Danville-Pittsylvania Regional Industrial Facility Authority

CITY OF DANVILLE, VIRGINIA
COUNTY OF PITTSYLVANIA, VIRGINIA

AGENDA

MONDAY, JULY 12, 2010

12:00 NOON

DAN RIVER BUSINESS DEVELOPMENT CENTER CONFERENCE ROOM
300 RINGGOLD INDUSTRIAL PARKWAY

COUNTY OF PITTSYLVANIA MEMBERS

COY E. HARVILLE, CHAIRMAN
HENRY A. "HANK" DAVIS, JR.
FRED M. INGRAM, ALTERNATE

CITY OF DANVILLE MEMBERS

SHERMAN M. SAUNDERS, VICE-CHAIRMAN/SECRETARY-TREASURER
T. DAVID LUTHER
FRED O. SHANKS, III, ALTERNATE

STAFF

JOSEPH C. KING, CITY MANAGER, DANVILLE
WILLIAM D. SLEEPER, PITTSYLVANIA COUNTY ADMINISTRATOR
CLEMENT & WHEATLEY, ATTORNEY FOR AUTHORITY
ANNETTE Y. CRANE, CLERK TO THE AUTHORITY

1. MEETING CALLED TO ORDER

2. ROLL CALL

3. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN / SECRETARY-TREASURER

4. APPROVAL OF MINUTES (JUNE 14, 2010 REGULAR MEETING)

5. CONSIDERATION OF NAMING THE MEGA PARK SITE – JEREMY STRATTON

6. CONSIDERATION TO APPROVE THE PROPOSED BUDGET FOR FY 2011 AND TO APPROVE THE GENERAL CONTRIBUTION OF $20,000 EACH FROM THE CITY OF DANVILLE AND PITTSYLVANIA COUNTY TO FUND THE AUTHORITY'S GENERAL EXPENDITURES.

7. FINANCIAL REPORT

8. CLOSED MEETING –

AS PERMITTED BY SECTION 2.2-3711(A)(7) OF THE CODE OF VIRGINIA, 1950, AS AMENDED, FOR CONSULTATION WITH LEGAL COUNSEL PERTAINING TO PROBABLE LITIGATION, WHERE SUCH CONSULTATION OR BRIEFING IN OPEN MEETING WOULD ADVERSELY AFFECT THE LITIGATING POSTURE OF THE AUTHORITY.

AS PERMITTED BY SECTION 2.2-3711(A)(3) OF THE CODE OF VIRGINIA, 1950, AS AMENDED, FOR DISCUSSION OR CONSIDERATION OF A GROUND LEASE OF PUBLICLY HELD REAL PROPERTY, WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY AFFECT THE BARGAINING POSITION OR NEGOTIATING STRATEGY OF THE AUTHORITY WITH THE INSTITUTE FOR ADVANCED LEARNING AND RESEARCH.

A. MOTION TO CONVENE IN CLOSED MEETING
B. MOTION TO RECONVENE IN OPEN MEETING
C. MOTION TO CERTIFY CLOSED MEETING

9. ACTION ON MATTERS CONSIDERED IN CLOSED MEETING

10. COMMUNICATIONS FROM:

HENRY A. "HANK" DAVIS, JR.
COY E. HARVILLE
FRED M. INGRAM
T. DAVID LUTHER
SHERMAN M. SAUNDERS
FRED O. SHANKS, III
STAFF

11. ADJOURN

AGENDA
ITEM NUMBER 4

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

June 14, 2010

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12 o'clock Noon on the above date in the Conference Room of the Dan River Business Development Center located at 300 Ringgold Industrial Parkway. Present were City of Danville Members Vice-Chairman/Secretary-Treasurer Sherman Saunders, David Luther, Alternate Fred Shanks and Pittsylvania County Members Chairman Coy Harville and Hank Davis.

City/County staff members attending were: Danville City Manager Joe King, Pittsylvania County Administrator Dan Sleeper, Pittsylvania County Assistant Administrator for Planning Greg Sides, Danville Finance Director Barbara Dameron, Pittsylvania County Finance Director Kim Van Der Hyde, Danville Senior Accountant Amy Merricks Chandler, Danville Economic Development Consultant Linwood Wright, Clement and Wheatley Attorneys Michael Guanzon and Ted Hodges, and Clerk to the Authority Annette Crane.

Dewberry and Davis Project Manager Shawn Harden was also present.

Citizens in attendance were Anne Cockrell, Deborah Dix and Barbara Hudson.

Chairman Harville called the Meeting to order.

ADDITIONS TO AGENDA

Upon **Motion** by Mr. Luther and second by Mr. Saunders, the following items were added to the agenda by unanimous vote:

A Resolution ratifying submission of the project application to the Tobacco Commission Special Project Fund for environmental work.

Consideration to allow legal counsel modify the lease with Swedwood, LLC involving 792 feet of road at Cane Creek Centre for Swedwood's use.

APPROVAL OF MAY 10, 2010 MINUTES

Upon **Motion** by Mr. Saunders and second by Mr. Luther, Minutes of the May 10, 2010 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the meeting.

CONSIDER ADDITION OF CITIZENS' PUBLIC HEARING ON RIFA AGENDAS

Mr. Davis reported he had asked that this item to be placed on the Agenda. He compared RIFA meetings to the citizens' comment period that is on both the Board of Supervisors Meeting and City Council Meetings.

Mr. Davis **moved** to approve the addition of allowing citizens to speak at the beginning of the RIFA meetings for two minutes pertaining to RIFA items. Mr. Saunders seconded the Motion.

Mr. Davis said there were times citizens appeared at Board of Supervisors meeting to speak about matters pertaining to RIFA. He said that RIFA is an extension of Danville City Council and the Board of Supervisors. Items discussed during RIFA meetings have an impact on citizens and taxation. Mr. Davis said if it could be done using a reasonable method, he would like citizens to have a say in RIFA meetings.

Mr. Luther said the organization is set up as an independent part of the Commonwealth and is a 50-50 deal between the City and County. Danville's Mayor gives citizens time to speak during Council meetings on any items not on the Agenda. Citizens may speak on items on the Agenda if there is a Public Hearing on that item. This board does not have Public Hearings. Mr. Luther said he did not know what could be said here that could not be said during Council and Supervisors Meetings.

Mr. Shanks voiced agreement with Mr. Luther.

Mr. Harville said each held its respective meetings at night, which gives all citizens an opportunity to speak. RIFA meetings are held in the middle of the day when most citizens are at work.

The Motion **failed** by the following vote:

VOTE: 2-2
AYE: Davis and Saunders (2)
NAY: Harville and Luther (2).

CONSIDER RESOLUTION TO AMEND RIFA BYLAWS

RIFA Attorney Michael Guanzon advised he had reviewed RIFA Bylaws and stated that to ensure the Bylaws were in keeping with The Virginia Freedom of Information Act requirements, he offered the following amendments for the Board's consideration.

1. Section 4 of Article II, "OFFICES", of the Bylaws is hereby deleted and replaced in its entirety by the following new Section 4:

   "4. The minutes of the Authority shall be open and available for inspection as required by The Virginia Freedom of Information Act, Virginia Code §§ 2.2-3700 et seq., as amended,. Draft minutes shall be reasonably available within ten (10) business days of the meeting to which they relate. Final minutes shall be made reasonably available within three (3) business days of approval by the Board."

2. Section 4 of Article VIII, "MEETINGS", of the Bylaws is hereby deleted and replaced in its entirety by the following new Section 4:

   "4. Notice of both regular and special meetings shall be mailed by the Secretary to each member of the Board not less than three (3) business days before any such meeting; and

notices of special meetings shall state the purposes thereof. All notices required herein shall state the date, time, and location of the meeting and shall be delievered by hand, United States mail, or a private courier service which provides evidence of receipt as part of its service to the address of record of all directors and alternate directors. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a courier service properly addressed with all charges prepaid, as appropriate. Any notice required herein may be vaived in writing by the party entitled to such notice, and such vaiver may specify that notice may be given to such party electronically (including without limitation by email or access to a website) in lieu of other means of delivery."

At the time such notice is given to the directors and alternate directors, a copy of such notice shall be posted (i) in a prominent location at which notices are regularly posted, and (ii) at the office of the clerk of the Authority, currenly at 427 Patton Street, Room 428, Danville, Virginia. A copy of any agenda materials or other information included with the notice to the directors and alternate director (other than materials exempt from disclosure under The Virginia Freedom of Information Act, Virginia Code §§ 2.2-3700 et seq., as amended) shall be posted electronically on the Authority's website or otherwise but such posting shall not be required.

At least one (1) copy of the agenda materials or other information given at the meeting to the directors and alternate directors (other than materials exempt from disclosure under the Virginia Freedom of Information Act, Virginia Code §§ 2.2-3700 et seq., as amended) shall be made open and available for inspection at the meeting.

Attendance of a director or alternate director at a meeting shall constitute a waiver of notice of such meeting, except where a director or alternate director attends for the express purpose of objecting to the sufficiency of the notice given or the lack of notice."

3. Except as amended by this Resolution, the Bylaws shall remain unchanged.

There were no voiced objections to the amendments as presented.

Upon **Motion** by Mr. Davis and second by Mr. Luther, the amendments were adopted by unanimous vote.

APPROVE MEMBER AGREEMENT WITH VML INSURANCE PROGRAMS

Danville Finance Director Barbara Dameron advised the Virginia Municipal Liability Pool (VMLP) and the Virginia Municipal Group Self Insurance Association are due to merge on July 1, 2010 into a single Pool called VML Insurance Programs. She said the Authority currently has insurance with the VMLP. Ms. Dameron said in order to continue RIFA's participation in the pool for any line of coverage, a new member Agreement must be executed and returned by June 30. Ms. Dameron called attention to the Member Agreement that had been distributed with the agenda.

Mr. Saunders **moved** approval of the Member Agreement to continue RIFA participation in the pool. The Motion was seconded by Mr. Luther and carried by unanimous vote.

APPROVE RESOLUTION RATIFYING SUBMISSION OF APPLICATION TO TOBACCO COMMISSION FOR ENVIRONMENTAL WORK

Mr. Sleeper advised that because of deadline constraints, an application was filed for special Tobacco Commission funds for environmental work in a the amount of $886,950. Mr. Sides reported the total cost for the project was $985,500. Mr. Harden advised the funding would be used for environmental studies.

Mr. Davis **moved** adoption of a Resolution ratifying submission of application to the Tobacco Commission for Environmental Work and to authorize the appropriate staff to execute all necessary documents. The Motion was seconded by Mr. Luther and carried unanimously.

AUTHORIZE LEGAL COUNSEL TO MODIFY SWEDWOOD LEASE

Mr. Sleeper advised Swedwood currently had a lease on lots 7A, 7B and 7C at Cane Creek Centre. Amendments were in effect for one year on Lot 8 and part of 7A where they moved field dirt. The amendments have expired and the County has abandoned 792 feet of Swedwood Drive. The company plans to construct a fence across that property. In order to do so, a modification to the lease that adds the 50-foot right-of-way onto Lot 7C is necessary.

Mr. Luther **moved** to authorize legal counsel to modify the Swedwood lease to incorporate the abandoned portion of Swedwood Drive. The Motion was seconded by Mr. Davis and carried unanimously.

FINANCIAL REPORT

Mr. Harville called attention to the Monthly Financial Report that had been distributed to Members prior to the Meeting. Members were asked to direct any questions to Barbara Dameron.

Mr. Saunders **moved** acceptance of the Financial Report as presented. The Motion was seconded by Mr. Davis and carried unanimously.

CLOSED MEETING

At 12:39 P.M. Mr. Harville recognized Mr. Luther who **moved** the meeting be recessed and the Authority immediately convene in Closed Meeting for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business or industry's interest in locating its facilities in the community as permitted by Subsection (A) (5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended and for consultation with legal counsel and briefings by staff members or consultants pertaining to a legal

claim against the Authority as permitted by Subsection (A) (7) of Section 2.2-3711 of the Code of Virginia, 1950, as amended, and consultation with legal counsel pertaining to probable litigation as permitted by Subsection (A) (7) of the Code of Virginia, 1950, as amended. The Motion was seconded by Mr. Davis and carried unanimously.

Upon unanimous vote, at 1:52 P.M. the Authority returned to open meeting and Mr. Davis **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 confirmity 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 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. Saunders and carried by the following vote:

VOTE: 4-0
AYE: Davis, Harville, Luther, and Saunders (4)
NAY: None (0).

COMMUNICATIONS

There were no communications from Authority members and staff.

The Meeting adjourned at 1:53 P.M.

_____
Chairman

_____
Clerk to the Authority

AGENDA
ITEM NUMBER 6

Danville-Pittsylvania Regional Industrial Facility Authority

427 Patton Street, Room 428
Danville, VA 24541
Telephone: 434-799-5185
Facsimile: 434-799-5041

Date: July 6, 2010

To: RIFA Board

From: Barbara Dameron

Subject: RIFA's General Contribution for FY 2011

In past years, the City of Danville and Pittsylvania County have both contributed $75,000 at the beginning of each fiscal year to fund RIFA's general expenditures. In FY 2010, however, staff projects there will be a large amount of unexpended general funds. Although all of the FY 2010 invioces have not been received, the staff feels the unexpended amount to carry forward into FY 2011 would be no less than $65,000. Staff also believes we could reduce some of the budgeted items to reflect more current amounts expended. With that being said, staff believes the City of Danville and Pittsylvania County would only need to contribute $20,000 each for their general contribution for FY 2011. The attached spreadsheet shows the current budgeted amounts for FY 2010 and the proposed budgeted amounts for FY 2011.

Staff recommends the board approve the general contribution of $20,000 each from the City of Danville and Pittsylvania County with the understanding that both jurisdictions will hold the remainder of their budgeted funds ($55,000 each) for the support of RIFA if the need arises.

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2010 and Proposed Budget for FY 2011

	Funding FY 2010	Proposed Funding FY 2011	Budget FY 2010	Expenditures FY 2010	Proposed Budget FY 2011
Funding					
City	$ 75,000.00	$ 20,000.00		$	$
County	75,000.00	20,000.00			
Carry forward	20,001.89	65,000.00			
Contingency					
Bank Fees				4,046.25	
Berry Hill Project				13,233.29	
Angler's Park Wetland Miligation				1,360.00	
Total Contingency Budget			50,000.00	18,639.54	27,400.00
Legal			75,401.89	28,443.71	40,000.00
Accounting			20,000.00	18,500.00	18,000.00
Postage & Shipping			100.00	24.76	100.00
Meals			2,500.00	1,812.69	2,500.00
Utilities			15,000.00	7,033.49	10,000.00
Insurance			7,000.00	6,315.00	7,000.00
Total	$ 170,001.89	$ 105,000.00	$ 170,001.89	$ 80,769.19	$ 105,000.00

AGENDA
ITEM NUMBER 7

Danville - Pittsylvania Regional Industrial Facility Authority

Financial Status

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A. $7.3 Million Bonds

B. General Expenditures for FY 2010

C. Mega Park

D. Build out of the Research Facility – Danville Regional Foundation

Danville-Pittsylvania Regional Industrial Facility Authority

$7.3 million Bonds for Cane Creek Centre - Issued in August 2005

As of June 30, 2010

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
Funds from bond issuance	$ 7,300,000.00				
Issuance cost	(155,401.33)				
Bank fees	(98.25)				
Interest earned to date	483,946.96				
Cane Creek Parkway		$ 3,423,296.09	$ 3,342,961.25	$ 80,334.84	
Swedwood Drive [2]		69,414.00	69,414.00	-	
Cane Creek Centre entrance [3]		72,335.00	53,878.70	-	
Financial Advisory Services		7,600.00	7,600.00	-	
Dewberry contracts [1]		69,582.50	69,582.50	-	
Dewberry contracts not paid by 1.7 grant[4]		142,740.61	3,945.00	138,795.61	
Land			2,560,921.67	-	
Demolition services			33,761.62	-	
Legal fees			46,169.89	-	
Other expenditures			9,689.70	-	
Total	$ 7,628,447.38		$ 6,197,924.33	$ 219,130.46	**$ 1,211,392.60**

notes:

[1] *Dewberry Contracts consist of wetland, engineering, surveying and site preparation*

[2] *Funds being used to cover City and County matching contributions for a VDOT grant for Swedwood Drive*

[3] *Project completed under budget*

* *In September 2008 the outstanding principal balance of $6,965,000 on the Series 2005 Cane Creek Project Revenue Bonds was tendered and not remarketed. These bonds were converted to bank bonds and are now subject to the Credit and Reimbursement agreement the Authority has with Wachovia Bank. The remarketing agent will continue its attempt to remarket these bonds in order to convert them back to Variable Rate Revenue Bonds. As a result, it is likely that the City and County will have to contribute additional funds in order to make future interest payments on the letter of credit attached to these bonds.*

[4] *These contracts were originally to be paid by the $1.7M Special Projects Grant, this grant has expired and the TIC did not issue an extension. The remaining amounts of the contract will be paid using bond funds.*

Road Summary-Cane Creek Parkway:	
English Contract-Construction	$ 5,363,927.00
Change Orders	165,484.50
Expenditures over contract amount	3,579.50
(Less) County's Portion of Contract	(935,207.00)
(Less) Mobilization Allocated to County	(9,718.00)
Portion of English Contract Allocated to RIFA	4,588,066.00
Dewberry Contract-Engineering	683,850.00
Total Road Contract Allocated to RIFA	**$ 5,271,916.00**

Funding Summary - Cane Creek Parkway	
VDOT	$ 1,848,619.91
Bonds	3,423,296.09
	$ 5,271,916.00

Danville-Pittsylvania Regional Industrial Facility Authority

General Expenditures for Fiscal Year 2010

As of June 30, 2010

	Funding	Budget	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City	$ 75,000.00	$	$	$	$
County	75,000.00				
Carry forward from FY09	20,001.89				
Contingency					
Bank Fees			4,046.25	-	
Berry Hill Project			13,233.29	-	
Angler's Park Wetland Mitigation			1,360.00		
Total Contingency Budget		50,000.00	18,639.54	-	31,360.46
Legal		75,401.89	28,443.71	-	46,958.18
Accounting		20,000.00	18,500.00	-	1,500.00
Postage & Shipping		100.00	24.76	-	75.24
Meals		2,500.00	1,812.69	-	687.31
Utilities		15,000.00	7,033.49	-	7,966.51
Insurance		7,000.00	6,315.00	-	685.00
Total	$ 170,001.89	$ 170,001.89	$ 80,769.19	$ -	**$ 89,232.70**

Danville-Pittsylvania Regional Industrial Facility Authority

Mega Park

As of June 30, 2010

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Funding					
City contribution	$ 134,482.50				
County contribution	134,482.50				
City advance for Klutz, Canter, & Shoffner property [1]	10,340,983.83				
Tobacco Commission FY09 SSED Allocation	3,370,726.00				
Tobacco Commission FY10 SSED Allocation - Engineering Portion	407,725.00				
Land					
Klutz property		$ 8,394,553.50	$ 8,394,553.50	$ -	
Canter property [2]		1,200,000.00	1,200,000.00	-	
Adams property		37,308.00	37,308.00	-	
Carter property		5,843.00	5,843.00	-	
Jane Hairston property		1,384,961.08	1,384,961.08	-	
Bill Hairston property		201,148.00	201,148.00	-	
Shoffner Property		1,872,896.25	1,872,896.25	-	
Other					
Dewberry & Davis		28,965.00	28,965.00	-	
Dewberry & Davis[3]		1,004,826.80	846,890.29	157,936.51	
Consulting Services - McCallum Sweeney		115,000.00	80,343.52	34,656.48	
Total	$ 14,388,399.83	$ 14,245,501.63	$ 14,052,908.64	$ 192,592.99	$ 142,898.20

[1] *This figure does not include the interest the City is losing from the univested funds.*

[2] *settlement fees have been charged to general expenditures until a funding source is available*

[3] *This contract was originally for $814,500, but has been amended to include a traffic impact analysis, and a cemetery survey. $740,000 will be covered by the FY09 Tobacco Allocation and $250,850 will be covered by the FY10 Tobacco Allocation.*

Danville Pittsylvania Regional Industrial Facility Authority

Danville Regional Foundation - Build Out of the Research Facility

As of June 30, 2010

	Funding	Budget / Contract Amount	Expenditures	Encumbered	Unexpended / Unencumbered
Danville Reg. Foundation	1,745,000.00				
Money Market - Interest Earned	22,687.21				
McKinney & Company		144,800.79	144,800.79	-	
Blair Construction, Inc.		1,450,261.00	1,450,261.00	-	
CRB Electric, Inc		23,153.00	-	-	
Custom Construction		13,911.00	13,806.67	-	
Powers Signs, Inc.		5,871.35	5,871.35	-	
Millwork Specialist, LLC - Case work for interior		78,935.04	78,935.04	-	
Commonwealth Blinds & Shades		3,074.20	3,074.20	-	
Sigma Engineered Solutions PC		11,800.00	9,800.00	2,000.00	
CCI**		59,101.00	59,101.00	-	
Total	1,767,687.21	1,790,907.38	1,765,650.05	2,000.00	**37.16**

** Contract is for $82,588, the Institute will provide the remaining funds of $23,487 to complete the project