

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 13, 2017

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, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock.

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, City of Danville Director of Economic Development Telly Tucker, City of Danville Director of Community Development Ken Gillie, City of Danville Associate Planner Anna Levi, City of Danville Director of Finance Michael Adkins, Pittsylvania County Economic Development Director Matt Rowe, Deputy County Administrator Otis Hawker, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present was Shawn Harden and Brian Bradner of Dewberry & Davis, Tim Clark from Blair Construction and Danville City Council Member Madison Whittle.

PUBLIC COMMENT PERIOD

No one desired to be heard

APPROVAL OF MINUTES FOR THE FEBRUARY 13, 2017 MEETING AND FEBRUARY 24, 2017 SPECIAL MEETING

Upon **Motion** by Mr. Shanks and **second** by Mr. Barksdale, Minutes of the February 13, 2017 Regular Meeting and February 24, 2017 Special Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2017-03-13-5A APPROVING PROPOSED BUILDING IMPROVEMENTS TO KYOCERA SGS TECH HUB SITE

City of Danville Director of Economic Development Telly Tucker noted Tim Clark of Blair Construction was present to answer any technical questions related to the building construction. Mr. Clark has been working with the Company directly, finishing the design to their specifications. Mr. Tucker noted staff has been informed that the design has been approved by Kyocera corporate in Japan and they are now within a 90-day due diligence period. Upon completion of that, construction hopefully will begin. Staff will at some point plan a groundbreaking ceremony for that project, and make sure both Pittsylvania County and City of Danville elected officials are invited. Staff had an initial plan review meeting on Friday, there are two particular issues being worked through and staff will come back to the Board with more information about that. Staff is asking today that the Board consider approval of the concept for Kyocera SGS Tech Hub, after those two issues are resolved related to how the building sits on the property.

Mr. Guanzon noted what staff would have to, if the Board so chooses, is make a slight change to the Resolution before the Board, Resolution 2017-03-13-5A, to make it contingent on resolution of the issue, which is location of an entrance and how many feet it sits from the edge of the road; the Board cannot approve something that doesn't meet the Zoning

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requirements. Staff can work through those items, and the Board can approve everything subject to those two items. In response to Mr. Saunders, Mr. Guanzon noted it would be contingent upon final approval of the Zoning issues from the City as well as compliance with the restrictive covenants with respect to the entrance.

Mr. Barksdale **moved** adoption of *Resolution 2017-03-13-5A, approving the proposed building improvements to the site in the Authority's Cyber Park in Danville, Virginia, that will be occupied by Kyocera SGS Tech Hub, LLC, a Virginia limited liability company.*

The Motion was **seconded** by Mr. Shanks.

Mr. Shanks stated when the Board initially discussed Kyocera, they talked about having a hub type approach where there would be spokes coming out, it is not showing on the plans. Tim Clark from Blair Construction noted it is what is in the plans now. There were many discussions, and the company's vision was to have a hub and spoke type design that could be added to and perhaps locate other clients in different parts of the spoke; that is when SGS owned the idea. When SGS was acquired by Kyocera, Kyocera noted they did not want to share the space; they may want to add on to the plan later. Mr. Clark noted there is room on the pad in that area to have another building where it could be co-located on a similar site with similar interests. Mr. Tucker noted staff will come back to the Board with cost estimates to look at potentially grading an additional ten acre pad next door to this particular facility. The Authority does not have any graded pads readily occupiable in the Cyber Park; there are two or three in Cane Creek. He and Mr. Rowe discussed the merits of having a pad-ready site in the Cyber Park for the types of advanced manufacturing, or research and development type companies that would be more attracted to that Park. In the interest of saving money, while there are construction crews mobilized, staff will have some engineering work done to look at the cost, if RIFA wants to consider something like that.

Mr. Shanks questioned if RIFA is not providing as much land as they originally were going to use as they needed expansion space and Mr. Tucker noted RIFA is still providing the ten acres and it does give them expansion space on the building that is proposed. Mr. Clark reviewed the building plans with Board members, showing the issue with the entrance and the property line. Mr. Shanks questioned if there was more land other than this lot that can be graded and Mr. Clark noted there was. Mr. Tucker explained the total acreage for that site is about seventy acres; what is earmarked for Kyocera is ten acres.

Mr. Guanzon noted the Board needed to make an amendment to the Motion to make it contingent upon working out the entrance, certification from the City's Zoning regarding Zoning compliance and Restrictive Covenants compliance.

Mr. Saunders asked if the maker of the Motion agreed, and Mr. Barksale noted he agreed and the seconder, Mr. Shanks agreed.

The **Motion** was carried by the following vote:

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

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5B. CONSIDERATION – RESOLUTION 2017-03-13-5B – FORMALIZING AN INTERNAL PROCEDURE FOR AUTHORITY STAFF

Pittsylvania County Director of Economic Development Matt Rowe noted this Resolution is something the Authority has done previously with the land work in Cane Creek and also in regards to the Cyber Park years back. This Resolution reconfirms the fact that when a project is within the City or County, that respective entity, Assistant County Administrators, Administrators or Directors of Public Works are the ones that have the authority to sign off on checks, invoices or receipts as far as managing the financials. With the activity expected at Berry Hill, staff wanted to make sure this Resolution is approved once again by the Authority, to ensure that staff has the correct people keeping things moving.

Mr. Guanzon noted, for clarification, this Resolution does not give any authority to the staff they didn't already have. It says if the project is in the City, the City staff will evaluate the bills, make sure they are within the budget, send it to the Treasurer for approval and then the Chairman and Vice Chairman will sign the checks. When RIFA approves projects through a Resolution, it always says that the staff is going to be empowered to help in the execution of the intent of the Resolution. This is to memorialize what has been going on.

Mr. Warren **moved** adoption of *Resolution 2017-03-13-5B, formalizing an internal procedure for the Authority's staff to review and to approve certain account payables of development projects of the Authority.*

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

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

5C. CONSIDERATION – RESOLUTION 2017-03-13-5C – APPROVING ASSIGNMENT OF A. KENT SHELTON AS PROJECT MONITOR FOR PHASE 1 GRADING AT BERRY HILL

Mr. Tucker noted both the City and County have discussed with Dewberry the need to have a RIFA representative on site as the construction activity and grading progresses begin, to report back to City and County staff so staff is updated about progress, and be aware of any potential issues or concerns. Everyone is in agreement with Kent Shelton's expertise and level of professionalism; he is retired now, but has performed civil engineering activities for the City for a number of years. After discussion, it was decided Mr. Shelton's compensation would be included as part of the City's contribution, to be shown on the due to/due from balance sheet. Mr. Rowe noted they feel very strongly he is the person for the job.

Mr. Shanks noted it sounds like a perfect approach and it looks like it would save a considerable amount of money, the question is, are the services Mr. Shelton provides going to be paid by RIFA or in kind by the City. Mr. Adkins noted traditionally when the County or City provided in kind services it was treated as a transaction that affected the due to/due from in RIFA. With Mr. Shelton already having an agreement with the City, collecting his time and paying it made sense for efficiency purposes; he would just turn in his RIFA documented time along with his City time, the City would pay him a check for his services and that would be applied to the due to/due from RIFA as an in kind contribution of the City's. Mr. Guanzon noted even though he would be an independent contractor, if RIFA had

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hired him, it raises issues of him being RIFA's only 1099 employee. Mr. Hawker noted RIFA couldn't have picked a finer individual than Kent Shelton, he has worked with him for many years and will be working with him on this project.

Mr. Warren **moved** adoption of Resolution 2017-03-13-5C, *approving the assignment of A. Kent Shelton, P.E., whom the City of Danville, Virginia, has retained as an independent contractor for professional engineering services for the City, as the project monitor for the Authority's Phase 1 Grading Pads project at the Berry Hill Industrial Park; and the costs of such services shall be acknowledged by the Authority as an in-kind service contribution by the City, to be shown on the "due to/due from" balance sheet between the locality members of the Authority, and shall be at an hourly rate of \$38 (estimated to be approximately \$23,712 for the duration of the project) plus travel expenses.*

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

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

5D. FINANCIAL REPORT AS OF FEBRUARY 28, 2017

Authority Treasurer Michael Adkins noted under the \$7.3M for Cane Creek Centre there was no activity for the month of February. General Expenditures show RIFA paid \$616.00 for advertising for the RFP for Grading Services at Berry Hill, \$2,575.00 to LeClair Ryan for legal fees related to Project Wilmot, \$1,877.00 to Clement Wheatley for legal services, \$271.00 for meals and \$62.00 in Utilities. Mega Park Funding Other than Bonds shows no activity for February; the Berry Hill Mega Park Lot 4 shows \$5,240.00 to Dewberry for Amendment #10 and \$61.00 to Wetland Studies and Solutions. Rent, Interest and Other Income shows \$21,400 rent received from the Institute for Advanced Learning and Research for the Hawkins' Building, \$742.00 of Interest Income for the month and RIFA paid \$21,400 to the IALR for the property management fees related to the Hawkins' Building.

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

VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (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 12:42 p.m. Mr. Barksdale **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purpose:

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

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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; and

Mr. Shanks further **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purpose:

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

Mr. Warren **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purpose:

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) 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.

The Motions were **seconded** by Mr. Barksdale and carried by the following vote:

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

D. On **Motion** by Mr. Barksdale and **second** by Mr. Shanks and by unanimous vote at 1:11 p.m., the Authority returned to open meeting.

E. Mr. Barksdale **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, Saunders, Shanks (4)

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NAY: None (0)

Mr. Saunders noted Mr. Larking had called before the meeting that he was going to be late because of a fire on the bridge on the walking trail; Mr. Saunders asked Mr. Larking for an update. Mr. Larking noted that the walking bridge by the Crossing of Dan was on fire, they are not sure what happened but potentially it was caused by a cigarette. There is a section about six to eight feet that had to be cut out by the fire department. There were three fire crews out fighting this fire; damage seems to be minimal at this point.

7. COMMUNICATIONS

Mr. Barksdale thanked everyone for another good meeting, staff, partners and stakeholders.

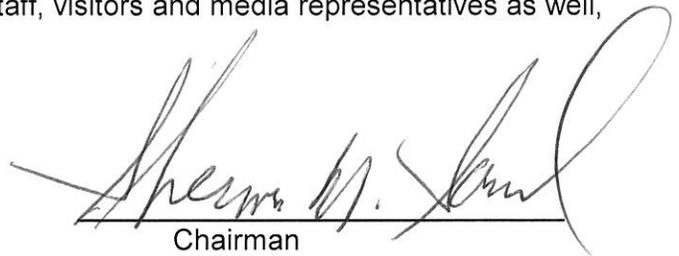
Mr. Shanks noted his agreement with Mr. Barksdale.

Mr. Vogler thanked everyone for the work they are doing whether it is in Berry Hill or other industrial parks; it is an exciting time for the region and looks forward to working with RIFA moving forward.

Mr. Warren noted his agreement with what has been said.

Mr. Saunders thanked the Board members, staff, visitors and media representatives as well, for all they do to get the word out about RIFA.

The Meeting adjourned at 1:18 p.m.



Chairman



Secretary to the Authority