

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 11, 2017

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. Chairman Sherman M. Saunders was absent. 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, Deputy City Manager Earl Reynolds, County Administrator David Smitherman, Assistant County Administrator for Planning & Development Gregory Sides, Assistant Director of Economic Development Corrie Teague Bobe, Economic Development Project Manager Kelvin Perry, City of Danville Director of Finance Michael Adkins, City of Danville Senior Accountant Henrietta Weaver, City of Danville Utilities Engineering Tech Donald Ricketts, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden of Dewberry & Davis, and City Council Member Madison Whittle.

Vice Chairman Barksdale presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE AUGUST 14, 2017 MEETING

Upon **Motion** by Mr. Warren and **second** by Mr. Shanks, Minutes of the August 14, 2017 Regular Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

OLD BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2017-08-14-5B APPROVING THE DECLARATION OF PROTECTIVE COVENANTS FOR BERRY HILL INDUSTRIAL PARK

Authority Attorney Michael Guanzon explained this carryover item is for the Declaration of Protective Covenants for the Berry Hill Park. Staff wanted to allow time to see if anyone had any comments or questions before staff asks for approval. There were no questions from the Board.

Mr. Warren **moved** for adoption of Resolution No. 2017-08-14-5B, *approving that certain Declaration of Protective Covenants for the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia.*

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

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

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5B. DISCUSSION OF RESOLUTION 2017-09-07-4F

Mr. Guanzon explained this Resolution was the one that was passed at Thursday's Special Meeting of the RIFA Board. Mr. Guanzon noted there hasn't been any movement other than the announcement made by the Governor about Unison LLC coming to the area. At this point, there is no need to have a ratification unless there is some discussion; it is on the agenda as that was part of the requirement in the Resolution that was passed. There were no comments from the Board.

NEW BUSINESS

6A. CONSIDERATION – RESOLUTION 2017-09-11-6A AUTHORIZING EXECUTION AND DELIVER OF NON-DISCLOSURE AGREEMENTS AND LETTERS OF INTENT

Mr. Guanzon noted there is a small typographical error at the bottom of the description of the Resolution, it says "those documents", that should be stricken. Mr. Guanzon explained this matter sets forth what the existing practice has been over the years. When there is a potential recruit that comes into the area, they will often share confidential proprietary information with the Authority staff, mostly with the City and the County's Economic Development Directors. From time to time, before it is ready to be disclosed and discussed with the Board members, either in open meeting or closed session, there is a need to enter into a Letter of Intent. A Letter of Intent is a contract, basically setting forth big bullet point items. The only things that are usually binding in a Letter of Intent are Good Faith Negotiations and Exclusive Dealings, also, a Confidentiality Requirement that would say until the negotiations are over and an announcement is made, everything stays confidential. If there was an agreement that has to be binding upon the Authority other than what he has set forth, that would be discussed in open session. This Resolution is giving authorization to the City and County Economic Development Directors to enter into those Letters of Intent and Confidentiality Agreements so long as it doesn't bind the Authority to appropriate any money; that would require approval from Legal Counsel.

Mr. Shanks **moved** adoption of Resolution No. 2017-09-11-6A, *authorizing the Economic Development Director for the City of Danville, Virginia, and the Economic Development Director for the County of Pittsylvania, Virginia, as support staff to the Authority, to execute and to deliver, on behalf of the Authority, such Confidentiality and Non-Disclosure Agreements and Letters of Intent with potential business/industry recruits and other parties reasonably related to such recruitment efforts, after obtaining approval as to form from legal counsel to the Authority, so long as nothing in those documents legally bind the Authority to make appropriations.*

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

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

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6B. CONSIDERATION – RESOLUTION 2017-09-11-6B APPROVING DEED OF EASEMENT FROM THE AUTHORITY TO THE CITY IN THE CYBER PARK

Mr. Don Ricketts from Danville Power and Light explained Danville Power and Light has electrical infrastructure in the Cyber Park; there are some electrical conduits with Vista Switches which are above ground, the big green boxes that are situated along property lines. With the new company coming in, Kyocera, they have asked the City to go ahead towards getting permanent power. Danville P&L is going to have to come out of one of the Vista Switches and set a separate above ground cabinet. They will be across part of the property that is owned by RIFA., from there, they go onto the IDA's property, enough to actually feed. This is a request for an electrical easement that gives the City the right to maintain and do whatever needs to be done to provide power to that industry. There is already an existing electrical easement there but since P&L is adding an additional cabinet and conduits, they will be just slightly outside of the back edge of that existing easement and so are requesting a new easement for this new line. It is all underground except for the one green cabinet and it will be located adjacent to an existing cabinet.

Mr. Barksdale questioned permanent power, what does that mean, and Mr. Ricketts noted it will be the permanent feed that will feed that industry. Occasionally Danville P&L will be asked to bring in a temporary power source, but once this is done, that will be the end of the excavation; the conduits put in will be used for the permanent connection to the industry.

Mr. Vogler **moved** for adoption of *Resolution No. 2017-09-11-6B, approving that certain Deed of Easement from the Authority to the City of Danville, Virginia, for a permanent ten (10) foot utilities easement over certain land in the Authority's Cyber Park project located in Danville, Virginia, commonly known as Tax PIN 76441, containing 58.64 acres, more or less, being part of Lot 12, fronting on South Boston Road, Riverpoint Drive and Slayton Avenue, in support of the Authority's prior conveyance of Lot 12A to the Industrial Development Authority of Danville, Virginia.*

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

Mr. Blackstock asked Mr. Guanzon if he has reviewed this and if he was satisfied with the easement and Mr. Guanzon noted he was.

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

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

6C. CONSIDERATION – RESOLUTION 2017-09-11-6C – APPROVING AN EASEMENT AND RIGHT OF WAY FROM THE AUTHORITY TO APPALACHIAN POWER COMPANY

Mr. Don Ricketts from Danville Power and Light noted they were approached by an engineering firm that was interested in acquiring easements for a communications cable that parallels the existing transmission lines for AEP. Mr. Ricketts explained he was not representing AEP, but told them he would be able to get these easements to the proper people. They explained that there was already power there but since communications have to be separate and apart from power in the utility industry, they are also required to get a

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separate easement. This is for a fiber optics cable that will cross a portion of RIFA property in the industrial park.

Mr. Shanks questioned if this was for someone else's benefit or for RIFA's benefit and Mr. Ricketts stated it was strictly for AEP's benefit because they have to have communications between substations and transmission switches. Since it parallels their existing structure, they assured Mr. Ricketts this is strictly for their own purposes, but since it did occupy property that was owned by RIFA, they are trying to go through the proper channels. Mr. Shanks noted he asked because was there was some financial benefit to any parties other than Appalachian and Mr. Ricketts stated they did offer an opportunity to compensate RIFA in the amount of \$500 for any services they may go through.

Mr. Shanks **moved** for adoption of Resolution No. 2017-09-11-6C, *approving that certain Easement and Right of Way from the Authority to Appalachian Power Company, a Virginia corporation, being a unit of American Electric Power, for a permanent 45-foot wide power distribution easement (3-Way East Danville distribution line) over a portion of certain land along Riverpoint Drive in the Authority's Cyber Park project located in Danville, Virginia, commonly known as Tax PIN 76471, Lot 10-C, containing approximately 27.91 acres, in exchange for \$500.*

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

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

6D. FINANCIAL REPORT AS OF AUGUST 31, 2017

Authority Treasurer Michael Adkins noted the bond issuance for Cane Creek did have a small expenditure of \$312 for Clement Wheatley for ongoing legal expenses. Fiscal Year 2017 General Expenditures show payment of \$450 to Pittsylvania County for signage at the Berry Hill Mega Park, \$5,500 to Reynolds, Clark for preliminary grading and Stormwater design for the piece of land adjacent to Kyocera, \$6,307 to LeClair Ryan for ongoing legal expenses regarding the Wilmot Project, and \$12,382 to Clement Wheatley for ongoing legal counsel. Fiscal Year 2018 General Expenditures show the monthly utility bill of \$31. Funding Other than Bonds for the Mega Park shows no expenditures for the month. Lot 4 Site Development shows a payment of \$18,253 for Dewberry related to Amendment #10 and the monthly progress billing from Haymes Brothers for Phase I Grading of \$519,174. Mr. Adkins noted Ms. Weaver has been doing a good job applying for the drawdowns from the Tobacco Commission grant to pay for this.

Rent, Interest and Other Income shows \$21,400 from the Institute for Advanced Learning and Research for the Hawkins' Building, \$759 in Interest Income and RIFA paid the IALR \$21,400 for the Maintenance Agreement related to the Hawkins' Building. Mr. Adkins noted Mr. Shanks asked at the last meeting about RIFA's repayment of money that was fronted by the City prior to the bond issue several years ago. Staff went back and confirmed all of that was calculated and repaid shortly after the bond proceeds were issued.

Mr. Shanks **moved** adoption of the Treasurer's Report, the Motion was **seconded** by Mr. Warren and carried by the following vote:

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

7. 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 12:35 p.m. Mr. Shanks **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;

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) for discussion or consideration of the acquisition and/or 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. Warren and carried by the following vote:

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

D. On **Motion** by Mr. Warren and **second** by Mr. Shanks and by unanimous vote at 12:47 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

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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.

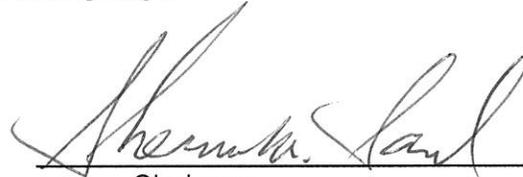
The Motion was **seconded** by Mr. Shanks and carried by the following vote:

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

8. COMMUNICATIONS

Mr. Barksdale wished a speedy recovery to Mr. Saunders. Mr. Barksdale noted he was glad to see City Council and the Board of Supervisors represented at the announcement last week and stated he was proud to be able to say what a great partnership RIFA has. The Governor was talking to some people and Mr. Barksdale heard him say that this is not the norm, but in Pittsylvania County and Danville, they are on the leading edge.

The Meeting adjourned at 12:51 p.m.


Chairman


Secretary to the Authority