

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
May 12, 2014

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:16 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 Jerry A. Hagerman.

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

Also present was Dewberry and Davis Project Manager Shawn Harden.

Chairman Harville introduced Mr. Jerry Hagerman who is now representing Pittsylvania County as the Alternate member.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

ADD AGENDA ITEM 5E

Mr. Harville noted he would like to add item 5E to the May 12, 2014 Agenda. Mr. Saunders **moved** to add Item 5E to the May 12, 2014 Agenda. 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)

APPROVAL OF MINUTES FOR THE APRIL 14, 2014 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Snead, Minutes of the April 14, 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

Project Manager Corrie Teague noted Linwood Wright was not able to make today's meeting but had provided a few updates. U.S. Green Energy is currently making progress on their financial situation and staff will give the Board more details in the upcoming meeting. GOK's lease in Cane Creek will transfer to Zeyuan no later than June 1. Mr. Wright recently met with Elkay and things are looking very positive.

Mr. Shanks asked for more details on U.S. Green Energy; Ms. Teague noted they would provide that to the Board.

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5B. CONSIDERATION – RESOLUTION NO. 2014-05-12-5B – APPROVING ONE YEAR RENEWAL OF LEASE TO OSBORNE COMPANY OF NORTH CAROLINA

Authority Attorney Michael Guanzon explained this is a renewal for the lease, with the same terms as last year; the only difference is the forty-five day early termination right by RIFA.

Mr. Snead **moved** adoption of Resolution No. 2014-05-12-5B, *approving a one-year renewal of the lease to the Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Mega Park site (a portion of GPINs 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road; the lease term shall be subject to a 45-day early termination right by the Authority; and the lease shall be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$1,000.*

The Motion was **seconded** by Mr. Saunders. Mr. Snead questioned the 45 day early termination and Mr. Guanzon noted this was discussed with staff, Mr. Harville and the lessees and they were agreeable with 45 days or sooner. Mr. Guanzon noted since they pay their lease up front, the Authority would pro rate and refund any unused portion.

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

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

5C. CONSIDERATION – FISCAL YEAR 2015 PROPOSED GENERAL EXPENDITURES BUDGET

Authority Treasurer Barbara Dameron noted that the proposed budget is based on continued funding from the City and the County in the amount of \$75,000 each, annually. There is a reduction of approximately \$67,000, primarily in the contingencies; the insurance is budgeted at \$3,000, which is \$3,000 less than last year, which is related to some of the buildings that have been removed and the Institute now covering their insurance. There is a small increase in accounting, a small decrease in meals and also a decrease in the annual bank fees.

Mr. Shanks questioned the Utility charges and Ms. Dameron noted the Authority has a small charge for one of the properties at Cane Creek of approximately \$26 per month.

Mr. Shanks **moved** to approve the Fiscal Year 2015 Proposed General Expenditures Budget. 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)

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5D. FINANCIAL STATUS REPORT AS OF APRIL 30, 2014

Authority Treasurer Barbara Dameron gave the Financial Status report noting under Cane Creek Bonds, the Authority expended \$32,650 for the purchase of the Dabbs property. Under General Expenses, the Board expended \$31,463 last month: \$31,204 for legal fees from October to January; of that, approximately \$17,000 was general, a little over \$10,000 was for Cane Creek, \$2,800 was for AVRC and \$1,400 was for Berry Hill. Expenditures for meals of \$233.00 and \$26.00 in Utilities. Berry Hill Mega Park has expenditures of \$8,000 for the Wetland Studies project and the budget column was updated to recognize the Dewberry expenses that were approved last month. Receipts show the Institute as well as Securitas and the Authority also paid \$9,383 to the Institute for their property management fees. In the Financial Statements, the primary activity would be the payment of the debt service on the Berry Hill Bonds.

Mr. Snead **moved** to approve the Financial Report as of April 30, 2014 as presented. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

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

5E. CONSIDERATION – RESOLUTION 2014-05-12-5E – APPROVE ONE YEAR RENEWAL OF HUNTING LEASE WITH GUILFORD WHITETAIL MANAGEMENT

Mr. Saunders **moved** adoption of Resolution 2014-05-12-5E *to approve a one year renewal of the Hunting Lease with Guilford Whitetail Management, a North Carolina Corporation, as Tenant, with a 30-Day Early Termination Right of Landlord, of approximately 1,573.94 acres at the Authority's Mega Park Site (GPINs 1366-54-5996, 1367-42-8434, 1377-01-1754 and a portion of 1356-98-0985), commonly known as the Klutz Farm, for the uses of Hunting, Fishing and Related Outdoor Recreational Activities, at a total rental fee of \$5,000.*

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)

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 12:29, Mr. Shanks **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

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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. Snead 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 1:05 p.m., the Authority returned to open meeting.

Mr. Shanks **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. Harville asked Authority members for any comments on the letter and map from Williams Transco regarding the Atlantic Sunrise Pipeline Project. Members had no comments.

Mr. Snead noted that Ms. Bowman called him before the meeting and stated that the Governor will be here the 27th of May. She is on the Legislative Committee with the Chamber. If RIFA members have any questions they can relay them to Ms. Bowman or Laurie Moran at the Chamber.

Mr. Guanzon noted they did close on the Dabbs Property which is to be added to Cane Creek; staff will be discussing some post-closing items and will give a more detailed report on this matter.

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Mr. Harville asked Ms. Teague to give an update at the next meeting on properties the Authority now has.

MEETING ADJOURNED AT 1:09 P.M.


Chairman


Secretary to the Authority