of this issuance is not reported on the statement of net position of the Authority. The balance on this bond as of June 30, 2020 was \$1,492,628 as reported in the County's financial statements.

NOTE 8—CONTINGENT LIABILITIES:

Certain programs in which the Authority participates were audited in accordance with the applicable specifications. Pursuant to the provisions of current guidance certain programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, an awarding agency may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY
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NOTE 9—CAPITAL ASSETS:

As of June 30, 2020, capital assets consist of the following:

	Beginning Balance, as restated	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 193,345	\$ -	\$ -	\$ 193,345
Capital assets, being depreciated:				
Buildings and improvements	\$ 713,118	\$ -	\$ -	\$ 713,118
Accumulated depreciation:				
Buildings and improvements	\$ (22,859)	\$ (17,828)	\$ -	\$ (40,687)
Total capital assets being depreciated, net	\$ 690,259	\$ (17,828)	\$ -	\$ 672,431
Business-type activities capital assets, net	\$ 883,604	\$ (17,828)	\$ -	\$ 865,776

NOTE 10—LITIGATION:

As of June 30, 2020, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable.

NOTE 11—RESTATEMENT:

During fiscal year 2020, the Authority changed its fiscal year end from December 31 to June 30. As such, beginning balances as of July 1, 2019 were as follows:

	Restated Balances July 1, 2019
Cash and cash equivalents	\$ 777,293
Prepaid items	1,488
Inventory	1,303,700
Land	193,345
Capital assets, net of accum. dep.	690,259
Notes receivable	5,268,673
Interest receivable	8,690
Accounts payable	(29,024)
Security deposits	(6,750)
Notes and bonds payable	(5,839,357)
Interest payable	(28,430)
Total	\$ 2,339,887

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NOTE 12—ADOPTION OF ACCOUNTING PRINCIPLES:

The Authority implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* during the fiscal year ended June 30, 2020. This Statement clarifies which liabilities governments should include when disclosing information related to debt. It also requires that additional essential information related to debt be disclosed in notes to financial statements. No restatement was required as a result of this implementation.

NOTE 13—SUBSEQUENT EVENTS:

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the “COVID-19 outbreak”). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy. The COVID-19 pandemic has developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact economic activity. The Authority is unable to estimate the impact of the pandemic for fiscal year 2021.

In September 2020, the Authority completed the sale of the Axxor N.A., LLC building to Axxor N.A., LLC with a sale price of \$900,000 plus the note payable on the upfit of the building in the amount of \$1,340,046. The \$900,000 sale price was reduced by a reserve account funded by payments from Axxor N.A. and maintained by the Authority which had been treated as a reduction in the note receivable in these financial statements which had a balance of \$587,373 at year-end. As of June 30, 2020, the Authority had recorded a note receivable related to this transaction in the amount of \$1,635,125 and a note payable related to the upfit of \$1,325,738.

NOTE 14—UPCOMING PRONOUNCEMENTS:

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

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Notes to Financial Statements (Continued)
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NOTE 14—UPCOMING PRONOUNCEMENTS: (Continued)

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

COMPLIANCE SECTION



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**To the Board of Directors
Industrial Development Authority of Pittsylvania County
Chatham, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Industrial Development Authority of Pittsylvania County, a component unit of Pittsylvania County, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Industrial Development Authority of Pittsylvania County's basic financial statements and have issued our report thereon dated October 6, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Industrial Development Authority of Pittsylvania County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Industrial Development Authority of Pittsylvania County's internal control. Accordingly, we do not express an opinion on the effectiveness of Industrial Development Authority of Pittsylvania County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Industrial Development Authority of Pittsylvania County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
October 6, 2020

Agenda Section:	Certificates of Service Presentations (Section VI(B))
Agenda Title:	Certificates of Service Presentations
Staff Contact:	JVH
Agenda Date:	December 8, 2020
Attachment:	None

SUMMARY:

Certificates of Service will be presented to Mahan, Hite, and Anderson.

Agenda Section:	Presentations (Section VI(C))
Agenda Title:	New IDA Members Welcome
Staff Contact:	MDR
Agenda Date:	December 8, 2020
Attachment:	None

SUMMARY:

The Authority and County Staff will welcome new Authority Members Steven Merricks, Daniel Lovelace, and Bill Nuckols.

Agenda Section:	New Business (Section VII(A))
Agenda Title:	Dogwood LPA Approval
Staff Contact:	MDR
Agenda Date:	December 8, 2020
Attachment:	1 (LPA)

SUMMARY:

Dogwood Global, LLC (“Dogwood”) has announced a new project at the Brosville Industrial Park to expand its furniture manufacturing operations. This project represents a capital investment of \$500,000 and creation of forty-five (45) new jobs at an average annual salary of \$38,000. For the Authority’s review and consideration, the Local Performance Agreement (“LPA”) is attached.

FINANCIAL IMPACT AND FUNDING SOURCE:

Modest incentives and waivers of fees after performance is met; thereby, eliminating any County and/or IDA financial risk.

RECOMMENDATION:

County Economic Development Staff recommends the Authority execute the attached Dogwood LPA as presented and authorize the IDA Chairman to execute and submit any related necessary documents.

MOTION:

“I make a Motion to execute the attached Dogwood LPA as submitted and authorize the IDA Chairman to execute and submit any related necessary documents.”

LOCAL PERFORMANCE AGREEMENT

THIS LOCAL PERFORMANCE AGREEMENT (this "**Agreement**"), made and entered into as of the _____ day of October, 2020, by and among **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "**County IDA**"); the **COUNTY OF PITTSYLVANIA, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "**County**"); and **DOGWOOD GLOBAL, LLC**, a North Carolina limited liability company (the "**Company**");

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. - Recitals. The parties recite the following facts:

- a. The County IDA and the County, in order to stimulate economic growth and development of the community by creating jobs and infrastructure have agreed to provide incentives to new and expanding businesses which conduct industrial activity.
- b. The Company has agreed to locate new manufacturing operations in a vacant 30,000 square foot facility on the manufacturing campus with address of 3872 Martin Drive, in Axton, Pittsylvania County, Virginia (the "**Project Site**"), by investing in new machinery and tools. During the Performance Period described below, the Company plans to make capital equipment investments of at least Five-Hundred Thousand and 00/100 Dollars (\$500,000.00) and to create forty-five (45) full-time jobs with an average yearly base wage of at least Thirty-Eight Thousand and 00/100 Dollars (\$38,000.00), as set forth in this Agreement.
- c. The County IDA and the County are willing to provide those certain incentives to the Company summarized in **Schedule 1(c)**, attached hereto and incorporated herein by this reference, provided that the Company satisfies certain criteria relating to employment projections and capital investment as described below.
- d. Each of the County IDA and the County finds that the provisions of this Agreement and the commitments of the Company will promote the expansion of industry by inducing industrial development within the Axton community, and that such development will promote the safety, health, welfare, convenience and prosperity of the citizens of Pittsylvania County.

Section 2. - Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

a. **"Agreement"** shall mean this Local Performance Agreement and shall have the same meaning as set forth in the header paragraph.

b. **"Capital Investment"** means a capital expenditure by or on behalf of the Company in taxable real property, taxable tangible personal property, or both, at the Facility. A capital expenditure related to a leasehold interest in real property will be considered to be made **"on behalf of the Company"** if a lease between a developer and the Company is a capital lease, or is an operating lease having a term of at least ten (10) years, and the real property would not have been constructed or improved but for the Company's interest in leasing some or all of the real property. Only the capital expenditures allocated to the portion of the real property to be leased by the Company will count as Capital Investment. The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, will qualify as Capital Investment hereunder.

c. **"Company"** shall have the same meaning as that term in the header paragraph of this Agreement.

d. **"County"** shall have the same meaning as that term in the header paragraph of this Agreement.

e. **"County IDA"** shall have the same meaning as that term in the header paragraph of this Agreement.

f. **"Event of Default"** shall have the same meaning as that term is used in Section 7 below.

g. **"Event of Force Majeure"** shall mean without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; act of public enemies; orders of any kind of the government of the United States of America or of the Commonwealth or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

h. **"Facility"** shall collectively mean the Project Site and any other improvements thereon.

i. **"Government Party" or "Government Parties"** shall mean either or both of the County IDA and the County.

j. **"Maintain"**, as it pertains to a New Job, shall mean that the New Job will continue without interruption from the date of creation through the Performance Date. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the Company's employment levels (so long as there is active recruitment for open positions), (ii) strikes and (iii) other temporary work stoppages not to exceed sixty (60) days.

k. **"New Job"** shall mean new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an average annual wage of at least Thirty-Eight Thousand and 00/100 Dollars (\$38,000.00), excluding standard fringe benefits. Each New Job must require a minimum of either (i) thirty-five (35) hours of an employee's time per week for the entire normal year of the Company's operations, which **"normal year"** must consist of at least forty-eight (48) weeks, or (ii) one thousand six hundred eighty (1,680) hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth of Virginia, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs.

l. **"Performance Date"** shall mean the date that is three (3) years after the date of this Agreement.

m. **"Performance Period"** shall mean that period of time commencing on the date of this Agreement and ending on the Performance Date.

n. **"Project Site"** shall have the same meaning as that term is used in Section 1(b) above.

o. **"Recruitment Documents"** shall mean any one or more of this Agreement and the documents executed in connection with the State Grants.

p. **"State Grants"** shall mean the Tobacco Region Opportunity Fund Grant.

q. **"Tobacco Commission"** shall mean the Virginia Tobacco Region Revitalization Commission, a political subdivision of the Commonwealth of Virginia, as created in Chapter 31 of Title 3.2 of the Code of Virginia, 1950, as amended.

Section 3. - Capital Investment and Job Creation by the Company.

a. **\$500,000 Capital Investment.** On or before the Performance Date, the Company shall make Capital Investment in the minimum aggregate amount of Five-Hundred Thousand and 00/100 Dollars (\$500,000.00) on or for the Facility.

b. **45 New Jobs.** The Company shall create and employ forty-five (45) New Jobs

on or before the Performance Date and shall Maintain these New Jobs until at least the Performance Date. On May 1 and November 1 of each year during the Performance Period, the Company shall produce and deliver to the County IDA a New Jobs roster itemizing, at a minimum, each New Job and the base pay (excluding fringe benefits), as described in Section 2(k) above and any other information pertaining to New Jobs as may be reasonably requested by the County IDA. The Company shall redact from the New Jobs roster any personally identifiable information of its employees. The Company hereby authorizes each of the County's Economic Development Director, the County's Attorney and the County IDA Treasurer or his respective designees to obtain and to verify the information contained in the New Jobs roster from the Virginia Employment Commission.

c. Financial Report. On May 1 and November 1 of each year during the Performance Period, the Company shall produce and deliver to the County IDA a financial report on the status of the Company's business since the date of this Agreement.

Section 4. - Funds Extended to or for the Company.

a. Up to \$4,500 Pittsylvania County Jobs Grant. The County shall pay to the Company a Pittsylvania County Job Grant in the maximum amount of Four Thousand Five-Hundred and 00/100 Dollars (\$4,500.00) at a rate of One-Hundred and 00/100 Dollars (\$100.00) per New Job created during the Performance Period. This grant shall be dispersed retroactively at the end of the performance period. As an additional condition to this grant, the Company shall not then be in default of this Agreement, and no cure period is applicable. After this grant is disbursed, this grant is not subject to recapture by Government Parties in the event the Company fails to make the Capital Investment and/or create and Maintain the New Jobs on or before the Performance Date.

b. Up to \$25,000 Pittsylvania County Building and Land Use Fees Waiver. The County shall waive all local permit fees associated with building construction, land disturbance, building upfit, associated plan(s) review, zoning, and other land use considerations.

c. State Grant Applications. The County IDA and/or the County shall apply for and accept State Grants as follows:

i. \$23,500 Tobacco Region Opportunity Fund. As a condition to and as a part of the application for the Tobacco Region Opportunity Fund Grant, the County IDA and the Company shall enter into a performance grant agreement with the Tobacco Commission. If the application for such grant is approved, the County IDA shall disburse the funds upon the Company's satisfaction or achievement of certain performance metrics as set forth in such performance grant agreement.

[NOTE: Virginia Manufacturing Sales and Use Tax Exemptions are available to the Company, but the Company (and not the County IDA or the County) will complete the Tax Form ST-11. The Company is also eligible for Virginia's Major Business Facility Job Tax Credit.]

The Company shall reasonably cooperate with the Government Parties in connection with the applications for the State Grants, including without limitation providing financial information about the Company, the Company's planned Capital Investments, and the creation schedule of the New Jobs; provided, however, that the Government Parties agree to keep confidential, to the fullest extent allowable under Virginia Code § 2.2-3705.6(3), as amended, or successor provision, all of the proprietary information voluntarily provided by the Company to the Government Parties in connection with the application for the State Grants or in connection with the negotiating or drafting of this Agreement and the schedules thereto.

Section 5. - Capital Investment Report. The Company shall provide a signed report to the County IDA annually, beginning January 1, 2021, documenting the Company's progress in Capital Investment and in maintenance of the Capital Investment of at least Five-Hundred Thousand and 00/100 Dollars (\$500,000.00). The Company further agrees that each of the County's Economic Development Director and the County IDA's Treasurer or his respective designees is authorized to verify all taxable Capital Investment and related information through the Office of the Commissioner of Revenue for the County.

Section 6. - Representations and Warranties of the Company. As of the date of this Agreement and continuing until the Performance Date, the Company hereby represents and warrants to each Government Party the following:

a. The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of North Carolina and registered to do business and in good standing under the laws of Virginia as of the date of this Agreement, and is authorized to transact business in all jurisdictions in which the Company currently conducts any material business.

b. This Agreement, the transactions contemplated herein, and the other Recruitment Documents to be executed by the Company have been or shall have been approved by all necessary corporate action by the Company; and the persons executing this Agreement and any of the other Recruitment Documents to be executed by the Company have or shall have full and complete authority to execute and deliver the same for and on behalf of the Company.

c. The execution, delivery, and performance of this Agreement, the other Recruitment Documents, and the consummation of the transactions contemplated hereby and thereby by the Company will not violate, conflict with, or result in any default under, or cause any acceleration of any obligation under, any (i) articles of incorporation, bylaws, or other organizational documents of the Company; (ii) any existing contract, agreement, note, or other document to which the Company is a party, or by which the Company is bound; or (iii) any orders, decrees, or laws of any jurisdiction applicable to and binding upon the Company.

d. This Agreement and all other Recruitment Documents constitute the legal, binding and enforceable obligations of the Company in accordance with the terms contained herein or therein, subject to any applicable bankruptcy laws.

e. There is no pending or threatened litigation or proceeding against the Company which may materially adversely affect the financial condition, business operations, or business prospects of the Company.

f. The Company is not in material default with respect to any existing indebtedness incurred by it.

g. All financial statements, certificates, resolutions, and other information or documentation furnished to either or both of the Government Parties prior to the date of this Agreement by the Company are true, correct, and accurate in all material aspects, and no such information fails to disclose or misrepresents any information which could materially and adversely affect the transactions contemplated in this Agreement; and the Company has not failed to disclose any information which could materially and adversely affect the business or financial condition of the Company.

Section 7. - Event of Default. It shall be an Event of Default upon the occurrence of any one or more of the following events:

a. The occurrence of any default under this Agreement, or any other Recruitment Document which is not cured within thirty (30) days after written notice to the Company of such default (or if such default cannot reasonably be cured within such thirty (30) day period, then if the Company fails to substantially begin such cure within such thirty (30) day period or fails thereafter to diligently pursue such cure);

b. The Company discontinues business for a period of sixty (60) days or more, or materially changes the nature of the Company's business;

c. The Company (i) files a petition or has a petition filed against it under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (iv) becomes insolvent, however otherwise evidenced;

d. The controlling owner of the Company (i) files a petition or has a petition filed against it under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for

relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (iv) becomes insolvent, however otherwise evidenced; or

e. The Company is not in good standing with the Virginia State Corporation Commission after having received at least thirty (30) days written notice.

Section 8. - Upon Occurrence of an Event of Default. In addition to and not in lieu of any other remedies or relief made available to either or both of the Government Parties under this Agreement, at law or in equity, upon the occurrence of an Event of Default, irrespective of whether either Government Party has terminated this Agreement, each Government Party (as the case may be) may elect any one or more of the following:

a. The Government Party may immediately cease to disburse any further payments to or for the Company under this Agreement or the Recruitment Documents;

b. Upon giving written notice to the Company, the Government Party shall have the right, but not the obligation, to offset any amounts owed by the Government Party against amounts owed or claimed to be owed by the Company; and/or

c. The Government Party may pursue any and all other remedies available to it under this Agreement, any one or more of the Recruitment Documents or applicable law.

Section 9. - Audit and Guideline Requirements. Upon reasonable prior written request, the Company shall allow each of the County's Economic Development Director and the County IDA's Treasurer (or his respective designees) reasonable access during business hours to all records pertaining to the Company's employment and investment at the Facility, and the Company shall cooperate with the County IDA in any audit of such records by furnishing all information necessary to verify the Company's performance under this Agreement. In return, each Government Party agrees to maintain the confidentiality of any and all sensitive information, including without limitation personal payroll earnings or similar information that those Government Parties or its designees may receive or access.

Section 10. - Force Majeure. Notwithstanding the foregoing, if the Company does not meet the New Job and Capital Investments requirements because of an Event of Force Majeure, the Performance Date will be extended day-for-day by the delay in meeting the targets caused by the Event of Force Majeure.

Section 11. - Subject to Annual Appropriations. As provided under Virginia law, the obligations of the Government Parties to pay the cost of performing its obligations under this Agreement are subject to and dependent upon annual appropriations being made from time to time by the governing body of such Government Party, for such purpose.

Section 12. - Non-waiver. No waiver of any term or condition of this Agreement by any party shall be deemed a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.

Section 13. - Attorneys' Fees. Each of the parties shall be solely responsible for their respective attorneys' fees in the negotiating, drafting, and execution of this Agreement and any of the transactions contemplated hereby.

Section 14. - Other Documents. The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Agreement.

Section 15. - Default. In the event that a party to this Agreement incurs attorneys' fees and/or costs in pursuing or defending an alleged breach of this Agreement, the non-prevailing party, in addition to any other remedy, shall be responsible for the reasonable attorneys' fees and costs incurred by the prevailing party. The parties retain all rights at law and in equity to enforce the provisions of this Agreement in accordance with applicable law.

Section 16. - Entire Agreement. This Agreement and the schedules hereto contain the entire agreement and understanding of the parties to this Agreement with respect to the transactions contemplated hereby; and this Agreement and the schedules hereto supersede all prior understandings and agreements of the parties with respect to the subject matter hereof.

Section 17. - Headings. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 18. - Notices. Any notice required or contemplated to be given to any of the parties by any other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to the County IDA or the County:

Attn.: Matthew D. Rowe
Director of Economic Development
1 Center Street
P.O. Box 426
Chatham, VA 24531

With a copy to:

J. Vaden Hunt, Esq.
County Attorney
1 Center Street
P.O. Box 426
Chatham, VA 24531

If to the Company:

Dogwood Global, LLC
Attn: Joseph Radic, President
176 Mine Lake Court, Suite 100
Raleigh, NC 27615

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate.

Section 19. - Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Agreement, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

Section 20. - Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

Section 21. - Amendment, Modification and/or Supplement. The parties may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest.

Section 22. - Gender and Number. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

Section 23. - Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

Section 24. - Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 25. - Survival. Any termination, cancellation or expiration of this Agreement notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

Section 26. - No Third-Party Beneficiaries. Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

[SIGNATURES ARE ON FOLLOWING PAGES.]

WITNESS our signature to this **LOCAL PERFORMANCE AGREEMENT** as of the date first above written:

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA**, a
political subdivision of the Commonwealth of
Virginia

By: _____
Eddie L. Hite, Jr., Chairman

ATTEST:

Brenda O. Robertson
Clerk
Industrial Development Authority of Pittsylvania County, Virginia

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

The foregoing instrument was acknowledged before me this ____ day of _____ 2020, by **EDDIE L. HITE, JR.**, in his capacity as Chairman of **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, on behalf of such entity.

My commission expires: _____.

Notary Public
Registration No. _____

WITNESS our signature to this LOCAL PERFORMANCE AGREEMENT as of the date first above written:

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

By: Robert W. Warren
Robert W. "Bob" Warren, Chairman
Board of Supervisors

ATTEST:

David M. Smitherman
David M. Smitherman
Clerk
Pittsylvania County Board of Supervisors

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

The foregoing instrument was acknowledged before me this 17th day of November 2020, by ROBERT W. "BOB" WARREN, in his capacity as Chairman of the Board of Supervisors of COUNTY OF PITTSYLVANIA, VIRGINIA, a political subdivision of the Commonwealth of Virginia, on behalf of such entity.

My commission expires: July 31, 2021



Kaylyn McCluster
Notary Public
Registration No. 7557134

WITNESS our signature to this **LOCAL PERFORMANCE AGREEMENT** as of the date first above written:

DOGWOOD GLOBAL, LLC, a North Carolina limited liability company

By: Joseph Radic
Name: Joseph Radic
Title: President

STATE OF North Carolina
CITY/COUNTY OF DAVIDSON, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____ 2020, by _____, in the capacity as _____ of **DOGWOOD GLOBAL, LLC**, a North Carolina limited liability company, on behalf of such entity.

My commission expires: _____.

Notary Public
Registration No. _____

List of Schedules
1(c) - Summary of Incentives

Schedule 1(c)
(Summary of Incentives)

Grant / Benefit / Incentive	Value or Max. Value
Pittsylvania County Job Grant ('4(a))	\$4,500.00
Pittsylvania County Fee Waivers ('4(b))	\$25,000.00
Tobacco Region Opportunity Fund ('4(c)(i))	\$23,500.00
Total	\$53,000.00

Agenda Section:	New Business (Section VII(B))
Agenda Title:	Ison LPA Approval
Staff Contact:	MDR
Agenda Date:	December 8, 2020
Attachment:	1 (LPA)

SUMMARY

Ison Furniture Manufacturing, Inc. (“Ison”), has announced plans to occupy an existing building at the Brosville Industrial Park to expand its upholstered furniture manufacturing operations. For the Authority’s review and consideration, a related Local Performance Agreement (“LPA”) is attached.

FINANCIAL IMPACT AND FUNDING SOURCE

Modest incentives are paid after performance is met at no risk to the County and/or IDA.

RECOMMENDATION

County Economic Development Staff recommends the Authority execute the attached Ison LPA as presented and authorize the IDA Chairman to execute any necessary related documents.

MOTION:

“I make a Motion to execute the attached Ison LPA as presented and authorize the IDA Chairman to execute any necessary related documents.

LOCAL PERFORMANCE AGREEMENT

THIS LOCAL PERFORMANCE AGREEMENT (this "**Agreement**"), made and entered into as of the 7th day of October 2020, by and among **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "**County IDA**"); the **COUNTY OF PITTSYLVANIA, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "**County**"); and **ISON FURNITURE MANUFACTURING, INC.**, a North Carolina corporation (the "**Company**");

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. - Recitals. The parties recite the following facts:

- a. The County IDA and the County, in order to stimulate economic growth and development of the community by creating jobs and infrastructure have agreed to provide incentives to new and expanding businesses which conduct industrial activity.
- b. The Company has agreed to locate new manufacturing operations in a vacant facility bearing a street address of 3872 Martin Drive, in Axton, Pittsylvania County, Virginia (the "**Project Site**"), by investing in new machinery and tools. During the Performance Period described below, the Company plans to make capital equipment investments of at least Three Million five-Hundred Thousand and 00/100 Dollars (\$3,500,000.00) and to create one-hundred fifty (150) full-time jobs with an average yearly base wage of at least Thirty-Eight Thousand and 00/100 Dollars (\$38,000.00), as set forth in this Agreement.
- c. The County IDA and the County are willing to provide those certain incentives to the Company summarized in Schedule 1(c), attached hereto and incorporated herein by this reference, provided that the Company satisfies certain criteria relating to employment projections and capital investment as described below.
- d. Each of the County IDA and the County finds that the provisions of this Agreement and the commitments of the Company will promote the expansion of industry by inducing industrial development within the Axton community, and that such development will promote the safety, health, welfare, convenience and prosperity of the citizens of Pittsylvania County.

Section 2. - Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

a. **"Agreement"** shall mean this Local Performance Agreement and shall have the same meaning as set forth in the header paragraph.

b. **"Capital Investment"** means a capital expenditure by or on behalf of the Company in taxable real property, taxable tangible personal property, or both, at the Facility. A capital expenditure related to a leasehold interest in real property will be considered to be made **"on behalf of the Company"** if a lease between a developer and the Company is a capital lease, or is an operating lease having a term of at least ten (10) years, and the real property would not have been constructed or improved but for the Company's interest in leasing some or all of the real property. Only the capital expenditures allocated to the portion of the real property to be leased by the Company will count as Capital Investment. The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, will qualify as Capital Investment hereunder.

c. **"Company"** shall have the same meaning as that term in the header paragraph of this Agreement.

d. **"County"** shall have the same meaning as that term in the header paragraph of this Agreement.

e. **"County IDA"** shall have the same meaning as that term in the header paragraph of this Agreement.

f. **"Event of Default"** shall have the same meaning as that term is used in Section 7 below.

g. **"Event of Force Majeure"** shall mean without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; act of public enemies; orders of any kind of the government of the United States of America or of the Commonwealth or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

h. **"Facility"** shall collectively mean the Project Site and any other improvements thereon.

i. **"Government Party" or "Government Parties"** shall mean either or both of the County IDA and the County.

j. **"Maintain"**, as it pertains to a New Job, shall mean that the New Job will continue without interruption from the date of creation through the Performance Date. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the Company's employment levels (so long as there is active recruitment for open positions), (ii) strikes and (iii) other temporary work stoppages not to exceed sixty (60) days.

k. **"New Job"** shall mean new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an average annual wage of at least Thirty-Eight Thousand and 00/100 Dollars (\$38,000.00), excluding standard fringe benefits. Each New Job must require a minimum of either (i) thirty-five (35) hours of an employee's time per week for the entire normal year of the Company's operations, which **"normal year"** must consist of at least forty-eight (48) weeks, or (ii) one thousand six hundred eighty (1,680) hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth of Virginia, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs.

l. **"Performance Date"** shall mean the date that is three (3) years after the date of this Agreement.

m. **"Performance Period"** shall mean that period of time commencing on the date of this Agreement and ending on the Performance Date.

n. **"Project Site"** shall have the same meaning as that term is used in Section 1(b) above.

o. **"Recruitment Documents"** shall mean any one or more of this Agreement and the documents executed in connection with the State Grants.

p. **"State Grants"** shall mean the Commonwealth Opportunity Fund Grant; the Tobacco Region Opportunity Fund Grant; and the Virginia Jobs Investment Program Grant.

q. **"Tobacco Commission"** shall mean the Virginia Tobacco Region Revitalization Commission, a political subdivision of the Commonwealth of Virginia, as created in Chapter 31 of Title 3.2 of the Code of Virginia, 1950, as amended.

Section 3. - Capital Investment and Job Creation by the Company.

a. **\$3.5M Capital Investment.** On or before the Performance Date, the Company shall make Capital Investment in the minimum aggregate amount of Three Million Five-Hundred Thousand and 00/100 Dollars (\$3,500,000.00) on or for the Facility.

b. 150 New Jobs. The Company shall create and employ one-hundred fifty (150) New Jobs on or before the Performance Date and shall Maintain these New Jobs until at least the Performance Date. On May 1 and November 1 of each year during the Performance Period, the Company shall produce and deliver to the County IDA a New Jobs roster itemizing, at a minimum, each New Job and the base pay (excluding fringe benefits), as described in Section 2(k) above and any other information pertaining to New Jobs as may be reasonably requested by the County IDA. The Company shall redact from the New Jobs roster any personally identifiable information of its employees. The Company hereby authorizes each of the County's Economic Development Director, the County's Attorney and the County IDA Treasurer or his respective designees to obtain and to verify the information contained in the New Jobs roster from the Virginia Employment Commission.

c. Financial Report. On May 1 and November 1 of each year during the Performance Period, the Company shall produce and deliver to the County IDA a financial report on the status of the Company's business since the date of this Agreement.

Section 4. - Funds Extended to or for the Company.

a. Up to \$45,000 Pittsylvania County Jobs Grant. The County shall pay to the Company a Pittsylvania County Job Grant in the maximum amount of Forty-Five Thousand and 00/100 Dollars (\$45,000.00) at a rate of Three-Hundred and 00/100 Dollars (\$300.00) per New Job created during the Performance Period. This grant shall be dispersed retroactively at the end of the performance period. As an additional condition to this grant, the Company shall not then be in default of this Agreement, and no cure period is applicable. After this grant is disbursed, this grant is not subject to recapture by Government Parties in the event the Company fails to make the Capital Investment and/or create and Maintain the New Jobs on or before the Performance Date.

b. Up to \$55,000 Pittsylvania County Building and Land Use Fees Waiver. The County shall waive all local permit fees associated with building construction, land disturbance, building upfit, associated plan(s) review, zoning, and other land use considerations.

c. State Grant Applications. The County IDA and/or the County shall apply for and accept State Grants as follows:

i. \$186,500 Commonwealth Opportunity Fund Grant. As a condition to and as a part of the application for the Commonwealth Opportunity Fund Grant, the County IDA and the Company shall enter into a performance grant agreement with the Office of the Governor of Virginia. If the application for such grant is approved, the County IDA shall disburse the funds upon the Company's satisfaction or achievement of certain performance metrics as set forth in such performance grant agreement.

- ii. \$86,500 Tobacco Region Opportunity Fund. As a condition to and as a part of the application for the Tobacco Region Opportunity Fund Grant, the County IDA and the Company shall enter into a performance grant agreement with the Tobacco Commission. If the application for such grant is approved, the County IDA shall disburse the funds upon the Company's satisfaction or achievement of certain performance metrics as set forth in such performance grant agreement.

- iii. \$105,000 Virginia Job Investment Program Grant. The County IDA shall assist the Company in applying for grants under the Virginia Economic Development Partnership's Virginia Jobs Investment Program, estimated at One-Hundred Five Thousand and 00/100 Dollars (\$105,000.00) for job training purposes. If the application for such grant is approved, the Virginia Economic Development Partnership (or if allowed by the program, the County IDA) shall disburse the grant according to the terms and conditions of the Virginia Jobs Investment Program.

[NOTE: Virginia Manufacturing Sales and Use Tax Exemptions are available to the Company, but the Company (and not the County IDA or the County) will complete the Tax Form ST-11. The Company is also eligible for Virginia's Major Business Facility Job Tax Credit.]

The Company shall reasonably cooperate with the Government Parties in connection with the applications for the State Grants, including without limitation providing financial information about the Company, the Company's planned Capital Investments, and the creation schedule of the New Jobs; provided, however, that the Government Parties agree to keep confidential, to the fullest extent allowable under Virginia Code § 2.2-3705.6(3), as amended, or successor provision, all of the proprietary information voluntarily provided by the Company to the Government Parties in connection with the application for the State Grants or in connection with the negotiating or drafting of this Agreement and the schedules thereto.

Section 5. - Capital Investment Report. The Company shall provide a signed report to the County IDA annually, beginning January 1, 2021, documenting the Company's progress in Capital Investment and in maintenance of the Capital Investment of at least Three Million Five-Hundred Thousand and 00/100 Dollars (\$3,500,000.00). The Company further agrees that each of the County's Economic Development Director and the County IDA's Treasurer or his respective designees is authorized to verify all taxable Capital Investment and related information through the Office of the Commissioner of Revenue for the County.

Section 6. - Representations and Warranties of the Company. As of the date of this Agreement and continuing until the Performance Date, the Company hereby represents and warrants to each Government Party the following:

a. The Company is a corporation duly organized, validly existing, and in good standing under the laws of North Carolina and registered to do business and in good standing under the laws of Virginia as of the date of this Agreement, and is authorized to transact business in all jurisdictions in which the Company currently conducts any material business.

b. This Agreement, the transactions contemplated herein, and the other Recruitment Documents to be executed by the Company have been or shall have been approved by all necessary corporate action by the Company; and the persons executing this Agreement and any of the other Recruitment Documents to be executed by the Company have or shall have full and complete authority to execute and deliver the same for and on behalf of the Company.

c. The execution, delivery, and performance of this Agreement, the other Recruitment Documents, and the consummation of the transactions contemplated hereby and thereby by the Company will not violate, conflict with, or result in any default under, or cause any acceleration of any obligation under, any (i) articles of incorporation, bylaws, or other organizational documents of the Company; (ii) any existing contract, agreement, note, or other document to which the Company is a party, or by which the Company is bound; or (iii) any orders, decrees, or laws of any jurisdiction applicable to and binding upon the Company.

d. This Agreement and all other Recruitment Documents constitute the legal, binding and enforceable obligations of the Company in accordance with the terms contained herein or therein, subject to any applicable bankruptcy laws.

e. There is no pending or threatened litigation or proceeding against the Company which may materially adversely affect the financial condition, business operations, or business prospects of the Company.

f. The Company is not in material default with respect to any existing indebtedness incurred by it.

g. All financial statements, certificates, resolutions, and other information or documentation furnished to either or both of the Government Parties prior to the date of this Agreement by the Company are true, correct, and accurate in all material aspects, and no such information fails to disclose or misrepresents any information which could materially and adversely affect the transactions contemplated in this Agreement; and the Company has not failed to disclose any information which could materially and adversely affect the business or financial condition of the Company.

Section 7. - Event of Default. It shall be an Event of Default upon the occurrence of any one or more of the following events:

a. The occurrence of any default under this Agreement, or any other Recruitment Document which is not cured within thirty (30) days after written notice to the Company of such

default (or if such default cannot reasonably be cured within such thirty (30) day period, then if the Company fails to substantially begin such cure within such thirty (30) day period or fails thereafter to diligently pursue such cure);

b. The Company discontinues business for a period of sixty (60) days or more, or materially changes the nature of the Company's business;

c. The Company (i) files a petition or has a petition filed against it under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (iv) becomes insolvent, however otherwise evidenced;

d. The controlling owner of the Company (i) files a petition or has a petition filed against it under the Bankruptcy Code or any proceeding for the relief of insolvent debtors which is not dismissed within sixty (60) days of such filing; (ii) is subject to the entry of an order for relief by any court of insolvency; (iii) makes an admission of insolvency seeking the relief provided in the Bankruptcy Code or any other insolvency law; (iv) makes an assignment for the benefit of creditors; (v) has a receiver appointed, voluntarily or otherwise, for its property; or (iv) becomes insolvent, however otherwise evidenced; or

e. The Company is not in good standing with the Virginia State Corporation Commission after having received at least thirty (30) days written notice.

Section 8. - Upon Occurrence of an Event of Default. In addition to and not in lieu of any other remedies or relief made available to either or both of the Government Parties under this Agreement, at law or in equity, upon the occurrence of an Event of Default, irrespective of whether either Government Party has terminated this Agreement, each Government Party (as the case may be) may elect any one or more of the following:

a. The Government Party may immediately cease to disburse any further payments to or for the Company under this Agreement or the Recruitment Documents;

b. Upon giving written notice to the Company, the Government Party shall have the right, but not the obligation, to offset any amounts owed by the Government Party against amounts owed or claimed to be owed by the Company; and/or

c. The Government Party may pursue any and all other remedies available to it under this Agreement, any one or more of the Recruitment Documents or applicable law.

Section 9. - Audit and Guideline Requirements. Upon reasonable prior written request,

the Company shall allow each of the County's Economic Development Director and the County IDA's Treasurer (or his respective designees) reasonable access during business hours to all records pertaining to the Company's employment and investment at the Facility, and the Company shall cooperate with the County IDA in any audit of such records by furnishing all information necessary to verify the Company's performance under this Agreement. In return, each Government Party agrees to maintain the confidentiality of any and all sensitive information, including without limitation personal payroll earnings or similar information that those Government Parties or its designees may receive or access.

Section 10. - Force Majeure. Notwithstanding the foregoing, if the Company does not meet the New Job and Capital Investments requirements because of an Event of Force Majeure, the Performance Date will be extended day-for-day by the delay in meeting the targets caused by the Event of Force Majeure.

Section 11. - Subject to Annual Appropriations. As provided under Virginia law, the obligations of the Government Parties to pay the cost of performing its obligations under this Agreement are subject to and dependent upon annual appropriations being made from time to time by the governing body of such Government Party, for such purpose.

Section 12. - Non-waiver. No waiver of any term or condition of this Agreement by any party shall be deemed a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.

Section 13. - Attorneys' Fees. Each of the parties shall be solely responsible for their respective attorneys' fees in the negotiating, drafting, and execution of this Agreement and any of the transactions contemplated hereby.

Section 14. - Other Documents. The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Agreement.

Section 15. - Default. In the event that a party to this Agreement incurs attorneys' fees and/or costs in pursuing or defending an alleged breach of this Agreement, the non-prevailing party, in addition to any other remedy, shall be responsible for the reasonable attorneys' fees and costs incurred by the prevailing party. The parties retain all rights at law and in equity to enforce the provisions of this Agreement in accordance with applicable law.

Section 16. - Entire Agreement. This Agreement and the schedules hereto contain the entire agreement and understanding of the parties to this Agreement with respect to the transactions contemplated hereby; and this Agreement and the schedules hereto supersede all prior understandings and agreements of the parties with respect to the subject matter hereof.

Section 17. - Headings. The descriptive headings in this Agreement are inserted for

convenience only and do not constitute a part of this Agreement.

Section 18. - Notices. Any notice required or contemplated to be given to any of the parties by any other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to the County IDA or the County:

Attn.: Matthew D. Rowe
Director of Economic Development
1 Center Street
P.O. Box 426
Chatham, VA 24531

With a copy to:
J. Vaden Hunt, Esq.
County Attorney
1 Center Street
P.O. Box 426
Chatham, VA 24531

If to the Company:

Ison Furniture Manufacturing, Inc.
Attn: Philip Ison, President
801 Trinity Street
Thomasville, NC 27360

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate.

Section 19. - Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state court located in Pittsylvania County, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division), in any action or proceeding arising out of, or related to this Agreement, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

Section 20. - Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

Section 21. - Amendment, Modification and/or Supplement. The parties may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest.

Section 22. - Gender and Number. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

Section 23. - Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

Section 24. - Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 25. - Survival. Any termination, cancellation or expiration of this Agreement notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

Section 26. - No Third-Party Beneficiaries. Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

[SIGNATURES ARE ON FOLLOWING PAGES.]

WITNESS our signature to this **LOCAL PERFORMANCE AGREEMENT** as of the date first above written:

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA**, a
political subdivision of the Commonwealth of
Virginia

By: _____
Eddie L. Hite, Jr., Chairman

ATTEST:

Brenda O. Robertson
Clerk
Industrial Development Authority of Pittsylvania County, Virginia

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

The foregoing instrument was acknowledged before me this _____ day of _____ 2020, by **EDDIE L. HITE, JR.**, in his capacity as Chairman of **INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, on behalf of such entity.

My commission expires: _____.

Notary Public
Registration No. _____

WITNESS our signature to this LOCAL PERFORMANCE AGREEMENT as of the date first above written:

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

By: [Signature]
Robert W. "Bob" Warren, Chairman
Board of Supervisors

ATTEST:

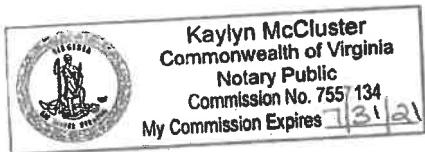
[Signature]
David M. Smitherman
Clerk
Pittsylvania County Board of Supervisors

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

The foregoing instrument was acknowledged before me this 17th day of November 2020, by ROBERT W. "BOB" WARREN, in his capacity as Chairman of the Board of Supervisors of COUNTY OF PITTSYLVANIA, VIRGINIA, a political subdivision of the Commonwealth of Virginia, on behalf of such entity.

My commission expires: July 31, 2021

[Signature]
Notary Public
Registration No. 7557134



WITNESS our signature to this LOCAL PERFORMANCE AGREEMENT as of the date first above written:

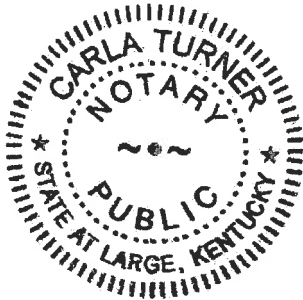
ISON FURNITURE MANUFACTURING, INC.,
a North Carolina corporation

By: [Signature]
Name: Philip Tson
Title: President

STATE OF Ky
CITY/COUNTY OF Bell, to-wit:

The foregoing instrument was acknowledged before me this ____ day of
2020, by Philip Tson, in the capacity as
President of ISON FURNITURE MANUFACTURING, INC., a North
Carolina corporation, on behalf of such entity.

My commission expires: 8-15-23



Carla Turner
Notary Public
Registration No. 629313

List of Schedules
1(c) - Summary of Incentives

Schedule 1(c)
(Summary of Incentives)

Grant / Benefit / Incentive	Value or Max. Value
Pittsylvania County Job Grant ('4(a))	\$45,000.00
Pittsylvania County Fee Waivers ('4(b))	\$55,000.00
Commonwealth Opportunity Fund Grant ('4(c)(i))	\$186,500.00
Tobacco Region Opportunity Fund ('4(c)(ii))	\$86,500.00
Virginia Jobs Investment Performance Grant ('4(c)(iii))	\$105,000.00
Virginia Major Business Facility Jobs Tax Credit	\$100,000.00
Virginia Manufacturing Sales and Use Tax Exemptions (Form ST-11 from the Virginia Department of Taxation)	\$132,500.00
Total	\$710,500.00

Agenda Section:	Economic Development Updates (Section VIII(A))
Agenda Title:	Aerofarms, Panacea, and Staunton River Plastics Economic Development Updates
Staff Contact:	MDR
Agenda Date:	December 8, 2020
Attachment:	None

SUMMARY:

Matthew D. Rower, Economic Development Director, will provide the Authority with economic developments on Aerofarms, Panacea, and Staunton River Plastics. No action required on this matter.

Agenda Section:	Closed Session (Section X(A))
Agenda Title:	Closed Session
Staff Contact:	JVH
Agenda Date:	December 8, 2020
Attachment:	None

SUMMARY:

Virginia Code § 2.2-3711(A)(5) allows Authority's to enter Closed Session to for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

RECOMMENDATION:

County Staff recommends the Authority vote to enter Closed Session based on the following legal authority, subject matter, and purpose:

Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

<u>Authority:</u>	Virginia Code § 2.2-3711(A)(5)
<u>Subject Matter:</u>	Project Matterhorn
<u>Purpose:</u>	Update on Prospective Unannounced Business

MOTION:

"I make a Motion to enter Closed Session as presented on the Agenda and above."

Agenda Section:	Return to Open Session & Closed Session Certificate (Section XI(A))
Agenda Title:	Closed Session Certificate
Staff Contact:	JVH
Agenda Date:	December 8, 2020
Attachment:	None

SUMMARY:

Following Closed Session and entering Open Session, J. Vaden Hunt, Esq., IDA Attorney, will ask for the Closed Session to be legally certified by each Authority Member via the below Certificate.

**PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT
AUTHORITY'S
CLOSED MEETING CERTIFICATION**

BE IT RESOLVED that at the Meeting of the Pittsylvania County Industrial Development Authority (“Authority”) on December 8, 2020, the Authority hereby certifies by a recorded vote that to the best of each Authority Member’s knowledge only public business matters lawfully exempted from the Open Meeting requirements of the Virginia Freedom of Information Act (“Act”) and identified in the Motion authorizing the Closed Meeting were heard, discussed, or considered in the Closed Meeting. If any Authority Member believes that there was a departure from the requirements of the Act, he shall so state prior to the vote indicating the substance of the departure. The Statement shall be recorded in the Authority's Minutes.

	<u>Vote</u>
John W. Daniel	Yes/No
Joey Faucette	Yes/No
Ronnie L. Haymore	Yes/No
Daniel Lovelace	Yes/No
Steven Merricks	Yes/No
Bill Nuckols	Yes/No
Stanley Simpson	Yes/No