DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
November 15, 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. (*Mr. Saunders entered the meeting at 12:20 p.m.)*

City/County staff members attending were: Pittsylvania County Administrator David Smitherman, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Assistant Director of Economic Development Corrie Teague Bobe, City of Danville Director of Public Works Ric Drazenovich, City of Danville Senior Accountant Henrietta Weaver, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Ashley Wolfe, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis.

Vice Chairman Barksdale presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE OCTOBER 10, 2017 MEETING

Upon **Motion** by Mr. Warren and **second** by Mr. Vogler, Minutes of the October 10, 2017 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2017-11-15-5A – LEASING ADDITIONAL LAND IN THE CYBERPARK TO IALR

Mr. Marc Gignac, Executive Director of the Institute for Advanced Learning and Research noted the Institute would like to add a fourth building to their campus, that new facility would be called *The Center for Advanced Manufacturing.* This facility would serve a number of different purposes, the main purpose is to be a quick launch space where a new company could rapidly set up an operation while they either build or pursue accommodations in the region for a long term basis. It is an $18M project for the building alone, the whole project is $25M, and will be equipped with some of the latest equipment. Mr. Gignac noted they will be meeting with the Governor and House and Senate Chairs, to propose this idea for funding. The facility will include three spaces dedicated to the quick launch space, a Solution Center that will include Industry 4.0 and a fifth bay, which will be an Optimization Center. Another key feature of the building will be an ISO approved lab.

Mr. Troy Simpson, from Danville Community College, noted with clients like Kyocera, who come in and eight months into hiring people, need that space to "plug and play." IALR can ISO certify a lab in the quick launch space for new companies to use. It will give the region a

strategic advantage to have a quick launch space for prospects to go into. Mr. Gignac explained they want to site this facility on the property behind the new Kyocera SGS plant; it is important that it stay in close proximity to the existing program in the Hawkins' Building.

Mr. Warren stated he thought it was a wonderful idea and appreciates what the program has done. Mr. Warren noted the Board has entered into some agreements with foreign companies that have problems with loans because they had no presence in the US, and RIFA had to support them. If they go in the quick launch, could that minimize or lessen RIFA's exposure, and Mr. Rowe noted that was correct. Mr. Vogler questioned if this would operate similar to the Business Development Center incubator, but for advanced manufacturing. Mr. Rowe noted they are not duplicating the functions of that space, the difference is it allows a more technological approach of having different forms and pieces of equipment in the space. Mr. Gignac noted the main distinction between this facility, they are not there to service someone with an idea, they are there to service existing industries, to draw them into the region.

Mr. Smitherman questioned if the business model considers a payment to RIFA for the property and Mr. Gignac noted it does not. Mr. Guanzon explained the property is governed by an Economic Development Administration grant. Under the terms of that grant, RIFA cannot give it to them and if it is leased to them, it has to be at fair market value. The Resolution is in general support of the concept because RIFA still has to work out what would be feasible legally. This Resolution can be taken to funding sources the Institute wishes to seek, to show that RIFA, who owns the land, is supportive of the general concept. The EDA grant dictates what RIFA can do. Mr. Shanks stated they have been able to overcome that problem with the Institute, the real estate, and Mr. Guanzon noted a ground lease is what RIFA would do. Under the terms, if this structure is to be built, RIFA is not paying for it but would have to lease the land. The lease would have to continue for at least the balance of the EDA grant, and still have to get approval from the EDA, which is fifteen years minimum. The issue staff is going to have to work with the EDA and the Institute to negotiate something for further discussion and presentation before the Board, as to what happens at the end of that term.

Mr. Warren **moved** for adoption of Resolution No. 2017-11-15-5A, *supporting the concept of leasing additional land located in the Authority's Cyber Park project to The Institute for Advanced Learning & Research (IALR), a political subdivision of the Commonwealth of Virginia, for the establishment of a Center for Manufacturing Advancement.*

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

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

5B. CONSIDERATION – RESOLUTION 2017-11-15-5B – APPROVING UPDATES AND ADDITIONS TO SIGNAGE AT CANE CREEK CENTRE ENTRANCE WAY

Ms. Teague-Bobe noted this request is for $3,020 in order to do maintenance work on the Cane Creek Centre gateway sign, as well as install the name plate for Unison on that sign.

Mr. Guanzon explained this is for the existing sign that had been previously approved for zoning.

Mr. Shanks **moved** for adoption of Resolution No. 2017-11-15-5B, *approving maintenance work, updates and the addition of Unison Tube, L.L.C. to the existing entrance way directory sign of the Authority's Cane Creek Centre project at a cost of $3,020 to be performed by Power Signs, Inc., a Virginia corporation.*

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

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

5C. CONSIDERATION – RESOLUTION 2017-11-15-5C – RATIFYING LETTER AGREEMENT WITH EPR

Mr. Guanzon explained since the time the agenda was created, it was brought to his attention that there are errors in the Resolution; it references a TIGER grant in support of a Resolution that was passed last month. That is an error, it is in support of a different grant application, but everything else provided is the same. Under the terms of the by-laws, because of time frames, it authorizes the RIFA staff, if the City Manager and the County Administrator are in agreement, if it can't wait until the next month or for development of a business prospect, they can expend up to $10,000. But they have to bring it back to the Board for ratification; that is the situation that was in place. Ms. Teague-Bobe noted in addition to the TIGER Grant, there was an additional grant opportunity through the US Department of Transportation, INFRA, Investing for Rebuilding America program. Staff is trying to find every possible means in order to extend the rail into the Berry Hill Mega Park. Staff was able to take the same parameters from the TIGER grant application and apply for this new grant funding. Since staff was not familiar with this grant process, they engaged a consultant, EPR out of Raleigh, to help the City with the application. Their proposal was they would not exceed $8,500 working on this project and their invoice came in less than that. Mr. Shanks questioned if this involved the track coming in off site and Ms. Bobe noted this will connect to the Norfolk & Southern mainline, onsite. Mr. Harden explained it is the main line that runs all the way through the park, it starts down at Berry Hill Road, and runs all the way back around.

Mr. Warren **moved** for adoption of Resolution 2017-11-15-5C, as submitted with the corrections, *ratifying that certain letter agreement dated October 18, 2017, with EPR, P.C., a Virginia professional corporation, for assistance, at a maximum cost of $8,500 with the Authority's submission of an INFRA grant, in accordance with paragraph 2 of Article IV of the Authority's Bylaws.*

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

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

5D. CONSIDERATION OF RESOLUTION 2017-11-15-5D – APPROVING THE EXPANDED ROLE OF A. KENT SHELTON

City of Danville Director of Public Works Ric Drazenovich explained staff is requesting to amend the existing contract agreement with Kent Shelton, to act as a project manager for the sanitary sewer and pump station project that is ready to be started. Staff feels it would be to RIFA's advantage to have an on-site person monitoring the contractor, making sure they follow all the City and environmental regulations. Mr. Guanzon reminded everyone, under this arrangement, the contract is between the City of Danville and Mr. Shelton. For the service being provided, it is going to be the City's contribution to RIFA and will go through the "Due to/Due From" contribution list.

Mr. Warren **moved** for adoption of Resolution No. 2017-11-15-5D, *approving the expanded role of A. Kent Shelton, P.E., as set forth in Resolution 2017-03-13-5C, to serve as the project monitor and limited inspector for the Phase 1 sewer infrastructure project at the Authority's Berry Hill Mega Park project, at an estimated cost of $39,520 (existing hourly rate of $38 for an estimated 1,040 hours of work).*

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

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

5E. CONSIDERATION OF RESOLUTION 2017-11-15-5E – AUTHORIZING JOINT SUBMISSION OF AN APPLICATION TO THE TOBACCO COMMISSION

Mr. Sides noted this was a request to approve a Resolution that authorizes the submission of a Tobacco Commission application. This application is being submitted on behalf of RIFA, with Pittsylvania County and City of Danville participating. If the grant is approved, staff will be back with a grant agreement.

Mr. Saunders **moved** for adoption of Resolution No. 2017-11-15-5E, *authorizing the joint submission of an application by the Authority with the County of Pittsylvania, Virginia, and the City of Danville, Virginia, to the Virginia Tobacco Region Revitalization Commission for a grant to fund proposed site improvements to Lot 8 in the Authority's Berry Hill Industrial Mega Park project, in Pittsylvania County, Virginia, to create a buildable construction pad on such lot to accommodate Project Lignum and to prepare such lot for a rail spur, at an estimated cost of $5,759,600.00.*

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

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

5F. FINANCIAL STATUS REPORT AS OF OCTOBER 31, 2017

City of Danville Accountant Henrietta Weaver gave the Financial Status report as of October 31, 2017 starting with the Cane Creek Bonds with an expenditure to Clement & Wheatley for legal fees of $2,522. General Expenditures show $2,500 to AE COM for a Utility Application Fee; that was under Tobacco Commission Grant #2641 which is through the County, the County reimbursed the City for paying that. $2,014 was paid to LeClair Ryan for legal fees related to the Wilmot Project, $7,421 to Clement & Wheatley for legal fees, $7,500 to Brown, Edwards for audit fees, $261 for meals and $31 for Utilities. Mega Park Funding Other than Bond Funds showed no changes; Berry Hill Lot 4 Site Development shows $466,899 expended for Phase 1 Grading to Haymes Brothers. Rent, Interest and Other Income shows rent received of $21,400 from the Institute for the Hawkins' Building, $633 in interest received and RIFA paid the property management fee to the Hawkins' Building for $21,400.

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

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

Mr. Shanks stepped out of the meeting.

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 12:55 p.m. Mr. Warren **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. Saunders 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. Shanks and by unanimous vote at 2:11 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. Warren and carried by the following vote:

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

7. COMMUNICATIONS

Board Members thanked the Economic Development team, all the staff for doing a great job and the Board's legal counsel. Mr. Rowe introduced the County's newest economic development member, Ashley Wolfe.

The Meeting adjourned at 2:16 p.m.

Chairman

Susan M. DeMar

Secretary to the Authority