

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

October 10, 2017

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:17 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 and Alternate J. Lee Vogler. Fred O. Shanks, III was absent. Pittsylvania County Members present were Vice Chairman Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock. (*Mr. Warren entered the meeting at 12:21 p.m.*)

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Economic Development Project Manager Kelvin Perry, City of Danville Director of Public Works Ric Drazenovich, 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 were Brian Bradner, Dewberry & Davis, City Council Member Madison Whittle and Ronald Scarce Pittsylvania County Board of Supervisors.

Chairman Saunders presided and thanked everyone for their support, prayers, cards and visits and thanked the Vice Chairman for chairing the meetings. Chairman Saunders noted it is good to be back.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE SEPTEMBER 7, 2017 AND SEPTEMBER 11, 2017 MEETINGS**

Upon **Motion** by Mr. Barksdale and **second** by Mr. Vogler, Minutes of the September 7, 2017 and September 11, 2017 Meetings were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. CONSIDERATION – RESCHEDULING THE NOVEMBER MEETING OF THE AUTHORITY TO WEDNESDAY, NOVEMBER 15, 2017.**

Secretary to the Authority, Susan DeMasi explained because the VACO Conference this year is November 12-14, 2017, and the scheduled RIFA Meeting is Monday, November 13, 2017, the November meeting of RIFA needs to be rescheduled to Wednesday, November 15, 2017. Mr. Barksdale noted his appreciation of the consideration the Board and staff are giving them.

Mr. Vogler **moved** to reschedule the November meeting of the Authority to Wednesday, November 15, 2017, in light of Virginia Association of Counties Annual Conference. [No written Resolution.]

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

VOTE: 4-0  
AYE: Barksdale, Blackstock, Saunders and Vogler (4)  
NAY: None (0)

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**5B. CONSIDERATION – RESOLUTION 2017-10-10-5B APPROVING THAT MEMORANDUM OF UNDERSTANDING RELOCATION AGREEMENT WITH APPALACHIAN POWER**

Mr. Barksdale **moved** for adoption of Resolution No. 2017-10-10-5B, *approving that certain Memorandum of Understanding Relocation Agreement with Appalachian Power Company (“ApCo”), a unit of American Electric Power, to follow up Resolution 2017-08-14-5C, for the relocation of that certain Corning-Glass-Ridgeway 69kV transmission power line, over Lot 4 or Lot 8 in the Authority’s Berry Hill Industrial Mega Park, in Pittsylvania County, Virginia, under which the Authority would pay an initial payment of \$1.5M, and ApCo would allow the revenue credit from a customer who relocates on that lot or lots and executes a capacity contract with ApCo of at least 3MW by January 1, 2020, for the balance of the cost of relocation.*

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

Assistant Director of Economic Development Corrie Teague Bobe explained this item is a Memorandum of Understanding between RIFA and AEP to relocate the 69kv line that currently runs through Lot 4 and Lot 8 at Berry Hill Industrial Park. The total cost for this project is \$3M and they do require half of it up front. Ms. Teague Bobe further explained through Tobacco Commission Grant 2264, the Authority did have \$1.7M of that grant allotted towards this relocation, and speaking with Tom Pfohl at the Tobacco Commission, once AEP submits an invoice to RIFA, it can be sent to the Tobacco Commission and they would cover that upfront cost. Authority Attorney Michael Guanzon noted, as a reminder, the total cost is just under \$3M and the balance would be paid back through a revenue credit so long as there is a power customer who relocates on one of the lots at Berry Hill, of at least 3 MW by January 1, 2020, then that would be applied against the remaining balance. The form of some of these details are still being worked out with ApCo, but staff wanted to go ahead and get the big portions taken care of now as it is time sensitive.

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

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

**5C. CONSIDERATION – RESOLUTION 2017-10-10-5C – APPROVING CHANGE ORDER 3 TO SITE DEVELOPMENT WORK BY HAYMES BROTHERS, INC.**

Mr. Barksdale **moved** for adoption of Resolution No. 2017-10-10-5C, *approving Change Order 3 to the site development work by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2017-02-24-4A, including (i) installing gates and fencing to secure the site, (ii) installing additional stormwater controls and (iii) updating the quantity of geotextile fabric for undercut areas, increasing the contract price by \$98,868.75.*

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

Brian Bradner from Dewberry explained the Change Order includes several erosion control items to help secure and protect the pad for the long term, as far as erosion control. At the three axis points, it includes the construction of gates, basically cattle guards, and fencing to

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help discourage the four wheeler traffic on the pad. As far as the contract overall, it is under budget and well ahead of schedule. Mr. Saunders noted this was Change Order 3, and questioned the cumulative amount. Mr. Bradner noted the increase of this change order is \$98,868.75, previous to this it was approximately \$197,710, so there is a total change order value of approximately \$300,000 to date. Mr. Barksdale questioned if there was anything else that might need to be taken care of that could be done now and prevent a Change Order 4. Mr. Bradner noted he believes the work is just about done, they are doing the final punch list, there may be a few clean up items, but relative to budget, RIFA is about \$2M under budget for the project.

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

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

**6D. FINANCIAL REPORT AS OF SEPTEMBER 30, 2017**

Authority Treasurer Michael Adkins noted the funding sheets are as of September 30<sup>th</sup> and beginning with the \$7.3M for Cane Creek, there was no activity. General Expenditures for FY18 show \$5,141 to LeClair Ryan for ongoing legal fees related to the Wilmot Project, \$261 for meals and \$31 for monthly utilities. Mega Park Funding Other than Bonds showed no activity for September. Under Berry Hill Mega Park Lot 4 Site Development, the Authority paid \$17,178 to Dewberry for Amendment #10 and \$596,732 to Haymes Brothers for Phase I Grading. That sheet shows where RIFA had, as was mentioned, the budget for Site Development at \$7.9M and funding, including the encumbrances, not including the last two Change Orders, at \$2.2M in unencumbered, unexpended money for that site development. Rent, Interest and Other Income shows \$21,400 from the Institute for Advanced Learning and Research for the Hawkins' Building, and also paid the IALR \$21,400 for the Maintenance Agreement related to the Hawkins' Building and \$786 in Interest Income.

Mr. Vogler **moved** to accept the Treasurer's Report; the Motion was **seconded** by Mr. Barksdale and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders and 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 12:28 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

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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, Saunders and Vogler (4)  
NAY: None (0)

D. On **Motion** by Mr. Warren and **second** by Mr. Barksdale and by unanimous vote at 1:07 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 and Vogler (4)  
NAY: None (0)

## **7. COMMUNICATIONS**

Board Members noted they were glad to have Mr. Saunders back. Mr. Saunders thanked everyone, noting it was good to be back and thanked Mr. Barksdale for chairing the meetings.

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Staff Report

City of Danville Director of Economic Development Telly Tucker noted he wanted to make the Board aware that staff plans to proceed in identifying Unison Limited on the marquee entrance into Cane Creek since they have announced they will be locating at 500 Cane Creek Parkway. They will be responsible for any additional signage that goes on the building or on the actual site, but this is the marquee that enters the park from Route 58. The entire marquee design has already been approved per the covenants and zoning in the City.

City of Danville Director of Public Works Ric Drazenovich noted the DEQ acts as the Virginia Stormwater Management Authority for the County and issues the Stormwater environmental permits for projects. The City is its own Authority and issues permits for areas within the City and as such the City has certified plan checkers and inspectors. The City has requested that the DEQ consider entering into an agreement with them to allow the City to do the plan checking and inspections on RIFA projects. Staff feels it would be in the County and City's control and would be more efficient if they need to move quickly on any of these projects. Staff sent a letter requesting that to DEQ last week and should hear back soon. Staff has also spoken with the City Attorney about amending the Virginia VSMP regulations, to add one line. It already says that Authorities can enter into an agreement with neighboring municipalities and other entities, the City Attorney is looking into adding wording that specifically says that DEQ can enter into those agreements.

Ms. Teague Bobe noted in April of last year, RIFA had the opportunity to apply for TIGER funding through the U.S. Department of Transportation; that funding has opened up again. The application is due on Monday, staff is putting things together to reapply and is planning on submitting the same projects for the application. They had a call with the U.S. Department of Transportation who gave guidance on the previous application, on how to improve it for this round of funding; they are focusing on rural projects this time. A Resolution passed by the Board is needed in order to submit the application, just as they did last April. Ms. Teague Bobe noted she has spoken with Michael Guanzon, if the Board is comfortable, they can pass the Resolution today or the Board would need to find a date between now and Monday for a special called meeting. Mr. Guanzon explained because the application is identical to the prior one that was passed by the Board in 2016, as far as the essential business terms for the projects, this would be a limited exception where he would go ahead and do the Resolution and Authorization at this meeting to save another special called meeting. This is just going to authorize staff to resubmit the application with updated information. Ms. Teague Bobe noted that rural applications do not require a match.

Mr. Warren **moved** that the Board approve the staff applying for the grant and preparing a Resolution.

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

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

Mr. Guanzon asked the Chairman to ask for a Resolution to amend the Agenda to include this approval.

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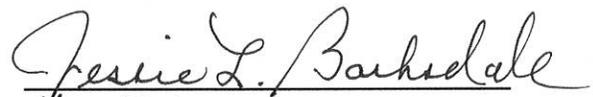
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Mr. Warren **moved** to Amend the Agenda to include the TIGER Grant Resolution. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

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

The Meeting adjourned at 1:19 p.m.

  
Vice - Chairman

  
Secretary to the Authority