

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes  
June 12, 2017

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:16 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 and Robert Warren; Alternate Elton W. Blackstock was absent.

City/County staff members attending were: Deputy City Manager Earl Reynolds, Pittsylvania County Director of Economic Development Matt Rowe, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Utilities Jason Grey, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague, Economic Development Project Manager Kelvin Perry, City of Danville Director of Finance Michael Adkins, 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 and City Council Member Madison Whittle.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE MAY 8, 2017 MEETING**

Upon **Motion** by Mr. Warren and **second** by Mr. Barksdale, Minutes of the May 8, 2017 Regular Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. CONSIDERATION – RESOLUTION 2017-06-12-5A APPROVING SITE DEVELOPMENT WORK AT BERRY HILL – UTILITIES**

Mr. Shanks **moved** for adoption of *Resolution 2017-06-12-5A approving site development work at the Authority's Berry Hill Industrial Park project in connection with Resolution Nos. 2017-02-24-4A and 2017-04-10-5A, whereby Danville Utilities would replace and relocate the current single phase distribution line at the lump sum cost of \$34,180.08.*

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

Grey Jason, City of Danville Director of Utilities noted he was here to answer any questions the Board may have.

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

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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 12, 2017

**5B. CONSIDERATION – RESOLUTION 2017-06-12-5B – APPROVING DEWBERRY PROPOSAL DATED MAY 15, 2017 FOR SEWER INFRASTRUCTURE AT BERRY HILL – WILMOT PROPERTIES**

Mr. Barksdale **moved** for adoption of *Resolution 2017-06-12-5B, approving that certain proposal dated May 15, 2017, for professional services by Dewberry Engineers Inc., a New York corporation, related to the construction phase of the sewer infrastructure to serve the Authority's Berry Hill Industrial Park project, at (A) an aggregate lump sum of \$140,524 for consolidation of design documents, permit application work, construction administration services and startup services and (B) an estimated fee of \$108,160 (to be billed at \$65 per hour) for resident inspection.*

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)

**5C. CONSIDERATION – RESOLUTION 2017-06-12-5C – APPROVING THE DEWBERRY PROPOSAL DATED MAY 15, 2017 FOR PRE-CLOSING WORK AT BERRY HILL – WILMOT PROPERTIES**

Mr. Warren **moved** for adoption of *Resolution 2017-06-12-5C approving that certain proposal dated May 15, 2017, for professional services by Dewberry Engineers Inc., a New York corporation, in support of Resolution No. 2017-05-08-5D, for Pre-Closing Work under that certain First Amendment to Agreement to Purchase and Sell Real Estate dated May 8, 2017, between the Authority and Wilmot Properties, LLC, a Delaware limited liability company, at (A) an aggregate lump sum of \$394,320 for project management, wetland permitting, pad grading construction plans and construction administration services; and (B) a budgeted cost of \$195,000 (to be billed at cost plus 15%) for construction testing and inspecting services.*

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

Pittsylvania County Director of Economic Development Matt Rowe noted at this time, Wilmot, in order to meet their desired project time frame, needs to begin this level of due diligence, and decided to reach out to Dewberry Engineers. The Board had amended the Purchase & Sale agreement, and through that Amendment, made it so any kind of action that Wilmot Properties takes in advance of closing on and securing the property, is done at their own risk and liability.

Mr. Guanzon explained the rationale is that RIFA has a contract with Dewberry and RIFA still owns the real property; this item is to keep Wilmot within their timeline so the purchaser can pay for certain pre-closing work. So long as the work is not so unique, that if the deal falls through or they do not proceed to closing, RIFA will not be stuck with something they cannot use for anything else. Under the current agreement, RIFA had agreed post-closing, to spend up to \$6.5M in certain site development costs. If they close, the amount of the funds Wilmot expends, up to the \$6.5M, would be applied towards the purchase price. If Wilmot walks away from the transaction, whatever improvements they did, they do not get

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY  
Minutes  
June 12, 2017

reimbursement. Mr. Guanzon noted Dewberry understands RIFA is not guaranteeing payment, they are just allowing for the work to be done upon RIFA' s property.

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

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

**5D. CONSIDERATION – RESOLUTION 2017-06-12-5D – APPROVING A WAIVER OF AUTHORITY’S LAND ENCUMBRANCES AT 1260 SOUTH BOSTON ROAD – IDA AND KYOCERA**

Mr. Barksdale **moved** for adoption of Resolution 2017-06-12-5D *approving a waiver of the Authority’s land encumbrances under Section 2(c) of that certain 1260 South Boston Road Cooperation Agreement dated August 24, 2016, with the Industrial Development Authority of Danville, Virginia (the “IDA”), a political subdivision of the Commonwealth of Virginia, in light of the letter of credit and other security provided for that certain Local Performance Agreement dated November 2, 2016, between the City of Danville, Virginia, the IDA and Kyocera SGS Tech Hub, LLC, a Virginia limited liability company.*

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

City of Danville Director of Economic Development Telly Tucker explained part of an incentive would typically include a reversion clause or some type of protection for RIFA, for the property to come back to RIFA in the event of non-performance. However, with respect to the ten acres RIFA is donating, the circumstances are a little unique in that Kyocera is purchasing the building outright at its completion, for \$4.5M and they have requested this revision be removed from the title. Kyocera did purchase a letter of credit which covers, in the event of non-performance, \$900,000 and the rest of the incentives will be paid in arrears which greatly reduces any risk to the IDA, the City, the County or RIFA in this particular project. Mr. Guanzon explained that RIFA still has a provision that says that if the IDA does not start the construction by a certain time, they have to give the property back to RIFA. Once they have built the property, that part of the security for RIFA will be completed. Mr. Warren questioned Mr. Guanzon will they entertain the idea of a first right of refusal to purchase it at fair market value in the event that happens. Mr. Guanzon noted based on conversations he has had with their legal counsel, he gets the impression that they will be amenable to that.

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

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

**5E. FINANCIAL REPORT AS OF MAY 31, 2017**

Authority Treasurer Michael Adkins noted the \$7.3M Bonds for Cane Creek Centre show one expenditure for the month for legal expenses to Clement Wheatley of \$454. General Expenditures show RIFA expended \$1,213 to Bridge Trust Title Group for Kyocera site

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 12, 2017

work, \$1,807 to Big Sky Rentals for the tent for the Kyocera Groundbreaking ceremony, \$456 to Abstracts and Titles for the title work related to Berry Hill properties, \$20 to the City of Danville for a plat recording for the Kyocera Plat, \$3,975 to LeClair Ryan for legal services related to the Wilmot Project, \$20,626 to Clement Wheatley for ongoing legal services and \$271 for meals. Mega Park Funding Other than Bonds shows a payment to Dewberry for \$14,250 related to the Phase I Master Plan and GIS status system. Berry Hill Mega Park Lot 4 shows \$26,990 paid to Dewberry and \$598,241 to Haymes Brothers for ongoing work. Rent, Interest and Other Income for the month of May shows RIFA received \$42,800 from the Institute, which represents April and May lease payments for the Hawkins' Building, \$1,000 from Osborne Company for their lease and \$910 of Interest Income. There was the usual expenditure of \$21,400 paid to the Institute for the Hawkins' Building Maintenance Agreement.

Mr. Barksdale **moved** to accept the Financial Report. 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)

**5F. CONSIDERATION – RESOLUTION 2017-06-12-5F – APPROVING THE FISCAL YEAR 2018 BUDGET**

Authority Treasurer Michael Adkins explained this was the annual administrative budget for RIFA; it is the same budget RIFA has had for the past two fiscal years with no increases.

Mr. Shanks **moved** to accept Resolution 2017-06-12-5F approving the Fiscal Year 2018 Budget as presented. 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)

**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 12:30 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 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;

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY  
Minutes  
June 12, 2017

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);

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 Motion was **seconded** by Mr. Shanks 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 1:08 p.m., the Authority returned to open meeting.

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

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

**6F. CONSIDERATION – RESOLUTION 2017-06-12-6F – APPROVING THE EXECUTION AND DELIVERY OF AGREEMENT TO PURCHASE AND SELL REAL ESTATE BETWEEN THE AUTHORITY AND ENVIVA**

Mr. Guanzon indicated paper copies of the Resolution were available for the public.

Mr. Warren **moved** adoption of Resolution 2017-06-12-6F, *approving the execution and delivery of that certain agreement to Purchase and Sell Real Estate by and between the*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 12, 2017

*Authority and Enviva Development Holdings, LLC, a Delaware Limited Liability Company, as Purchaser, for a new Lot 8 to be created from Tract FG, to contain approximately 166 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 one-year initial due diligence period, and a requirement of Purchaser to invest at least \$100M in Development, Construction and Operation of the Project.*

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)

**7. COMMUNICATIONS**

Mr. Shanks noted to the staff, good work and looks forward to working with everyone throughout the year.

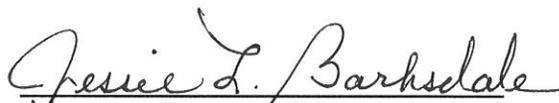
Mr. Vogler noted good work to everyone.

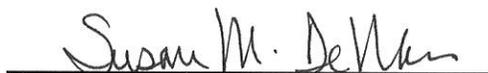
Mr. Warren noted a great job to both Economic Development staffs and a thank you to the City for the cooperative relationship.

Mr. Guanzon noted he attended a FOIA training session in the County. One item was to beware what members text on their cell phones. Those can be a public record and there was an issue at another jurisdiction where, during the meeting, one member of the board was texting another person during the meeting who couldn't be there physically. They ended up in a lawsuit because of whether those were a second concurrent meeting that wasn't adequately noticed. Mr. Guanzon noted he would caution Board members during their respective open meetings that that could get them in trouble.

Mr. Saunders thanked the staff for all the good work they are doing; he appreciates the partnership between the City and the County and welcomed Denise Thibodeau back.

The Meeting adjourned at 1:14 p.m.

  
Vice-Chairman

  
Secretary to the Authority