

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 12, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:12 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Robert W. Warren, Ronald S. Searce and Alternate Elton W. Blackstock. *Mr. Vogler entered the meeting at 12:14 p.m.*

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Project Manager Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, City of Danville Director of Finance Michael Adkins, Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner from Dewberry & Davis and Danville City Council Member Madison Whittle.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE FEBRUARY 12, 2018 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Searce, Minutes of the February 12, 2018 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION 2018-03-12-5A – ACCEPTING THE BID FROM HAYMES BROTHERS FOR BERRY HILL PHASE I SANITARY SEWER PROJECT

Brian Bradner with Dewberry explained bids were received on the Berry Hill Phase 1 Sanitary Sewer Project; after review of the bids, it was determined that Haymes Brothers was the apparent low bidder. Staff has been working with Haymes and recommends an award be made to Haymes in the amount of \$4,809,414.75.

Mr. Shanks questioned if any of the bids changed after they were received; he thought the low bidder was someone from out of state; Mr. Bradner noted that was correct. There was a provision within the contract documents that if a bidder makes a material error in the bid, they have within twenty-four hours to notify; as long as they can produce evidence of that, they are allowed to withdraw. Mr. Bradner noted the initial apparent low bidder, S.J. Construction, were very low on bid day and staff had that suspicion. Within the twenty-four hour window they made notice that they would like to withdraw and they submitted subsequent information that verified that.

Mr. Guanzon explained one thing that needed to be clarified is that RIFA is exempt from procurement; in another part of the project, staff went through a lot of the steps that the Procurement Act would require, had RIFA been subject to it; all the bids originally came in over available funds. With the next responsive bidder, staff had to negotiate to get it within

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 12, 2018

the available funds which is based on the Tobacco Commission grant amount. RIFA is exempt from the procurement act but has done this in the past depending on the type of project, for issues of transparency; it is not required and RIFA is not really waiving its rights to be exempt.

Mr. Saunders stated RIFA is exempt from the Procurement Act and Mr. Guanzon noted it was, for its own projects that RIFA is doing, it is exempt from construction procurement; it is actually in the Virginia Code. Mr. Saunders asked if that exemption will apply to Pittsylvania County when they start their RIFA and Mr. Guanzon noted all RIFAs have that exemption. That is the reason why it is very important how things are done because the County and the City are not exempt, even though they are members. If it is a RIFA project, then it is exempt from procurement.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-03-12-5A, accepting the bid on or before February 21, 2018, from Haymes Brothers, Inc., a Virginia corporation, as the lowest responsive and responsible bidder submitted for Berry Hill Commerce Centre – Phase I Sanitary Sewer project, which includes among other things the Trotters Creek Gravity Sewer project, McGuffs Creek Gravity Sewer project, Pump Station & Access Drive project, and Force Main & Waterline project as more particularly described in that certain Advertisement for Bids dated January 11, 2018, issued by the Authority; such bid having been negotiated consistent with Virginia Code §2.2-4318 and others in order to obtain a contract price of \$4,809,414.75 which is within available funds of the Authority.*

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

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

5B. CONSIDERATION – RESOLUTION 2018-03-12-5B – APPROVING THE PROPOSAL FOR PROFESSIONAL SERVICES DATED JANUARY 11, 2018 FROM DEWBERRY ENGINEERS

Brian Bradner from Dewberry explained this is for services related to the construction administration and inspection of the upcoming water line construction which will follow after the sanitary. It is very similar in nature, there are Tobacco grants and they are going to maximize the amount of work that can be done within that Tobacco grant. This line is going to run through a portion of the park to the state line, it involves normal construction administration items that need to be done as the engineer of record, and also to have the inspection component as well.

Mr. Shanks questioned is the water line coming from Eden and Mr. Bradner noted that was correct. Mr. Shanks asked if there was a Pittsylvania County line that comes in from the other side. Mr. Bradner explained there is a Pittsylvania County line so there will be the ability to do some level of interconnection there. There is a line that currently could provide service to the park from the north that comes off the Henry County and City of Danville, but it is limited in the amount that it can provide. This would provide connection with the City of Eden, and it is going to provide the bulk water capacity.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 12, 2018

Mr. Saunders **moved** for adoption of *Resolution No. 2018-03-12-5B, approving that certain Proposal for Professional Services dated January 11, 2018, by Dewberry Engineers Inc., a New York corporation, related to modifying design documents and providing construction phase services for water infrastructure to serve the Authority's Berry Hill Mega Park project at (i) an aggregate lump sum of \$149,600 for review and update basis of design, plans and specifications, consolidation of design documents, permit applications and reviews, and construction administrative services and (ii) an estimated fee of \$45,000 (to be billed at \$65 per hour) for resident inspection, in addition to a railroad pipe occupancy permit fee estimated at \$30,000 payable by the Authority to Norfolk Southern Railway.*

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

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

5C. CONSIDERATION – RESOLUTION 2018-03-12-5C – APPROVING THE PROPOSAL FOR PROFESSIONAL SERVICES DATED JANUARY 11, 2018 FOR PHASE 1 PAD EXPANSION.

Mr. Warren noted staff has asked the Board to Table Item C, and asked for a Motion to Table Item 5C.

Mr. Shanks moved to **TABLE** Resolution No. 2018-03-12-5C, approving that certain Proposal for Professional Services dated January 11, 2018, for Phase 1 Pad Expansion of the Authority's Berry Hill Mega Park project to make the pad more marketable to larger industries at (i) an aggregate lump sum of \$189,500 for wetland permit modification (\$65,000), grading construction plans and specifications (\$85,000) and construction administration services (\$39,500), and (ii) a budget estimate of \$45,000 for construction testing and inspection services.

The Motion to Table was **seconded** by Mr. Searce and carried by the following vote:

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

5D. FINANCIAL STATUS REPORT AS OF FEBRUARY 28, 2018

Authority Treasurer Michael Adkins gave the Financial Status report as of February 28, 2018 beginning with the \$7.3M Bonds for Cane Creek which showed no activity for the month of February. General Expenditures show \$1,894 paid to the City of Danville Public Works for street light repairs at the Cyber Park, \$261 for meals and \$61 for monthly utilities. Mega Park Funding Other than Bond Funds show no activity for the month of February. Berry Hill Lot 4 Site Development shows no activity for the month of February but RIFA does have the final bill for Haymes and next month will show that. Rent, Interest and Other Income shows RIFA received \$20,654 from the Institute for Advanced Learning and Research, \$438 in interest, and paid \$21,400 to the Institute for the Hawkins' Building maintenance.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 12, 2018

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: Warren, Searce, Saunders and 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 12:23 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

A. As permitted by § 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)(39) for discussion or consideration of records excluded under Virginia Code §2.2-3705.6(3) (including without limitation (i) 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 (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority's Berry Hill Mega Site project subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); 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. Searce and carried by the following vote:

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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 12, 2018

D. On **Motion** by Mr. Shanks and **second** by Mr. Saunders and by unanimous vote at 1:31 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. Shanks and carried by the following vote:

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

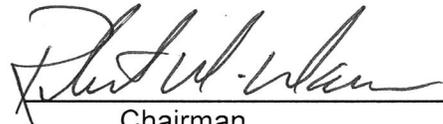
7. COMMUNICATIONS

Mr. Warren congratulated Mr. Bradner on his promotion to Vice President.

Mr. Shanks asked Mr. Bradner to let Mr. Harden know that the Board is thinking of him and their prayers for his recovery.

Mr. Warren reminded everyone to be safe leaving today.

Meeting adjourned at 1:34 p.m.


Chairman


Secretary to the Authority