

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

April 14, 2014

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:19 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Coy E. Harville, James Snead and Alternate Brenda H. Bowman.

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

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

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES FOR THE MARCH 10, 2014 MEETING

Upon **Motion** by Mr. Snead and **second** by Mr. Shanks Minutes of the March 10, 2014 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

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

Governmental Affairs Consultant Linwood Wright updated Authority members noting GOK International is restructuring, moving out of upholstered furniture and into outdoor furniture and some office and commercial seating which can be assembled in Danville. The GOK building will be transferred to Zeyuen Flooring and they will assume responsibility for the lease. U.S. Green Energy has run into issues with its laminator which is out of commission; they are going to have to restructure that piece of equipment. The funding seems to be coming through and staff will work through the details as time goes on. Elkay is looking at some very positive times in the not too distant future. They have hired a new site manager who is doing a good job getting things organized. IKEA is where staff would expect it to be; there is still some talk about expansion, but not in the very near future. EIT is operating well, with some interest in a possible joint venture involving a new company but it is too early to get into any details.

5A. CONSIDERATION – RESOLUTION 2014-04-14-5B APPROVING THE REALLOCATION OF GRANT #2491 FROM THE TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION

Greg Sides explained that RIFA was approved by the Tobacco Commission for just over \$6M for the Grading of Lot 4 in the Berry Hill Industrial Park. That project has not started because of permit issues; there is some additional archeological historical work required to

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get that permit. RIFA submitted another application to the Mega Site Fund in the last fiscal year for \$1.9M to cover those costs; that application was tabled by the Tobacco Commission. Staff has talked with the Tobacco Commission about utilizing the Lot 4 Grading Grant and would they allow RIFA to shift that from the grading portion to the permit portion and the Commission okayed that. This will allow RIFA to address the four Dewberry contract amendments and staff recommends the contracts be approved based on the reallocated funding through the Tobacco Commission. In response to Mr. Snead, Mr. Sides noted RIFA has done preliminary archeology work to identify if there are sites that require more work, when those the sites are identified this covers the additional level. Mr. Shanks questioned whether a consultant is involved, other than Dewberry, on the archeological studies on Phase I and will Dewberry or the consultant be doing Phase II; Mr. Bradner from Dewberry noted the consultant will be doing the actual field work.

Mr. Snead **moved** adoption of *Resolution 2014-04-14-5B (i) approving the reallocation of Grant #2491 from the Tobacco and Community Revitalization Commission, to be used for the costs associated with obtaining permit approval from the U.S. Corps of Engineers and other engineering services regarding the Authority's Mega Park project located in Pittsylvania County, Virginia; and (ii) approving the following contracts associated with such reallocation:*

(1) Revised Amendment No. 4 to Contract dated February 9, 2009 Engineering Services Related to the Mega Park Master Plan Wetland Permit Revision and Additional Archeological Studies, with Dewberry Engineers Inc., a New York corporation, for certain archeological investigations and wetland permit application revisions for an aggregate lump sum of \$602,566;

(2) Amendment No. 5 to Contract dated February 9, 2009 Engineering Services Related to the Mega Park Master Plan Additional Site Exhibits Related to the Market Study, with Dewberry Engineers, Inc., a New York corporation, for preparation of industry specific layouts for Lots 4, 5 and 6, for an aggregate lump sum of \$31,230;

(3) Amendment #6 to Contract dated February 9, 2009 Engineering Services Related Project Cavalier Site Exhibit, with Dewberry Engineers, Inc., a New York corporation, for preparation of industry specific layouts for Lot 3 and marketing assistance with the same at an hourly rate, with the total fee not to exceed \$20,000; and

(4) Amendment #7 to Contract dated February 9, 2009 Engineering Services Related to the Mega Park Master Plan Additional Archeological Services, with Dewberry Engineers, Inc., a New York corporation, for additional archeological investigations and services in support of the USACE Permit application, at a lump sum of \$22,441.

The Motion was **seconded** by Mr. Shanks. Mr. Snead questioned if additional funding was needed and Mr. Sides noted this required no additional funding from either locality. The **Motion** was carried by the following vote:

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

5C. FINANCIAL STATUS REPORT AS OF MARCH 31, 2014

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Authority Treasurer Barbara Dameron gave an update on the Financial Status noting RIFA spent approximately \$12,000.00 in March, of that about \$9,400.00 was the pass through from IALR-Charles Hawkins' Building for the administrative fee. Under Cane Creek Centre, RIFA had \$207 to Dewberry for wetland monitoring. For General Expenses, RIFA expended about \$354.00, \$95.00 of that was for legal, a little over \$200.00 was for meals and \$26.00 for utilities. RIFA expended a little over \$2,000.00 for the Wetland Study and Solutions. Sources of Revenue show \$9,400.00 from the Institute and \$300.00 from Securitas. Mr. Harville noted one financial statement entry shows State Road 863, which is now US 311. Ms. Dameron noted she would update the report.

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

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

5D. DISCUSSION OF THE LETTER DATED MARCH 20, 2014 FROM DUKE ENERGY

Danville City Manager Joe King noted this is essentially a form letter that has been sent to every property owner along the Dan River with Duke saying they will do what is necessary to effect the clean-up that is agreed to and making themselves available for questions or comments. Authority Attorney Michael Guanzon noted it is also to try to assess the type of damages people might be seeking if the efforts to clean up are not done to their satisfaction. A questionnaire attached to the letter says "please provide any additional information if needed in the space below." RIFA might want staff to draft a narrative to explain how the coal ash spill adversely impacts RIFA's ability to attract businesses. It is bad press even if it is not directly impacting the water supply for these businesses as well as the public perception. This does not mean RIFA would be able to recover those things, they are speculative in nature, but RIFA should provide the information. Mr. Guanzon also explained that if RIFA is going to do environmental remediation credits, if part of the RIFA property is against the water and that could have been dedicated for a conservation easement, if it is contaminated, RIFA might not be able to bank that to remediate something else. Mr. Guanzon recommended that staff does mention that in the questionnaire. Board Members agreed to have staff draft a response and Mr. King noted staff would bring back a recommended response at the next meeting.

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 12:43 p.m., Mr. Snead **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.

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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

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

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

On **Motion** by Mr. Snead and **second** by Mr. Shanks and by unanimous vote at 1:21p.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.

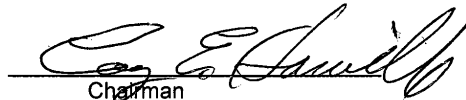
The Motion was **seconded** by Mr. Snead and carried by the following vote:

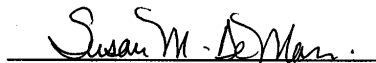
VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

COMMUNICATIONS

Mr. Snead and Mr. Vogler asked Mr. Wright to continue the updates to the RIFA Board.

MEETING ADJOURNED AT 1:13 P.M.


Chairman


Secretary to the Authority