

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 13, 2016

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Fred O. Shanks, III and Alternate J. Lee Vogler. Vice Chairman Sherman M. Saunders was absent. Pittsylvania County Members present were Chairman Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock.

City/County staff members attending were: Interim Deputy City Manager Earl Reynolds, Pittsylvania County Administrator Clarence Monday, Pittsylvania County Economic Development Director Matt Rowe, City of Danville Director of Economic Development Telly Tucker, City of Danville Assistant Director of Economic Development Corrie Teague, City of Danville Finance Director/Authority Treasurer Michael Adkins, City of Danville Assistant Director of Finance Patricia Conner, City of Danville Senior Accountant Henrietta Weaver, Pittsylvania County Director of Finance Kim Van Der Hyde, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present was Shawn Harden of Dewberry & Davis.

Mr. Barksdale presided.

PUBLIC COMMENT PERIOD

Mr. Mark Joyner, Director of the Association for the Study of Archeological Properties read a statement to the Board regarding preservation of historical and archeological resources. (A copy of Mr. Joyner's statement can be obtained from the Secretary.)

APPROVAL OF MINUTES FOR THE MAY 9, 2016 MEETING

Upon **Motion** by Mr. Shanks and **second** by Mr. Warren, Minutes of the May 9, 2016 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2016-06-13-5A – APPROVING AMENDMENT #12 TO DEWBERRY CONTRACT

Pittsylvania County Director of Economic Development Matt Rowe explained this Resolution is for an Amendment to the Dewberry Contract, for engineering services related to additional archeological work for Project 950, and also to create Lot 3B for Project 950. Mr. Shanks questioned if the archeological work on these two sites was not included in the original permit and Mr. Rowe noted that was correct. Mr. Harden explained Dewberry did the initial archeological work over the entire park, then came back during the Phase I permitting application and did additional work. At the time Dewberry did the additional work, in the report, they narrowed down the scope to just Phase I and excluded from the report the additional work that was done on Lot 3, to make it cleaner for the Army Corp. This is to go back, capture that information that was gathered at that time and finish the report.

Mr. Shanks questioned if this will be a similar time frame as the Phase I project and Mr. Harden noted it wouldn't. Based on the layouts that were done preliminarily, staff thinks

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they can get it done under the SBG3 permit; RIFA actually has an industry that it is basing everything on, it should go right through.

Mr. Warren **moved** adoption of *Resolution 2016-06-13-5A, approving Amendment #12 to Contract dated February 9, 2009, Engineering Services Related to the Mega Park Master Plan, (i) for certain additional archeological work for Project 950 at the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia, for a lump sum fee of \$16,560; and (ii) for a subdivision plat of Lot 3B for Project 950 for a lump sum fee of \$12,500.*

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

VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

5B. CONSIDERATION – RESOLUTION 2016-06-13-5B – APPROVING AMENDMENT #13 TO DEWBERRY CONTRACT

Assistant Director of Economic Development Corrie Teague noted this is a similar request to the previous Resolution, amending the existing Master Plan contract for Amendment #13 which is additional archeological work and subdivision plat for Lot 8A with respect to Project Lignum. Mr. Harden explained this Lot was not included in the advanced studies done previously on Lots 4, 5 and 3; this is not just a report, it is to actually to go out and do the additional field work.

Mr. Vogler **moved** adoption of *Resolution 2016-06-13-5B, approving Amendment #13 to Contract dated February 9, 2009, Engineering Services Related to the Mega Park Master Plan, (i) for certain additional archeological work for Project Lignum at the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia, for a lump sum fee of \$82,800; and (ii) for a subdivision plat of Lot 8A for Project Lignum for a lump sum fee of \$6,500.*

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

VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

5C. CONSIDERATION – RESOLUTION 2016-06-13-5C – AUTHORIZING TREASURER TO OBTAIN A LOAN COMMITMENT TO REFINANCE CANE CREEK BONDS

Authority Treasurer Michael Adkins noted last month the Board discussed refinancing the Cane Creek bonds. The current structure calls for a balloon payment of \$4.6M due on August 1st. As the board requested, he went to Wells Fargo and asked for terms with three scenarios, one is refinancing the existing balance, the second, refinancing the balance after RIFA paid down about \$920,000 in principal and the third, actually increasing the borrowing line for perhaps a shell building project. Wells Fargo came back with only one option and that was to refinance the debt after RIFA has paid down the principal balance. The bonds were issued in 2005, and especially with Economic Development projects, they like to see

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that debt extinguished after twenty years. The three year refinancing they are offering RIFA with the additional principal payment of approximately \$900,000, would put RIFA in a position to have this debt extinguished in the twenty year window. It is also their intention to give RIFA two additional three year extensions in the future. Under the refinancing, paying it down using the debt reserve money RIFA has, RIFA would be refinancing \$3.7M; the next three years' principal payments would be \$365,000 for 2017, \$385,000 for 2018 and \$405,000 for 2019. The interest rate quoted was 2.36%, the existing debt today is 1.85%; that is very comparable to market now. Mr. Adkins noted he is seeking the Board's authorization to proceed talking with the bank to get this in place. Staff will also need reaffirmation from both the City Council and the County Board of Supervisors of their support of this debt. All of that would have to happen and RIFA would have to close on the refinancing before August 1st.

Mr. Guanzon noted this Resolution is limited to getting a loan commitment. Once staff receives the final terms negotiated before the closing, staff would come back in the July meeting for approval by the Board. If everything is not ready, RIFA may need to have a special meeting. Mr. Warren questioned how that would coordinate with the meetings for the both the City Council and Board of Supervisors to post their support. Mr. Adkins noted City Council has the last meeting of this month and the two meetings in July to get the support reaffirmed. Ms. Van Der Hyde noted there was a Board of Supervisors meeting coming on the 21st and the Board will have one meeting in July.

Mr. Shanks **moved** adoption of *Resolution 2016-06-13-5C, authorizing the Treasurer of the Authority, on its behalf, to negotiate and to obtain a loan commitment for the refinancing of the Authority's existing indebtedness of the Series 2013 Taxable Revenue Refunding Bond (Cane Creek Project) at a rate not to exceed 2.75% per annum, including without limitation the authorization to apply debt service reserves toward the reduction of the outstanding principal indebtedness.*

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

VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

5D. APPROVAL OF GENERAL EXPENDITURES FOR THE FY 2017 BUDGET

Authority Treasurer Michael Adkins noted the proposal for the FY 2017 Budget was included in the Agenda; all amounts are the same as last year and staff anticipates that to be sufficient. Unexpended amounts are carried forward as a contingency, that has built up over the years and the carry forward for FY 2016 was \$85,000.

Mr. Warren moved **approval** of the General Expenditures Budget for the Fiscal Year 2017 Budget. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

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5E. FINANCIAL STATUS REPORT AS OF MAY 31, 2016

Authority Treasurer Michael Adkins reviewed the Financial Status report as of May 31, 2016 noting the \$7.3M bonds for Cane Creek showed no activity. General Expenditures during the month of May show payments of \$31.00 for utilities and \$298.00 for meals. Mega Park Funding Other than Bonds showed no activity for May; Berry Hill Mega Park Lot 4 Site Development shows \$17,800 paid to Dewberry under Amendment #10 and \$11,700 to Wetlands Studies and Solutions. Rent, Interest and Other Income shows \$18,876 received from the Institute for Advanced Learning and Research for the Hawkins' Building, \$300 from Securitas, and \$5,000 from Whitetail Management; that will soon be refunded as they decided not to renew their hunting lease. RIFA received \$1,000 from Osborne Company for another lease and \$433.00 in interest. The only expenditure for the month of May was \$18,875 paid to IALR for the Management Fee of the Hawkins' Building.

Mr. Vogler **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

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.]

At 12:36 p.m. Mr. Shanks **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting:

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;

B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) and (29): (i) for discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and (ii) for discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

D. On **Motion** by Mr. Shanks and **second** by Mr. Warren and by unanimous vote at 1:22 p.m., the Authority returned to open meeting.

E. Mr. Vogler **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. Warren and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

Mr. Guanzon noted he has provided copies of two resolutions for the public.

6F-1. CONSIDERATION – RESOLUTION 2016-06-13-6F-1 – APPROVING AGREEMENT TO PURCHASE AND SELL REAL ESTATE BETWEEN THE AUTHORITY AND WILMOT PROPERTIES

Mr. Vogler **moved** adoption of Resolution 2016-06-13-6F-1, *approving the execution and delivery of that certain Agreement to Purchase and Sell Real Estate by and between the Authority and Wilmot Properties, LLC, a Delaware Limited Liability Company, as buyer, for Lot 3B, to contain approximately 300 acres in the Authority's Berry Hill Industrial Park, located in Pittsylvania County, Virginia, at a purchase price of \$30,000 per acre and \$10 per acre for any non-buildable acreage, including without limitation a 180-day due diligence period, a requirement of buyer to invest at least \$250M in development, construction and operation of the project, and a requirement of the Authority, at an expense not to exceed \$6.5M, to perform certain site work.*

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

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VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

6F-2. CONSIDERATION – RESOLUTION 2016-06-13-6F-2 – AUTHORIZING THE HIRING OF SPECIAL LEGAL COUNSEL IN SUPPORT OF RESOLUTION 2016-06-13-6F-1

Mr. Warren **moved** adoption of Resolution 2016-06-13-6F-2, *Authorizing the Hiring of Special Legal Counsel in support of Resolution 2016-06-13-6F-1 and the Berry Hill Lot 3B Project.*

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

VOTE: 4-0
AYE: Barksdale, Warren, Shanks, Vogler (4)
NAY: None (0)

7. COMMUNICATIONS

Mr. Barksdale noted the Board conducted some very important business today and thanked everyone for their support.

Mr. Shanks complimented staff for the job well done, presenting information today and for the good work that is becoming more apparent as RIFA continues to expand their horizons as a RIFA Board.

Mr. Vogler thanked everyone for the hard work they have put in and the long amount of time, these things take time to come about and believes great things are on the way for the region.

Mr. Warren echoed the same sentiments and also that with both governing bodies, it is wonderful to have the coalition they have and working together to move the region forward.

Mr. Monday noted he would echo some of the same thoughts; it is really great to see the governing bodies working well together, it is an exciting time for Danville and Pittsylvania County and he has been glad to work alongside the staff; they are doing a wonderful job for the region.

The Meeting adjourned at 1:28 p.m.


Chairman


Secretary to the Authority