

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
January 13, 2014

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:17 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Coy E. Harville and James Snead. Alternate Brenda H. Bowman was absent.

City/County staff members attending were: City Manager Joe King, Deputy City Manager Ken Larking, Interim County Administrator Otis Hawker, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Public Works Ric Drazenovich, Governmental Affairs Consultant Linwood Wright, City of Danville Finance Director/Authority Treasurer Barbara Dameron, City of Danville Senior Accountant Patricia Conner, Project Manager Corrie Teague, Clement & Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Chairman Harville noted Ms. Bowman was in Richmond for a few months and could not be here today but will attend future meetings.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE DECEMBER 9, 2013 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Shanks, Minutes of the December 9, 2013 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2014-01-13-5A – APPROVING SUPPLEMENT TO DECLARATION OF PROTECTIVE COVENANTS FOR CANE CREEK CENTRE

Authority Attorney Michael Guanzon noted this matter relates to the latest three acquisitions of the Authority to make them subject to the Cane Creek Centre Protective Covenants.

Mr. Saunders **moved** adoption of *Resolution 2014-01-13-5A, approving that certain Supplement to Declaration of Protective Covenants for the Authority's Cane Creek Centre project, which adds to that project the following properties of the Authority: (i) Lots 30, 31, 32, 46, 47, and 48 (GPIN 2347-23-9278), located in Pittsylvania County, Virginia, purchased from Margaret H. Parker; (ii) Lots 15, 16, and 17 (GPIN 2347-23-4703), located in Pittsylvania County, Virginia, purchased from L.C. Walters and Shara J. Walters; and (iii) Lot 1, containing 17.078 acres and a 2.21' wide strip of land (PIN 75066), located in Danville, Virginia, purchased from Lakeside Farm, Inc.*

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

VOTE: 3-0
AYE: Harville, Saunders, Shanks (3)
NAY: None (0)

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5B. CONSIDERATION – RESOLUTION 2014-01-13-5B – APPROVAL OF ONE YEAR RENEWAL OF MOUNTAIN VIEW FARMS LEASE - \$1,200.00

Mr. Shanks **moved** adoption of *Resolution 2014-01-13-5B, approving a one-year renewal of the lease with Mountain View Farms of Virginia, L.C., a Virginia limited liability company, as tenant, for that certain real property (GPIN 1356-75-8216) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Mega Park project, in Pittsylvania County, Virginia, for the purpose of planting and harvesting sod, soybeans, and/or other cover crops, but not tobacco, at a total rental fee of \$1,200.00.*

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

VOTE: 3-0
AYE: Harville, Saunders, Shanks (3)
NAY: None (0)

5C. CONSIDERATION – RESOLUTION 2014-01-13-5C - APPROVAL OF DEED TO THE IDA PURSUANT TO CANE CREEK LOT 8 COOPERATION AGREEMENT

Mr. Guanzon explained at the November RIFA meeting last year, the Board approved the Cane Creek Lot 8 Cooperation Agreement under which the IDA will receive Lot 8 from RIFA as part of the relocation and recruitment package. This document gives the Chairman and Vice Chairman the authority to convey Lot 8 to the IDA at the appropriate time.

Mr. Shanks **moved** adoption of *Resolution 2014-01-13-5C, approving that certain deed to Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the "IDA"), pursuant to that certain Cane Creek Lot 8 Cooperation Agreement dated November 14, 2013, with the IDA, as approved under Resolution No. 2013-11-14-6D.*

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

VOTE: 3-0
AYE: Harville, Saunders, Shanks (3)
NAY: None (0)

5D. CONSIDERATION – RESOLUTION 2014-01-13-5D – AUTHORIZING RIFA STAFF TO ARRANGE AND CONTRACT FOR DEMOLITION OF STRUCTURES

Mr. Guanzon noted on the three lots the Authority recently acquired, several have houses that are planned on being torn down. This Resolution directs and authorizes the staff of the Authority to take care of the demolition project. If the work is \$10,000 or under, they do not have to come back to the Board for authority to sign the contract.

Mr. Saunders **moved** adoption of *Resolution 2014-01-13-5D, authorizing and directing the staff of the Authority to arrange and contract on its behalf, for the demolition of structures and other improvements located on the Authority's lots located in the Authority's Cane Creek Centre project in preparation for further development and marketing to prospective businesses; the cost of a demolition project on a single lot shall not exceed \$10,000. [No written resolution.]*

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

VOTE: 3-0
AYE: Harville, Saunders, Shanks (3)
NAY: None (0)

5E. FINANCIAL STATUS REPORT AS OF DECEMBER 31, 2013

Authority Treasurer Barbara Dameron gave a brief financial status report beginning with the Cane Creek Bonds showing approximately \$8,400 expended including \$180 for the Dewberry Contracts Wetlands; under Land, \$3,700 to Clement & Wheatley for the Water's property; legal fees of \$4,460 primarily related to the Bond refinancing and also to the Jarrett Property. Under General Expenditures, \$30,600 was expended this month, of that, \$5,000 has become a pre-payment, the first item is Legal, \$16,845 and \$5,000 of that had already been paid on the invoice and staff is going to use that as a credit for September bill. Accounting shows \$13,500 was paid in December, the final billing for the audit, with the remainder for meals and a small amount for utilities. Rent, Interest and Other Income shows rent in December for the Institute, the Hawkins' Building, and \$300 from Securitas. Expenditures are \$39,600 for the maintenance administrative agreement.

Mr. Saunders **moved** to accept the financial report as presented. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 3-0
AYE: Harville, Saunders, Shanks (3)
NAY: None (0)

5F. FINANCIAL STATUS REPORT FOR FISCAL YEAR ENDING JUNE 30, 2013

Authority Treasurer Barbara Dameron introduced Susan Chapman with Brown Edwards who was involved in the audit and gave the Authority a brief report. Ms. Chapman noted there are several documents from Brown Edwards for review including the Financial Statements and several letters. RIFA had a pretty calm year on the financial statement side. There was no single audit for FY2013 and as a result the report is shorter. Ms. Chapman noted OMB just approved higher thresholds for the single audit; in the future RIFA would have to receive a larger grant to trigger that requirement. The only large transactions in FY2013 was the large tobacco grant that was turned around and used to reduce the debt issued for the Mega Park. The only adjustment proposed was to adjust some bond issuance costs related to that one time large debt payment. Mr. Harville asked if the auditors see any new laws upcoming that would affect RIFA. Ms. Chapman noted the only thing that would be implemented for FY14 is GASB 65 and that would just cause the Authority to write off some bond issuance costs that are currently on the balance sheet. The major focus is on the pension standards which have no impact on RIFA as it has no employees.

Mr. Shanks **moved** to accept the financial report as presented. The Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 3-0
AYE: Harville, Saunders, Shanks (3)
NAY: None (0)

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6. CLOSED SESSION

Chairman Harville noted that during the Closed Session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.

A. At 12:36 p.m., Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting as permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion or consideration of the disposition of real property for a public purpose to develop the Authority's Cane Creek Centre project, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and

B. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning a prospective business or industry where no previous announcement has been made of the business' or industry's interest in locating its facilities in the Authority's Cane Creek Centre project or Mega Park project; and

C. As permitted by Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended, for consultation with its legal counsel, Clement & Wheatley, pertaining to *Danville-Pittsylvania RIFA v. AVRC, Inc.*, Case No. CL12000634-00, in the Circuit Court for the City of Danville, Virginia, where such consultation in open meeting would adversely affect the negotiating or litigating posture of the Authority.

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

VOTE: 3-0
AYE: Harville, Saunders, Shanks (3)
NAY: None (0)

On **Motion** by Mr. Saunders and **second** by Mr. Shanks and by unanimous vote at 1:26 p.m., the Authority returned to open meeting.

Mr. Saunders **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

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


VOTE: 3-0
AYE: Harville, Saunders, Shanks (3)
NAY: None (0)

COMMUNICATIONS

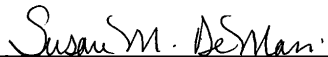
Mr. Shanks questioned the naming of the Mega Park and asked if it will be called Berry Hill or will the Authority look into it again. Mr. King noted this would be put on the agenda for the Board to discuss further.

Governmental Affairs Consultant Lynwood Wright noted he had distributed a report from Jones Lang LaSalle which is the Market Analysis for the Berry Hill Industrial Park. The study shows that the park is a viable project and thanked Ric Drazenovich, Shawn Harden, Greg Sides and Corrie Teague for their input in this study.

MEETING ADJOURNED AT 1:15 P.M.



Chairman



Secretary to the Authority