

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
MINUTES OF MEETING
August 12, 2014

PURSUANT TO WRITTEN NOTICE DATED AUGUST 5, 2014, A COPY OF WHICH IS ATTACHED HERETO, A MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, WAS HELD IN THE FOURTH FLOOR CONFERENCE ROOM OF THE MUNICIPAL BUILDING ON TUESDAY, AUGUST 12, 2014 AT 11:00 A.M.

THE FOLLOWING MEMBERS WERE PRESENT AND ABSENT:

PRESENT: T. NEAL MORRIS, NEW CHAIRMAN
 C. G. HAIRSTON, VICE CHAIRMAN
 RICHARD L. TURNER, TREASURER
 SHIRLEY D. PRIMIANO, SECRETARY
 RUSSELL D REYNOLDS
 MAX R. GLASS

ABSENT: LANDON R. WYATT, JR.

ALSO PRESENT: ALAN SPENCER, ASSISTANT CITY ATTORNEY
 GABRIELA WOODARD, SCRIBE
 JOE KING, CITY MANAGER
 TELLY TUCKER, ECONOMIC DEVELOPMENT DIRECTOR
 LINWOOD WRIGHT, ECONOMIC DEVELOPMENT
 CORRIE TEAGUE, ECONOMIC DEVELOPMENT
 MICHAEL ADKINS, FINANCE

MR. MORRIS, CHAIRMAN OF THE IDA, CALLED THE MEETING TO ORDER AT 11:00 A.M.

MINUTES

COPIES OF THE MINUTES OF THE JULY 8, 2014 MEETING WERE DISTRIBUTED TO THE MEMBERS WITH THEIR AGENDA PACKET. A MOTION WAS MADE BY MR. TURNER TO APPROVE THE MINUTES. THE MOTION WAS SECONDED BY DR. PRIMIANO AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. HAIRSTON	- AYE
DR. PRIMIANO	- AYE
MR. TURNER	- AYE
MR. REYNOLDS	- AYE
DR. GLASS	- AYE

UPDATE ON FINANCES

MICHAEL ADKINS, THE DEPUTY DIRECTOR OF FINANCE, UPDATED THE MEMBERS ON FINANCIAL ACCOUNTS OF THE IDA.

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE ACQUISITION OF 2.42 ACRES OF PROPERTY ON BISHOP ROAD IDENTIFIED AS PARCEL ID 60538.

A MOTION WAS MADE BY MR. HAIRSTON TO PASS A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE ACQUISITION OF 2.42 ACRES OF PROPERTY ON BISHOP ROAD IDENTIFIED AS PARCEL 60538. THE MOTION WAS SECONDED BY MR. REYNOLDS AND PASSED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. HAIRSTON	- AYE
DR. PRIMIANO	- AYE
MR. TURNER	- AYE
MR. REYNOLDS	- AYE
DR. GLASS	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING CHANGE ORDERS FOR THE ACREE'S WAREHOUSE PROJECT LOCATED AT 321 CRAGHEAD STREET.

MR. LYNWOOD WRIGHT INFORMED THE BOARD IF EVERYTHING COMES THROUGH AS ANTICIPATED ON THIS PROJECT, THEY SHOULD END UP WITH SOME MONEY LEFT OVER, BETWEEN THE HISTORIC RENOVATION GRANT AND THE STATE FEDERAL HISTORIC TAX CREDIT WHICH ECONOMIC DEVELOPMENT IS VIGOROUSLY PURSUING. THEY HAD A CHANGE ORDER THAT EXCEEDS THE REQUEST IN THE ORIGINAL RESOLUTION WHICH WAS TO GIVE AUTHORITY OF THE 25,000. THERE IS A PROBLEM WITH ROOF DRAINS ON THAT PIECE OF PROPERTY, AND THE ESTIMATE FROM DISHMAN TO CORRECT IT CAME TO \$39,517. MR. TURNER ASKED IF ACTION COULD BE TAKEN RIGHT AWAY. MR. LYNWOOD WRIGHT ALSO MENTIONED THAT THESE FINDINGS HAVE BEEN APPROVED AND SIGNED OFF BY DAVID BRANDON AND RICK DRAZENOVICH. MR. MORRIS SUGGESTED MAKE THE CHANGES AND VOTE DURING THIS MEETING. MR. TURNER PROPOSED THAT THE BOARD APPROVE A TOTAL AMOUNT NOT TO EXCEED \$100,000 FOR M.R. DISHMAN AND SONS, AND A TOTAL AMOUNT NOT TO EXCEED \$25,000 FOR CJMW ARCHITECTURE. AFTER DISCUSSION, MR. TURNER MADE A MOTION TO PASS THE NEWLY REVISED RESOLUTION OF THE VIRGINIA DEVELOPMENT AUTHORITY APPROVING AND AUTHORIZING CHANGE ORDERS FOR THE ACREE'S WAREHOUSE PROJECT. THE MOTION WAS SECONDED BY MR. HAIRSTON AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. HAIRSTON	- AYE
DR. PRIMIANO	- AYE
MR. TURNER	- AYE
MR. REYNOLDS	- AYE
DR. GLASS	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA CONFIRMING AND RATIFYING PRIOR ACTION OF THE CHAIRMAN IN EXECUTING AN AGREEMENT WITH BRUCE STOCKBURGER OF THE LAW FIRM OF GENTRY LOCKE RAKES & MOORE TO PROSECUTE THE APPLICATION FOR HISTORIC TAX CREDITS FOR ACREE'S WAREHOUSE AND APPROVING AND AUTHORIZING THE LAW FIRM OF GENTRY LOCKE RAKES & MOORE TO REPRESENT THE INDUSTRIAL DEVELOPMENT AUTHORITY IN PROCURING HISTORIC TAX CREDITS FOR ACREE'S WAREHOUSE.

DR. PRIMIANO MADE A MOTION TO PASS A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA CONFIRMING AND RATIFYING PRIOR ACTION OF THE CHAIRMAN IN EXECUTING AN AGREEMENT WITH BRUCE STOCKBURGER OF THE LAW FIRM OF GENTRY LOCKE RAKES & MOORE TO PROSECUTE THE APPLICATION FOR HISTORIC TAX CREDITS FOR ACREE'S WAREHOUSE AND APPROVING AND AUTHORIZING THE LAW FIRM OF GENTRY LOCK RAKES & MOORE TO REPRESENT THE INSDUSTRIAL DEVELOPMENT AUTHORITY IN PROCURING HISTORIC TAX CREDITS FOR ACREE'S WAREHOUSE. THE MOTION WAS SECONDED BY MR. HAIRSTON AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. HAIRSTON	- AYE
DR. PRIMIANO	- AYE
MR. TURNER	- AYE
MR. REYNOLDS	- AYE
DR. GLASS	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE WITH NORFOLK SOUTHERN FOR PROPERTY ADJACENT TO 750 CRAGHEAD STREET.

MR. TURNER MADE A MOTION TO PASS A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE WITH NORFOLK SOUTHERN FOR PROPERTY ADJACENT TO 750 CRAGHEAD STREET. THE MOTION WAS SECONDED BY DR. PRIMIANO AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. HAIRSTON	- AYE
DR. PRIMIANO	- AYE
MR. TURNER	- AYE

MR. REYNOLDS - AYE
DR. GLASS - AYE

CLOSED MEETING

NEXT, DR. PRIMIANO MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENE IN EXECUTIVE CLOSED MEETING FOR THE PURPOSE OF DISCUSSION CONCERNING A PROSPECTIVE BUSINESS OR INDUSTRY OR THE EXPANSION OF AN EXISTING BUSINESS OR INDUSTRY WHERE NO PREVIOUS ANNOUNCEMENT HAS BEEN MADE AS PERMITTED BY SUBSECTION (A) (5) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED; AND DISCUSSION OR CONSIDERATION OF THE ACQUISITION/DISPOSITION OF REAL PROPERTY FOR A PUBLIC PURPOSE WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY IMPACT THE BARGAINING POSITION OF THE CITY AS PERMITTED BY SUBSECTION (A) (3) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED. THE MOTION WAS SECONDED BY MR. TURNER AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS - AYE
MR. HAIRSTON - AYE
DR. PRIMIANO - AYE
MR. TURNER - AYE
MR. REYNOLDS - AYE
DR. GLASS - AYE

DR. PRIMIANO MOVED THE MEETING IMMEDIATELY RECONVENE INTO AN OPEN MEETING. THE MOTION WAS SECONDED BY MR. REYNOLDS AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS - AYE
MR. HAIRSTON - AYE
DR. PRIMIANO - AYE
MR. TURNER - AYE
MR. REYNOLDS - AYE
DR. GLASS - AYE

UPON RECONVENING, DR. PRIMIANO MOVED THAT THE BOARD ADOPT A RESOLUTION CERTIFYING THAT TO THE BEST OF EACH MEMBER'S KNOWLEDGE THAT (1) ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER SECTION 2.2-3711 AND (2) ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENED WERE HEARD, DISCUSSED OR CONSIDERED IN THE CLOSED MEETING. THE MOTION WAS SECONDED BY MR. REYNOLDS AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS - AYE
MR. HAIRSTON - AYE
DR. PRIMIANO - AYE
MR. TURNER - AYE

MR. REYNOLDS - AYE
DR. GLASS - AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LOAN NOT TO EXCEED A PRINCIPAL AMOUNT OF \$65,000 TO SLW & ASSOCIATES, LLC.

MR. REYNOLDS MADE A MOTION TO PASS A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LOAN NOT TO EXCEED A PRINCIPAL AMOUNT OF \$65,000 TO SLW & ASSOCIATES, LLC. THE MOTION WAS SECONDED BY MR. HAIRSTON AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS - AYE
MR. HAIRSTON - AYE
DR. PRIMIANO - AYE
MR. TURNER - AYE
MR. REYNOLDS - AYE
DR. GLASS - AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE PURCHASE OF 624 NORTH MAIN STREET.

DR. PRIMIANO MADE A MOTION TO PASS A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE PURCHASE OF 624 NORTH MAIN STREET. THE MOTION WAS SECONDED BY MR. HAIRSTON AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS - AYE
MR. HAIRSTON - AYE
DR. PRIMIANO - AYE
MR. TURNER - AYE
MR. REYNOLDS - AYE
DR. GLASS - AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE REPLACEMENT OF THE ROOF AT 415 MAIN STREET FOR AN AMOUNT NOT TO EXCEED \$30,000.

MR. TURNER MADE A MOTION TO PASS A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE REPLACEMENT OF THE ROOF AT 415 MAIN STREET FOR AN AMOUNT NOT TO EXCEED \$30,000. THE MOTION WAS SECONDED BY MR. REYNOLDS AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. HAIRSTON	- AYE
DR. PRIMIANO	- AYE
MR. TURNER	- AYE
MR. REYNOLDS	- AYE
DR. GLASS	- AYE

OTHER BUSINESS:

INTRODUCTION OF A NEW RESOLUTION BY MR. MORRIS ASKED ON BEHALF OF THE IDA BOARD TO BE ADDED TO THE AGENDA, THAT LEGAL ACTION BE TAKEN BY THE CITY ATTORNEY'S OFFICE TO COLLECT ON PAST DUE PAYMENTS FROM JIM BAILEY (COMMONWEALTH MACHINES), HYBRID VEHICLES AND GOK INTERNATIONAL.

MR. TURNER MADE A MOTION TO PASS A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CITY ATTORNEY'S OFFICE TO TAKE LEGAL ACTION TO COLLECT ON PAST DUE PAYMENTS FROM JIM BAILEY (COMMONWEALTH MACHINES), HYBRID VEHICLES, AND GOK INTERNATIONAL. THE MOTION WAS SECONDED BY MR. REYNOLDS AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. HAIRSTON	- AYE
DR. PRIMIANO	- AYE
MR. TURNER	- AYE
MR. REYNOLDS	- AYE
DR. GLASS	- AYE

MR. LINWOOD WRIGHT BROUGHT A LAST MINUTE ITEM UP TO THE BOARD TO CONSIDER AND VOTE ON DURING THIS MEETING IN REGARDS TO THE COMMUNITY DEVELOPMENT ENTITIY OF DANVILLE (CDE).

MR. WRIGHT REMINDED THE BOARD THAT ECONOMIC DEVELOPMENT IS IN THE PROCESS OF FINALIZING THEIR COMMUNITY DEVELOPMENT ENTITY (CDE) OPERATION, TO MANAGE THE NEW MARKET TAX RATES. THEY HAVE DECIDED THAT THE IDA SHOULD BE THE MANAGING AGENT FOR NEW MARKET TAX CREDITS. THAT REQUIRES A MANAGEMENT AGREEMENT BETWEEN THE DANVILLE CDE, INC AND THE IDA OF DANVILLE. THEIR ATTORNEY NEIL KEESEE HAS DRAWN SUCH AN AGREEMENT. CLARKE HAS NOT HAD AN OPPORTUNITY TO REVIEW IT, BUT HIS RECOMMENDATION IS, AND HE HAS DISCUSSED IT WITH TELLY AND NEAL, THAT THEY SHOULD ASK THE IDA BOARD TO AUTHORIZE THE CHAIRMAN TO SIGN THE NECESSARY AGREEMENTS BETWEEN THE CDE, OF WHICH NEAL IS A MEMBER OF THAT BOARD, AND THE IDA, AND THE TAX ADVANTAGE GROUP IN GREENVILLE, WHO IS THEIR ADVISOR ON THOSE AGREEMENTS THAT ARE REQUIRED TO GET THE IDA LEGALLY ACTING AS THE MANAGER FOR

DANVILLE VA CDE. ECONOMIC DEVELOPMENT HAS REVIEWED WHAT THEY THINK WILL HAPPEN IN THE NEXT SEVEN YEARS AND THEY ARE ESTIMATING THAT THE IDA WILL BENEFIT TO THE TUNE OF \$917,000 NET OF THE TAX ADVANTAGE GROUP FROM TAKING THIS ACTION. MR. WRIGHT ASKED THAT THE CHAIRMAN BE AUTHORIZED TO SIGN THE NECESSARY MANAGEMENT AGREEMENTS ONLY ONCE THEY HAVE BEEN REVIEWED AND APPROVED BY THE CITY ATTORNEY, CLARKE WHITFIELD. DR. PRIMIANO MADE A MOTION TO APPROVE THE MANAGEMENT AGREEMENT ONCE THE CITY ATTORNEY HAS REVIEWED IT. THE MOTION WAS SECONDED BY MR. HAIRSTON AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	- AYE
MR. HAIRSTON	- AYE
DR. PRIMIANO	- AYE
MR. TURNER	- AYE
MR. REYNOLDS	- AYE
DR. GLASS	- AYE

MR. LINWOOD WRIGHT HAD ANOTHER ITEM TO BRING TO THE BOARD REGARDING THE ROOF OF THE SASSER SIGN BUILDING.

MR. WRIGHT WANTED TO MAKE THE IDA BOARD AWARE OF A ROOF ISSUE IN THE SASSER SIGN BUILDING. DAVID BRANDON FROM PUBLIC WORKS RECEIVED AN ESTIMATE OF \$17,500 TO FIX THE ROOF PROBLEM LONG-TERM. MR. WRIGHT WAS NOT SURE IF MR. BRANDON RECEIVED ANY OTHER ESTIMATES. HE ALSO BROUGHT UP THE FACT THAT THE PUBLIC WORKS DEPARTMENT HAS BEEN AUTHORIZED TO DO WORK TO IDA BUILDINGS WITHOUT SPECIFIC APPROVAL OF THE BOARD. HE THOUGHT THE AMOUNT AUTHORIZED FOR PUBLIC WORKS TO DO REPAIRS WAS UP TO \$25,000. THEY WILL MAKE SURE THEY GET THE LOWEST PRICE.

MS. CORRIE TEAGUE UPDATED THE IDA BOARD ON MR. KEN JONES, 525 LOYAL STREET. HE WOULD BE SIGNING THE PURCHASE AGREEMENT ON THIS DAY.

DR. PRIMIANO ASKED ECONOMIC DEVELOPMENT STAFF IF THE JTI FOUNTAIN HAS BEEN REPAIRED. MS. TEAGUE RESPONDED THAT IT HAS BEEN FIXED AND THAT VIDEO SURVEILLANCE HAS BEEN IMPLEMENTED.

MR. TELLY TUCKER, ECONOMIC DEVELOPMENT DIRECTOR PUBLICLY THANKED THE IDA BOARD FOR THEIR ROLE IN BRINGING SKY VALLEY FOODS TO DANVILLE. THERE WAS A GREAT ATTENDANCE AT THE ANNOUNCEMENT BY CITY STAFF, ELECTED OFFICIALS AND THE COMMUNITY. HE THANKED THE IDA BOARD FOR MAKING THAT PROJECT HAPPEN BECAUSE IT'S A WIN FOR DANVILLE AND THE REGION.

MR. NEIL MORRIS ALSO THANKED THE CITY STAFF IN THE ECONOMIC DEVELOPMENT DEPARTMENT AND THE CITY ATTORNEY'S OFFICE FOR THE WORK THEY PROVIDE TO SUPPORT THE IDA. HE SAID THERE IS A GOOD PARTNERSHIP BETWEEN THE CITY, COUNCIL, AND THE IDA BOARD, WHICH IS GOOD FOR THE CITY.

THERE BEING NO FURTHER BUSINESS, THE MEETING ADJOURNED AT 11:40 A.M.

SHIRLEY PRIMIANO
SECRETARY

T. NEAL MORRIS
CHAIRMAN