

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
May 11, 2015

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders and Alternate J. Lee Vogler. Fred O. Shanks, III was absent. Pittsylvania County Members present were James A. Snead and Alternate Brenda H. Bowman. Vice Chairman Coy E. Harville was absent.

City/County staff members attending were: City Manager Joe King, County Administrator Clarence C. Monday, Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Finance Director/Authority Treasurer Michael Adkins, City of Danville Assistant Finance Director Patricia Connor, City of Danville Senior Accountant Carol Howell, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present were Dewberry and Davis Project Manager Shawn Harden.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE APRIL 13, 2015 MEETING

Upon **Motion** by Mr. Snead and **second** by Ms. Bowman, Minutes of the April 13, 2015 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

6A. CONSIDERATION OF RESOLUTION NO. 2015-05-11-5A, APPROVING AMENDMENT NO. 9 TO CONTRACT DATED FEBRUARY 9, 2015

Shawn Harden explained this was a resurvey for the Phase I area; the surveys have about a 2½ year life span and that date is approaching. In order for the Authority to receive the permit, it will eventually have to have a resurvey to make sure there is nothing else out there. In response to Mr. Snead, Mr. Harden noted it was just on what has been submitted.

Mr. Vogler **moved** adoption of *Resolution No. 2015-05-11-5A, approving Amendment No. 9 to Contract dated February 9, 2009 - Engineering Services Related to The Mega Park Master Plan – Critical Habitat Surveys, with Dewberry Engineers Inc., a New York corporation, for a resurvey for threatened and endangered species as required for the revised U.S. Army Corps of Engineers/Virginia Department of Environmental Quality permit for the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia, at a lump sum fee of \$12,500.*

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

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

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6B. CONSIDERATION OF RESOLUTION NO. 2015-05-11-5B, RATIFYING THE AUTHORITY'S REQUEST, DATED MAY 1, 2015 TO THE VIRGINIA TOBACCO COMMISSION

City of Danville Director of Economic Development Telly Tucker noted in December, staff sent a letter to the Commission requesting extensions on both Grant No. 2264 and 2491. Grant 2491 funds are specifically allocated for grading; staff is asking for an extension until the Authority can get the permit from the Army Corp. With Grant 2264, the City was to provide electrical service to the site. Part of those grant funds were to help with the engineering and the design of the actual system. Since that point, staff has had conversations with Appalachian Power about providing service. In the extension request, staff requested they be allowed to reallocate some of those funds so AEP can use those to acquire right of ways to do the engineering required. The other portion of that grant, staff is asking to use it for different work than was initially outlined in the original budget. There was the access road that staff has since decided not to do, so they have asked permission to use those funds for one of three things: either an interchange at 29 and 58 bypass, existing roadwork on the Berry Hill State Route 58B intersection or improvements in the existing Berry Hill corridor. The amounts do not change, the commitment from both the City and County do not change, staff is simply asking to use those funds differently than had been used before. Staff wanted to update the Board to give them information on how the funds would be used differently since the scope of the project has changed.

Ms. Bowman **moved** adoption of *Resolution 2015-05-11-5B ratifying the Authority's Request, dated May 1, 2015, to the Virginia Tobacco Indemnification and Community Revitalization Commission, to extend the grant period, to revise the grant project budget and to reallocate certain funding for Grant #2264.*

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

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

6C. CONSIDERATION OF RESOLUTION NO. 2015-05-11-5C APPROVING THE TRANSFER OF THAT CERTAIN ONE (1) ACRE TRACT OF LAND FRONTING ON TOM FORK ROAD BETWEEN LORILLARD AND IMPERIAL TOBACCO

Mr. Tommy Anderson, Director of Danville Operations of Lorillard Tobacco Company explained in July of 2014, Reynolds American, the parent company of RJ Reynolds Tobacco Company announced their intention to purchase Lorillard Tobacco Company headquartered in Greensboro, North Carolina. Subsequent to that purchase, Reynolds would then sell certain assets to Imperial Tobacco Group of Bristol, England. Those assets will include corporate facilities, manufacturing facilities and research and development facilities in Greensboro, North Carolina along with Lorillard's Danville facility, 130 acres on Kentuck Road. Lorillard had acquired this one acre tract on Tom Fork Road in 2007 as part of the agreement where Lorillard sold to RIFA 33.85 acres for rail access for Swedwood. The deed for that one acre tract on Tom Fork Road requires if Lorillard transfers it, they need written authorization from RIFA. Mr. Anderson noted he is asking for that authorization so that one acre tract can be transferred to Imperial Tobacco once the deal is consummated which is anticipated to be in the next several weeks.

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Mr. Snead questioned the location of the tract and Mr. Anderson explained it is on Tom Fork Road behind Seller Construction on 58. Lorillard acquired that one acre tract to make them a party to the protective covenants of Cane Creek Centre. Lorillard had a concern about future inhabitants of Cane Creek Centre and this was proposed to make them party to the covenants. Shawn Harden noted it is one acre of land at the intersection of Cane Creek, the actual creek, and Tom Fork Road on the left hand side in the park. There is a power transmission line and a sanitary sewer line that runs through it; it is in the flood plan of Cane Creek. Mr. Snead questioned if Imperial wants it for the same reason that Lorillard had it and Mr. Anderson stated he honestly couldn't say that Imperial wants it, but Lorillard will cease to exist. Once the deal is consummated, everything that is currently Lorillard Tobacco Company will become Imperial Tobacco Group Brands, ITG Brands, headquartered in Greensboro, North Carolina as a subsidiary of the Imperial Tobacco Group from England.

Mr. Guanzon noted all the covenants will remain, it is already in the deed and that is the requirement that runs with the land. The deed, where RIFA gave it to Lorillard said that if it is transferred, they have to get RIFA's consent; at that time it was still under the covenants and will still remain part of the covenants.

Mr. Snead **moved** adoption of *Resolution 2015-05-11-5C approving the transfer of that certain one (1) acre tract of land fronting on Tom Fork Road, located in Pittsylvania County, Virginia, commonly known as GPIN 2347-33-1347, from Lorillard Tobacco Company, a Delaware Corporation, to a subsidiary of Imperial Tobacco Group, PLC, a British multinational tobacco company, where such approval is required under that certain deed dated January 17, 2007, and recorded in the clerk's office of the Circuit Court of Pittsylvania County, Virginia, as Instrument No. 07-00558, at page 209.*

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

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

Mr. Saunders asked Mr. Anderson to convey to Lorillard management and others that Lorillard has helped many people in this region. It provided jobs for so many people, for so many years. Please convey our thanks. Mr. Anderson noted they appreciate those words and Lorillard has been a part of the Danville community since 1930, 85 years this year, and currently still has 44 employees. They anticipate business as usual going forward, just the name will change.

D. FINANCIAL STATUS REPORT AS OF APRIL 30, 2015

Authority Treasurer Michael Adkins noted the monthly financials are as of April 30, 2015 and the first funding sheet is for the \$7.3M in bonds for Cane Creek Centre. There was one expenditure for the month of April in the amount of \$365.00 paid to Dewberry for wetlands monitoring. General Expenditures were \$276.00 expended, \$243.00 for meals and \$33.00 for the monthly utility bill. Mega Park Funding Other Than Bonds, shows no expenditures for the month of April. The Berry Hill Mega Park Lot 4 Site Development, shows an increase in the budget column for \$325,000 which represents Amendment No. 8 with Dewberry. The only expenditure for the month of April was \$4,735.00 to Wetland Studies and Solutions. Rent, Interest and Other Income, shows RIFA received the normal rent for the month from

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the Institute for \$6,673.00 and from Securitas for \$300.00. RIFA also received \$5,000.00 from the Guilford Whitetail lease. The only expenditure was the monthly Hawkins' Property Management Fee paid to the Institute for \$6,673.00.

Ms. Bowman **moved** to accept the Financial Report as of April 30, 2015 as presented. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

E. DISCUSSION OF JOINT MEETING OF DANVILLE CITY COUNCIL, PITTSYLVANIA COUNTY BOARD OF SUPERVISORS AND THE AUTHORITY

Pittsylvania County Administrator Clarence Monday noted at the time this agenda was prepared, staff had been discussing the possibility of amending the next RIFA meeting scheduled for June in order to have a joint meeting with the Board of Supervisors and City Council. Mr. Monday noted he has since learned that date is not available for a meeting of both government bodies and that following this meeting, the Mayor and the Chairman of the Board will meet to try to come up with alternative dates. Mr. Saunders noted he thinks it is imperative that the two bodies continue to meet and discuss the region, what is good for the County and what is good for the City, especially the citizens. Ms. Bowman noted the State of the Region is August 11, 2015 so they are trying to have the joint meeting well before that date and meet as soon as possible. As the State of the Region will be held at the Institute, the County would like to host the joint meeting at the Ag Complex.

6. CLOSED SESSION

[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 12:32 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 Sections 2.2-3711(A)(5) and 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, (i) for discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating its facilities in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, and (ii) for discussion concerning the disposition of certain publicly held real property in that project, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

B. On **Motion** by Mr. Snead and **second** by Mr. Vogler and by unanimous vote at 1:21 p.m., the Authority returned to open meeting.

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C. Mr. Snead **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 Ms. Bowman and carried by the following vote:

VOTE: 4-0
AYE: Bowman, Snead, Saunders, Vogler (4)
NAY: None (0)

8. COMMUNICATIONS

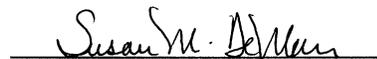
Mr. Tucker noted during the last round of Mega Site grant application process, the Board approved a resolution allowing staff to apply for one of two projects. One was for approximately \$4M to relocate an existing electrical line on site; the other was Phase II of the water system improvement. Staff had stated they would update the Board based on the feedback they received from Commission staff. The Commission gave feedback that the water system improvements would be received more favorably; that is the project staff moved forward with.

Mr. Tucker noted staff just received last week a letter response from the Army Corp of Engineers. Staff is discussing this and will put this on the agenda for the next meeting, but wanted to provide a copy to the Board.

Mr. Guanzon introduced Andrew Stephenson, a rising third year student at William & Mary Law School who will be with Clement Wheatley for six weeks.

The Meeting adjourned at 1:25 p.m.


Chairman


Secretary to the Authority