

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 12, 2016

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:10 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 Member present was Chairman Jessie L. Barksdale. Robert Warren and Alternate Elton W. Blackstock were absent.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Pittsylvania County Administrator Clarence Monday, Assistant Director of Economic Development Corrie Teague, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Finance/Authority Treasurer Michael Adkins, 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 were Shawn Harden and Brian Bradner of Dewberry & Davis, City of Danville Mayor John Gilstrap, and Council Member Madison Whittle.

PUBLIC COMMENT PERIOD

Coy Harville spoke regarding the Hunting Leases with the Authority at the Berry Hill Industrial Park.

APPROVAL OF MINUTES FOR THE AUGUST 8, 2016 MEETING

Upon **Motion** by Mr. Shanks and **second** by Mr. Saunders, Minutes of the August 8, 2016 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESCHEDULING THE AUTHORITY’S OCTOBER MEETING

Mr. Guanzon noted this matter is in reference to rescheduling the Authority’s October meeting to either Wednesday, October 12, 2016, or Thursday, October 13, 2016. Mr. Saunders **moved** that the October meeting be moved to October 13, 2016. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 3-0
AYE: Barksdale, Saunders, Shanks (3)
NAY: None (0)

Mr. Barksdale noted the presenters for Item 5B were not ready and the Authority would move to the next items and return to 5B when they were ready.

5C. CONSIDERATION – RESOLUTION 2016-09-12-5C – APPROVING AND PAYMENT OF A CHANGE ORDER TO BLAIR CONSTRUCTION REGARDING THE CHARLES HAWKINS BUILDING

Authority Treasurer Michael Adkins noted several months ago in closed session, staff discussed using restricted cash for the upfit of the Hawkins Building; SGS has been

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announced and is going into that building. The work was contracted with Blair Construction and has been completed. Mr. Adkins noted he is requesting the Board ratify that contract with Blair and approve payment. The estimate was \$45,000, the actual work was done for \$43,696.

Mr. Shanks **moved** adoption of *Resolution No. 2016-09-12-5C, approving and payment of a change order in the amount of \$43,696.00, payable to Blair Construction, Inc., a Virginia corporation, for certain upfitting work to The Charles Hawkins Building in the Authority's Cyber Park project, in Danville, Virginia, in support of Resolution 2014-10-16-7E ("A Resolution Approving Certain Modifications to The Charles Hawkins Building to Accommodate Installation of Certain Equipment for The Capstone Project, which is a Joint Venture between The Institute for Advanced Learning and Research and Danville Community College to Provide Multi-Disciplinary Training")* [No written resolution.]

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

VOTE: 3-0
AYE: Barksdale, Saunders, Shanks (3)
NAY: None (0)

5D. FINANCIAL STATUS REPORT AS OF AUGUST 31, 2016

Mr. Adkins reviewed the Financial Status report as of August 31, 2016, beginning with the \$7.3M for Cane Creek Centre, noting no activity for the month of August. Mr. Adkins stated staff has included FY16 expenses as there was an invoice from Dewberry for Project Lignum which was charged to the contingency line item for FY16 for \$5,400. Under FY17 General Expenditures, \$22 was charged for mileage reimbursements, \$3,000 for Brown Edwards for the progress billing on the FY2016 Audit and \$246 expended for meals. Under Mega Park Funding Other Than Bonds, there were no changes for the month of August. The Berry Hill Mega Park Lot 4 Site Development shows a progress billing from Dewberry paid of \$26,700 against the existing contract for that work. Under Rent, Interest and Other Income, RIFA received its monthly rent from the Institute of \$18,876, \$300 from Securitas and \$467 in Interest. RIFA paid out the Management Fee to the Institute of \$18,876.

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

VOTE: 3-0
AYE: Barksdale, Saunders, Shanks (3)
NAY: None (0)

5B. STATUS REPORT OF ACTIVITY FOR BERRY HILL INDUSTRIAL PARK

Brian Bradner from Dewberry reviewed with the Board the status of activity at the Berry Hill Industrial Park. Mr. Bradner explained Phase 1 is located off Berry Hill Road near the area where Lot 4 was originally laid out. The area will provide a total pad area of 133 acres, 109 +/- is contiguous with some area outside of that. This has the potential of supporting 1,400,000 square feet of industry, the Corp/DEQ permit has been obtained for this construction and the construction documents will be complete within thirty days. At that point, RIFA will need approval from regulatory agencies for the construction documents

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themselves. Mr. Bradner noted Southern Power has an option on a portion of Berry Hill in the area of Lot 3 and Project Lignum in the area where Lot 8 was originally designated.

Mr. Bradner explained staff did a comprehensive study on water and sewer needs, how they were going to supply water and sewer to the new park and provide adequate capacity for transformational industry. The most advantageous option was to partner with the City of Eden, North Carolina, both for water and sewer. Mr. Bradner discussed the existing sewer force main Eden installed several years ago, and was Phase 1 of the sewer needs. Mr. Saunders questioned the cost of that project and Mr. Harden noted it was about \$2.5M. Mr. Bradner explained the next phase of the sewer covered under the Corp permit will be connecting that sewer, providing sewer service to the Park.

Mr. Bradner explained there is water service at the park coming from 58 providing about 750,000 gallons per day to the park; that is Phase 1. Phase 2, which is included in the Corp permit, will extend a new 30" water line from the City of Eden and provide capacity to the park. Mr. Shanks questioned the existing 16" line, will that stay connected after the 30" is extended and Mr. Harden noted the 30" will come to the Oak Hill Road, Berry Hill Road intersection to serve Southern. They will extend that 30" line to their site because they can take that water at the low pressure; the 30" will be connected to a 16" line going up Oak Hill Road, up to the Judy Byrd Mountain tanks where it will transfer from the low pressure. The Eden system is the low pressure system, with a tank and booster station to pump it to the high; that will convert it up to the same pressure as the 58 water that will serve the rest of the park. Mr. Shanks questioned if the entire park will be one pressure zone and Mr. Harden noted it would be two pressure zones. Mr. Shanks questioned the water for construction and Mr. Harden noted construction water would be provided from the 16" line. Mr. Bradner explained on the Virginia side, both the water and sewer lines are fully funded, they are just waiting for confirmation to tweak any design and that will be ready for construction.

Mr. Barksdale stated the Board appreciates the update and thanked Mr. Bradner and Mr. Harden.

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 12:38 p.m. Mr. Saunders **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

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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. Shanks and carried by the following vote:

VOTE: 3-0
AYE: Barksdale, Saunders, Shanks (3)
NAY: None (0)

D. On **Motion** by Mr. Shanks and **second** by Mr. Saunders and by unanimous vote at 1:37 p.m., the Authority returned to open meeting.

E. Mr. Saunders **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. Shanks and carried by the following vote:

VOTE: 3-0
AYE: Barksdale, Saunders, Shanks (3)
NAY: None (0)

6F. CONSIDERATION – RESOLUTION NO. 2016-09-12-6F – APPROVING A COOPERATION AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT AUTHORITY

Authority Attorney Michael Guanzon noted copies of this Resolution are on the table, and concerns the Kyocera announcement last Thursday. Under the Cooperation Agreement between the Authority and the IDA, the IDA is requesting ten acres from the Cyber Park to be donated to it. The IDA will then enter into a Performance Grant Agreement with Kyocera.

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There will be protections in that document in the event of a breach in Performance Agreement or if development of that property does not occur within a certain time period.

Mr. Shanks **moved** adoption of *Resolution No. 2016-09-12-6F, approving a certain Cooperation Agreement with Industrial Development Authority of Danville, Virginia (the "City IDA"), a political subdivision of the Commonwealth of Virginia, under which the Authority shall donate approximately 10 acres located in the Authority's Cyber Park project in Danville, Virginia, in furtherance of a Performance Agreement to be entered between the City IDA and a business recruit to be publicly announced before the September 2016 meeting of the Authority; such Cooperation Agreement shall include, among other things, the obligation of the City IDA to convey the donated property back to the Authority under certain terms and conditions, such as the breach of such Performance Agreement by such business recruit.*

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

VOTE: 3-0
AYE: Barksdale, Saunders, Shanks (3)
NAY: None (0)

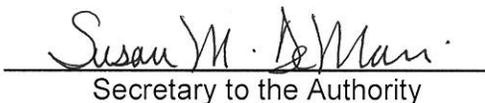
7. COMMUNICATIONS

Mr. Shanks, Mr. Vogler and Mr. Shanks congratulated staff, and thanked them for all they do.

Mr. Barksdale thanked Corrie Teague for arranging an offsite visit, she did a wonderful job, thanked staff for a superb job leading up to the Governor's announcement on September 8, and thanked everyone who attended. Staff is doing an excellent job.

The Meeting adjourned at 1:41 p.m.


Chairman


Secretary to the Authority