

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY  
Minutes  
August 11, 2014

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:12 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, County Administrator Clarence C. Monday, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Interim Finance Director/Authority Treasurer Michael Adkins, Director of Public Works Ric Drazenovich, Director of Economic Development Telly Tucker, City of Danville Senior Accountant Patricia Connor, 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 Coy Harville introduced Telly Tucker, City of Danville's Economic Development Director and Clarence Monday, County Administrator for Pittsylvania County. Mr. Harville also welcomed Patricia Connor back.

**PUBLIC COMMENT PERIOD**

Bruce Hedrick with Southside Central.com appeared before the Authority to tell the RIFA board and staff that he will now be doing live coverage of the RIFA meetings.

**APPROVAL OF MINUTES FOR THE JUNE 9, 2014 MEETING**

Upon **Motion** by Mr. Saunders and **second** by Mr. Snead, Minutes of the June 9, 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**

Director of Economic Development Telly Tucker gave a brief report to the RIFA board noting U.S. Green Energy is now manufacturing on a limited basis three days per week, one shift. They are manufacturing photovoltaic products, lighting equipment, roofing products and some solar panel products as well. Zeyuan Flooring has assumed a lease from GOK and are expected to set up their manufacturing facility early in 2015. GOK is currently reorganizing and will still have a presence in that facility as well. IKEA and Elkay are both reporting positive business activity at their respective locations.

**5B. CONSIDERATION – RESOLUTION NO. 2014-08-11-5B – RATIFYING THE 2014 LEASE RENEWAL – HUNTING LEASE AGREEMENT WITH JAY VANN CLODFELTER AND BRENT CLODFELTER**

Mr. Shanks **moved** adoption of Resolution No. 2014-08-11-5B, *ratifying that certain 2014 Lease Renewal of that certain Hunting Lease Agreement with Jay Vann Clodfelter and Brent*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY  
Minutes  
August 11, 2014

*Clodfelter as tenants for an aggregate of 561.13 acres, more or less (GPINs 1366-16-2959 and 1367-01-8739), in the Authority's Berry Hill Industrial Park project in Pittsylvania County, Virginia, for a one-year renewal term at the same rental amount of \$2,000, subject to a 60-day early termination right by the Authority, a right by the Authority to show the property upon 24 hours notice and the obligation of tenants to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law.*

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

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

**5C. CONSIDERATION – RESOLUTION NO. 2014-08-11-5C – APPROVING RENEWAL OF AUTHORITY'S MEMBER AGREEMENT WITH VML INSURANCE**

Ms. Conner noted the changes are mostly administrative in nature from the VML side. Mr. Harville asked Ms. Connor if staff checked with VACO. Ms. Connor noted staff did look at that last year and VML was still the better coverage for the price; staff did not re-look at that again this year.

Mr. Snead **moved** adoption of *Resolution No. 2014-08-11-5C, (i) approving renewal of the Authority's Member Agreement in order to continue participation with VML Insurance Programs that cover the Authority and its property; and (ii) authorizing, consenting and/or ratifying the execution of all necessary documents pertaining thereto, including without limitation that certain Amended and Restated Member Agreement dated as of July 1, 2014 and those certain Amended and Restated VML Insurance Programs Bylaws dated as of July 1, 2014.*

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

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

**5D. FINANCIAL STATUS REPORT AS OF MAY 31, 2014**

Authority Treasurer Michael Adkins noted there was only one expenditure for the current month of \$26.10 for the Utility bill. In addition to that, normal rents and lease payments for July 2014 were received.

Mr. Saunders **moved** to approve the Financial Report as of July 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)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY  
Minutes  
August 11, 2014

**5E. REPORT BY DEWBERRY ENGINEERS INC. ON OPTIONS FOR DAM LOCATED IN THE AUTHORITY'S CANE CREEK PROJECT**

Dewberry Engineer Shawn Harden noted this matter refers to the pond located behind the old Hughes home, the Lake House. DCR recently did a desktop review of ponds in Virginia and they tagged this pond as possibly meeting the requirements covered by the dam safety regulations. Mr. Harden noted he has done a desktop review and that the dam is either 24 or 26 feet tall; the cutoff is 25 feet. There is two different regulations: if the dam is over 25 feet tall and holds back 15 acre feet of water, or under 25 feet tall and holds back 50 acre feet of water it is regulated under the Dam Safety Regulations. Based on the desktop review, staff is unable to determine whether or not it is regulated.

The Board has two options: they can survey the dam, do a bathymetric survey of the bottom to determine the volume of the pond and come up with options to lower the dam and the water volume so that it is not regulated. The other option is RIFA can apply for a permit from DEQ and Corp, remove the dam and restore it back to a stream channel. To do the survey to determine whether it is regulated, a letter report to give options and some cost estimates on what can be done with that dam, RIFA's cost will be about \$15,500. To do the permit application saying the Authority doesn't want the dam, would be about \$6,500.

Mr. Harville stated he was in favor of removing the dam and questioned if the Authority could receive wetland credits. Mr. Harden noted he believed the Authority would have the option to get a few stream channel credits for restoring that stream back to its original condition but it might not be cost effective to do that. The simplest and cheapest thing for the board to do is to breach dam and let it naturally go back to its existing stream channel. Mr. Drazenovich stated he believed it is more of a liability to keep it in place and recommended taking it out and just restore it back to its natural condition and let it go. Mr. Sides noted he believed staff is in full agreement on this. Mr. Harden briefly explained the process to breach the dam. In response to Mr. Shanks, Mr. Harden noted it was a simple permit with the Corp; writing a letter telling them that the Authority feels the dam is unstable and they want to breach it. There will be a few discussions with DCR to make sure they don't want to put any qualifications on it and make sure the Corp is okay with it.

Mr. Snead **moved** to authorized the staff to move forward with the permits and report back to the Board. 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)

**5F. CONSIDERATION – RESOLUTION 2014-08-11-5F – AUTHORIZING CHAIRMAN OR VICE CHAIRMAN OF AUTHORITY TO EXECUTE U.S.D.A TRACT REDISTRIBUTION FORMS**

Mr. Sides explained this is a routine housekeeping matter by the US Department of Agriculture to update their records. Mr. Sides noted he had asked the County's Agricultural Development Director to follow up on this with the USDA and he verified that the Authority needs to authorize the chairman to sign the forms and send them back to USDA.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 11, 2014

Mr. Saunders **moved** adoption of *Resolution No. 2014-08-11-5F, authorizing the Chairman and the Vice Chairman of the Authority, either of whom may act independently of the other, to execute those certain U.S. Department of Agriculture Tract Redistribution Forms for Tract Numbers 7408 and 7359 (Farm Serial Number 13313), located in the Authority's Berry Hill Industrial Park Project, pertaining to farm tract acreage and certain crops.*

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 12:30, 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)(7) of the Code of Virginia, 1950, as amended, for consultation with the Authority's legal counsel, Clement Wheatley, and briefings by the Authority staff or consultants pertaining to probable litigation on a contract matter, where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority. "Probable litigation" means litigation on which the Authority's legal counsel has a reasonable basis to believe will be commenced against a known party.

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. Saunders and **second** by Mr. Snead and by unanimous vote at 1:50 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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY  
Minutes  
August 11, 2014

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)

**6D. CONSIDERATION – RESOLUTION 2014-08-11-6A – NO ACTION TAKEN**

**COMMUNICATIONS**

There were no communications from the RIFA board and staff.

MEETING ADJOURNED AT 1:53 P.M.

  
Chairman

  
Secretary to the Authority