DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
July 11, 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 Robert Warren and Alternate Elton W. Blackstock. Chairman Jessie L. Barksdale was absent.

City/County staff members attending were: Deputy City Manager Earl Reynolds, Pittsylvania County Administrator Clarence Monday, City of Danville Assistant Director of Economic Development Corrie Teague, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Assistant Director of Finance Patricia Conner, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present was Brian Bradner of Dewberry & Davis, City of Danville Mayor John Gilstrap and Council Member Madison Whittle.

Authority Secretary Susan DeMasi called the meeting to order and noted as the Chairman and Vice Chairman were absent, there would be an election for a Temporary Presiding Officer. Mr. Warren **nominated** Fred Shanks as Temporary Presiding Officer; the Motion was **seconded** by Mr. Blackstock. There were no further nominations and the Motion was **carried** by the following vote:

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

Mr. Shanks presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE JUNE 13, 2016 MEETING

Upon **Motion** by Mr. Warren and **second** by Mr. Vogler, Minutes of the June 13, 2016 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2016-07-11-5A – APPROVING REVISIONS TO AGENDA PREPARATION PROCEDURES

Attorney to the Authority Michael Guanzon explained this item reflects an update to procedures that were adopted on April 12, 2010 for preparing agenda items. Mr. Guanzon reviewed the staff's pre-RIFA meeting, recommendations made to the Chairman to include items in the agenda, and the timeline for making the agenda available for the RIFA meeting.

Mr. Vogler **moved** adoption of *Resolution 2016-07-11-5A, approving revisions that update the procedures dated April 12, 2010 for preparing agenda materials for monthly meetings of the Authority.*

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

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

5B. CONSIDERATION – RESOLUTION 2016-07-11-5B – AUTHORIZING ISSUANCE OF REVENUE REFUNDING BOND (CANE CREEK PROJECT) 2016

Assistant Director of Finance Patricia Conner noted last month the RIFA Board approved a Resolution authorizing Michael Adkins, Authority Treasurer, to negotiate a refinancing of RIFA' s Cane Creek debt with Wells Fargo. Staff has proceeded with those negotiations and are presenting a Resolution to the Board for approval for that refinancing. Ms. Connor explained the Support Agreements will be approved by the City and County next week at their respective meetings. The refinancing will be for $3.7M, the balloon payment that is coming due is $4.6M, and staff will use $900,000 of proceeds to pay that amount down to finance only $3.7M. Mr. Guanzon noted Steve Troutman from the Troutman, Sanders law firm, RIFA' s bond counsel, was present to answer any questions.

Mr. Blackstock noted documents indicate the ceiling is 4.5% which seems high and Mr. Troutman explained that was put in as a maximum rate. The Bank's current indicative rate, would be about 2.34%. They will be setting the rate anywhere from 5-10 days prior to the August 1st closing; the Authority and the Bank will have discussions as to exactly what the best day would be marketwise to try and get the best rate.

Mr. Shanks noted the principal is being reduced by monies that the City and County has provided in the past; the debt service that will begin in August, is that going to come out of the normal contribution the City and County make annually or additional contributions. Ms. Connor explained the City and County provide $75,000 each year for general expenditures and they also each provide half of the debt service for Cane Creek and Berry Hill.

Ms. Connor further explained the 2005 original debt was a variable rate; the City and County budgeted a 3% rate on that debt over time as a conservative way to make sure there was enough money to fund the debt service payments; the actual rate was much lower. The funds that accumulated are overestimations related to that variable rate debt and is where the $900,000 for the pay down comes from.

Mr. Warren questioned if RIFA continues to assume the 3% rate, ends up with 2.35%, RIFA will end up with a surplus again and Ms. Connor noted once the rate was fixed at 1.85%, staff used the true amortization. This will be a fixed rate as well so there will be no reserve or accumulation.

Mr. Warren **moved** adoption of *Resolution 2016-07-11-5B, authorizing the issuance of its Revenue Refunding Bond (Cane Creek Project), Series 2016 in an amount not to exceed $3,700,000; authorizing the execution and delivery of all bond documents in connection therewith including without limitation the Financing Agreement, the Bond and the Support*

Agreements; and authorizing other matters in connection therewith, in order to refinance the prior $5,595,000 Revenue Refunding Bond (Cane Creek Project), Series 2013.

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

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

5C. FINANCIAL STATUS REPORT AS OF JUNE 30, 2016

City of Danville Assistant Director of Finance Patricia Conner reviewed the Financial Status report as of June 30, 2016 beginning with Bonds for Cane Creek Centre, noting there were no changes from last month. General Expenditures for FY 2016 show RIFA spent $6,968.00: $4,499.00 for legal expenses, $2,140.00 for the insurance premium paid annually to VML Insurance Programs, $298.00 for meals and $31.00 for utilities. Ms. Connor explained staff will carry this sheet until they receive all FY2016 expenditures. Mega Park Funding Other than Bonds shows no changes from last month; Berry Hill Mega Park Lot 4 Site Development shows RIFA spent $26,700.00 to Dewberry for Amendment #10. Rent, Interest and Other Income Realized shows RIFA received almost $19,000 from the Institute for rent for the Charles Hawkins' Research Building, monthly rent of $300.00 from Securitas and $1,800.00 from Capital Outdoor Incorporated related to the billboard lease. RIFA also received a little over $475.00 for Interest. RIFA paid out almost $19,000.00 to the Institute for the Property Management Fee for the Charles Hawkins' Research Building and also paid out $5,000.00 as a refund to Guilford Whitetail Management for the non-renewal of their lease.

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

VOTE: 4-0
AYE: Warren, Blackstock, 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 12:26 p.m. Mr. Blackstock **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.

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

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

D. On **Motion** by Mr. Warren and **second** by Mr. Vogler and by unanimous vote at 1:02 p.m., the Authority returned to open meeting.

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

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

7. COMMUNICATIONS

Mr. Vogler thanked everyone for the hard work they have put in.

The Meeting adjourned at 1:05 p.m.

Jessie L. Barksdale
Chairman

Susan M. DeMarr
Secretary to the Authority