



Industrial Development Authority of Danville, Virginia

P.O. Box 3300
Danville, Virginia 24543

June 6, 2018

NOTICE OF MEETING

To: T. Neal Morris C.G. Hairston
Richard Turner Russel D. Reynolds
Landon Wyatt Max Glass
John Laramore

A meeting of the Industrial Development Authority of Danville, Virginia has been called by the Chairman for **Tuesday, June 12, 2018, at **10:30 a.m.**** in the City Council Conference Room, 4th Floor, Room 425, Municipal Building, 427 Patton Street, Danville, Virginia.

This is an important meeting and your attendance is respectfully urged. If you cannot attend, please call the City Attorney's Office at 434-799-5122, as soon as possible.

/s/ Brooke Barksdale
Brooke Barksdale

Cc: Ken Larking, City Manager
Earl Reynolds, Deputy City Manager
W. Clarke Whitfield, Jr., City Attorney
Telly D. Tucker, Economic Development
Linwood Wright, Economic Development
Corrie Bobe, Economic Development
Kelvin Perry, Economic Development
Kim Custer, Economic Development
Michael Adkins, Director of Finance

**MEETING OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
TUESDAY, JUNE 12, 2018**

AGENDA

CALL TO ORDER

ROLL CALL

INDUSTRIAL DEVELOPMENT AUTHORITY:

1. APPROVAL OF MINUTES FROM REGULARLY CALLED MEETING ON MAY 8, 2018.
2. MONTHLY FINANCIAL REPORT.

ITEMS FOR DISCUSSION

3. STAFF UPDATES FROM ECONOMIC DEVELOPMENT ON VARIOUS TOPICS.
4. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE DEMOLITION AND REMOVAL OF TWO ELECTRIC TRANSMISSION TOWERS LOCATED IN THE DAN RIVER ADJACENT TO 132 UNION STREET BRIDGE ROAD.
5. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN AMENDED LEASE FOR HUNTER BYRNES, STEVEN GOULD, AND BYRNES GOULD LAW.
6. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN AMENDED LEASE WITH NORFOLK SOUTHERN.
7. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE ACCEPTANCE OF PROPERTY FROM THE CITY OF DANVILLE.
8. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT FOR LYNN STREET PARCEL 21403 LOT 1A.

9. CLOSED MEETING

10. CONSIDER AND TAKE ACTION UPON ANY AND ALL BUSINESS THAT MAY BE LAWFULLY ENACTED AT A REGULAR MEETING OR DISCUSSED IN A CLOSED MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA.

ADJOURN

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
MINUTES OF MEETING
May 8, 2018

PURSUANT TO A WRITTEN NOTICE DATED MAY 3, 2018, A COPY OF WHICH IS ATTACHED HERETO, A MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, WAS HELD IN THE FOURTH FLOOR CONFERENCE ROOM OF THE MUNICIPAL BUILDING ON TUESDAY, May 8, 2018, AT 10:30 A.M.

THE FOLLOWING MEMBERS WERE PRESENT AND ABSENT:

PRESENT: T. NEAL MORRIS, CHAIRMAN
 C.G. HAIRSTON, VICE CHAIRMAN
 RICHARD L. TURNER, TREASURER
 RUSSELL D. REYNOLDS, SECRETARY
 JOHN LARAMORE
 LONDON WYATT

ABSENT: MAX R. GLASS

ALSO PRESENT: W. CLARKE WHITFIELD, JR., CITY ATTORNEY
 BROOKE BARKSDALE, LEGAL SECRETARY
 MADISON WHITTLE, COUNCILMAN
 MICHAEL ADKINS, DIRECTOR OF FINANCE
 TELLY TUCKER, ECONOMIC DEVELOPMENT
 CORRIE BOBE, ECONOMIC DEVELOPMENT
 LINWOOD WRIGHT, ECONOMIC DEVELOPMENT
 KELVIN PERRY, ECONOMIC DEVELOPMENT

T. NEAL MORRIS, CHAIRMAN, CALLED THE MEETING TO ORDER AT 10:30 A.M.

MINUTES

COPIES OF THE MINUTES OF THE APRIL 10, 2018, MEETING WERE DISTRIBUTED TO THE MEMBERS WITH THEIR AGENDA PACKET. A MOTION WAS MADE BY MR. HAIRSTON TO APPROVE THE MINUTES. THE MOTION WAS SECONDED BY MR. REYNOLDS AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	-AYE
MR. HAIRSTON	-AYE
MR. TURNER	-AYE
MR. REYNOLDS	-AYE
MR. LARAMORE	-AYE
MR. WYATT	-AYE

UPDATE ON FINANCES

COPIES OF THE CURRENT FINANCIAL STATEMENTS WERE DISTRIBUTED TO THE MEMBERS. A MOTION WAS MADE BY MR. LARAMORE TO APPROVE THE FINANCIAL REPORT. THE MOTION WAS SECONDED BY MR. HAIRSTON AND CARRIED WITH MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS	-AYE
MR. HAIRSTON	-AYE
MR. TURNER	-AYE
MR. REYNOLDS	-AYE
MR. LARAMORE	-AYE
MR. WYATT	-AYE

ECONOMIC DEVELOPMENT STAFF UPDATES

CORRIE BOBE INFORMED BOARD MEMBERS THAT THE RIVER DISTRICT ASSOCIATION (RDA) RECEIVED A \$25,000 GRANT FROM THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT- VIRGINIA MAIN STREET PROGRAM TO DO A FEASIBILITY STUDY ON THE WHITE MILL PROPERTY. THE IDA WILL BE RESPONSIBLE FOR \$350 OF OVERAGE COSTS TO PAY FOR CONSULTING SERVICES.

KELVIN PERRY INFORMED BOARD MEMBERS THAT DODSON PEST CONTROL WILL TREAT 527 BRIDGE STREET FOR TERMITES. TREATMENT WILL COST APPROXIMATELY \$2,800.

AN APPRAISAL WILL BE DONE ON THE OLD BELT 1 PROPERTY AS A RESULT OF THE FIVE-YEAR TERM OF THE CURRENT MORTGAGE ON THE PROPERTY.

RYAN DODSON, ASSISTANT CITY ATTORNEY I, WAS ASKED TO RESEARCH PARCEL 2411-26-0489 AND PARCEL 2411-16-8762 LOCATED IN PITTSYLVANIA COUNTY TO DETERMINE HOW THE IDA ACQUIRED THESE PROPERTIES. MR. DODSON WAS ABLE TO DETERMINE THAT THE PROPERTIES WERE ORIGINALLY OWNED THROUGH CLEMENT & WHEATLEY TRUST PC OWNED BY SOUTHERN COMPANY. THE PURPOSE OF THE LAND WAS TO PROVIDE GAS PIPE EASEMENTS TO A PURPOSED GAS FIRED GENERATION PLANT. THE PROJECT WAS ABANDONED AND HAVING NO FURTHER INTEREST IN THE PROPERTY SOUTHERN COMPANY GIFTED THE PARCELS TO THE IDA ON JANUARY 7, 2002.

RESOLUTIONS

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE SALE OF PROPERTY LOCATED AT 187 CANE CREEK BOULEVARD ON OR AFTER MAY 8, 2018.

MOTION MADE BY MR. TURNER; 2ND BY MR. LARAMORE

VOTE CARRIED AS: MR. MORRIS -AYE
 MR. HAIRSTON -AYE
 MR. TURNER -AYE
 MR. REYNOLDS -AYE
 MR. LARAMORE -AYE
 MR. WYATT -AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND THE DOWNTOWN DANVILLE ASSOCIATION DBA THE RIVER DISTRICT ASSOCIATION.

MOTION MADE BY MR. HAIRSTON; 2ND BY MR. REYNOLDS

VOTE CARRIED AS: MR. MORRIS -AYE
 MR. HAIRSTON -AYE
 MR. TURNER -AYE
 MR. REYNOLDS -AYE
 MR. LARAMORE -AYE
 MR. WYATT -AYE

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE A TERM LOAN COMMITMENT WITH VIRGINIA COMMUNITY CAPITAL IN AN AMOUNT NOT TO EXCEED \$1,274,032 FOR THE OUTSTANDING BALANCE OF THE UP FITS TO 500 CANE CREEK PARKWAY.

MOTION MADE BY MR. REYNOLDS; 2ND BY MR. HAIRSTON

VOTE CARRIED AS: MR. MORRIS -AYE
 MR. HAIRSTON -AYE
 MR. TURNER -AYE
 MR. REYNOLDS -AYE
 MR. LARAMORE -AYE
 MR. WYATT -AYE

MR. TURNER MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENE IN EXECUTIVE CLOSED MEETING FOR THE PURPOSE OF DISCUSSION CONCERNING A PROSPECTIVE BUSINESS OR INDUSTRY OR THE EXPANSION OF AN EXISTING BUSINESS OR INDUSTRY WHERE NO PREVIOUS ANNOUNCEMENT HAS BEEN MADE AS PERMITTED BY SUBSECTION (A)(5) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED AND DISCUSSION OR CONSIDERATION OF THE ACQUISITION/DISPOSITION OF REAL PROPERTY FOR A PUBLIC PURPOSE WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY IMPACT THE BARGAINING POSITION OF THE AUTHORITY AS PERMITTED BY SUBSECTION (A)(3) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.

MOTION MADE BY MR. TURNER; 2ND BY MR. LARAMORE
VOTE CARRIED AS: MR. MORRIS -AYE
MR. HAIRSTON -AYE
MR. TURNER -AYE
MR. REYNOLDS -AYE
MR. LARAMORE -AYE
MR. WYATT -AYE

MR. TURNER MOVED THE MEETING IMMEDIATELY RECONVENE INTO AN OPEN MEETING. THE MOTION WAS SECONDED BY MR. HAIRSTON AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MR. MORRIS -AYE
MR. HAIRSTON -AYE
MR. TURNER -AYE
MR. REYNOLDS -AYE
MR. LARAMORE -AYE
MR. WYATT -AYE

UPON RECONVENING, MR. TURNER MOVED THAT THE BOARD ADOPT A RESOLUTION CERTIFYING THAT TO THE BEST OF EACH MEMBER'S KNOWLEDGE THAT (1) ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER SECTION 2.2-3711 AND (2) ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENED WERE HEARD, DISCUSSED OR CONSIDERED IN THE CLOSED MEETING.

MOTION MADE BY MR. TURNER; 2ND BY MR. HAIRSTON
VOTE CARRIED AS: MR. MORRIS -AYE
MR. HAIRSTON -AYE
MR. TURNER -AYE
MR. REYNOLDS -AYE
MR. LARAMORE -AYE
MR. WYATT -AYE

A VERBAL MOTION AUTHORIZING THE CHAIRMAN TO EXECUTE A LETTER IN SUPPORT OF PROJECT CBR.

MOTION MADE BY MR. TURNER; 2ND BY MR. HAIRSTON
VOTE CARRIED AS: MR. MORRIS -AYE
MR. HAIRSTON -AYE
MR. TURNER -AYE
MR. REYNOLDS -AYE
MR. LARAMORE -AYE
MR. WYATT -AYE

MEETING ADJOURNED

MR. RUSSELL REYNOLDS
SECRETARY

T. NEAL MORRIS
CHAIRMAN

Executive Summary

REMOVAL OF TWO ELECTRIC TRANSMISSION TOWERS

The IDA acquired ownership of the two electric transmission towers that once served the White Mill Property. The owners of Robert Woodall Chevrolet have requested that the IDA remove the towers which are located adjacent to their property and are no longer in use. M.R. Dishman & Sons, Inc. has provided Economic Development with a quote of \$10,420.00 to remove the towers, remove the tower foundations, and fill the areas disturbed during this process. It is staff's recommendation that the IDA approve the removal of the two electric transmission towers for the quoted price.

PRESENTED: June 12, 2018

ADOPTED: June 12, 2018

RESOLUTION NO. 2018-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE DEMOLITION AND REMOVAL OF TWO ELECTRIC TRANSMISSION TOWERS LOCATED IN THE DAN RIVER ADJACENT TO 132 UNION STREET BRIDGE ROAD.

WHEREAS, the Industrial Development Authority of Danville, as part of the acquisition of the White Mill, gained ownership of two electric transmission towers that once served the property; and

Whereas the towers are located adjacent to 132 Union Street Bridge Road; and

WHEREAS, given that the towers are no longer being used by AEP to supply electricity to the White Mill property.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby approves and authorizes the demolition of the and removal of two electric transmission towers located in the Dan River adjacent to 132 Union Street Bridge Road; and

BE IT FURTHER RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby approves and authorizes the staff to employ and contract with M.R. Dishman & Sons, Inc. to demolish and remove the towers, the tower foundations, and fill the areas disturbed by this process at a cost not to exceed \$12,000; and

BE IT FINALLY RESOLVED that the Chairman or in his absence it Vice-Chairman be hereby authorized to sign any required documents and perform any other duties needed to complete the above-mentioned act.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney



Bid Proposal

9/7/17

To: Greg Disher
Director
City of Danville Power and Light

Project: Transmission Tower Demolition
Woodall Nissan

Bid Date: 9/7/17
Acknowledged Addendums

We propose to furnish all labor, layout, equipment, material, supervision, disposal, taxes, and transportation necessary unless noted otherwise to perform the following scopes of work. All pricing is based off site visit to the above property and phone conversation between Greg Disher and Brandon Dishman discussing the scope of work desired by the City.

Removal of two transmission towers

For the Sum of\$5,875.00

Removal of two transmission tower foundations to 1' below finished grade including bringing in required fill and stabilizing disturbed areas caused by our work.

For the Sum of\$4,545.00

M.R. Dishman is willing to provide a price to remove foundations complete if information can be provided on foundation types, depths, reinforcement, in use utility locations near foundations that could become ruptured from vibrations caused by hydraulic hammering.

Price is Good for 30 days from proposal date.

Thank you for the opportunity to quote this project

Respectfully submitted

Brandon M Dishman
Vice President

Executive Summary

W. HUNTER BRYNES, STEVEN P. GOULD, AND BRYNES GOULD, PLLC 310-312 MAIN STREET LEASE AGREEMENT AMENDMENT

W. Hunter Brynes and Steven P. Gould D/B/A Brynes Gould, PLLC, has requested to modify the original approved lease terms to Brynes and Gould Law office for the second and third floors of the building known as 310 Main Street STE 300 and 312 Main Street STE 200 for One Thousand Five Hundred dollars (\$1,500.00) for 36 months effective 2/1/2018—1/31/2021 with the option to renew the lease for an additional 36 months with a five percent increase to the lease rate.

PRESENTED: June 12, 2018

ADOPTED: June 12, 2018

RESOLUTION NO. 2018-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN AMENDED LEASE FOR HUNTER BYRNES, STEVEN GOULD, AND BYRNES GOULD LAW.

WHEREAS, Hunter Byrnes, Steven Gould, and Byrnes Gould Law, wishes to amend their lease with the Industrial Development Authority of Danville, Virginia; and

WHEREAS, Hunter Byrnes, Steven Gould, and Byrnes Gould Law desires to lease Suite 200 located on the second floor at 312 Main Street (parcel #22470) and Suite 300 located on the third floor at 310 Main Street (parcel #26819) for a term of 36 months effective February 1, 2018.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby approves the execution of an amended lease for Hunter Byrnes, Steven Gould, and Byrnes Gould Law to lease Suite 200 located on the second floor at 312 Main Street (parcel #22470) and Suite 300 located on the third floor at 310 Main Street (parcel #26819) for a term of 36 months effective February 1, 2018; and

BE IT FURTHER RESOLVED by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any officer, to execute the amended lease and any other documents necessary to complete the transaction described in this resolution.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

Executive Summary

NORFOLK SOUTHERN LEASE AMENDMENT

Norfolk Southern has offered an amendment to the lease with the IDA covering the parking lot adjacent to 750 Craghead Street to include the fence that is currently on NS land outside the leased area. Norfolk Southern says that the fence is not its property, and it has no need for the fence. The IDA property does need the fence, and it very badly needs repairing since it now provides no security to the Authority's tenants. Economic Development staff recommends the approval of this amendment by the Chairman or his designee. The fence predates the IDA's purchase of the Sasser Sign property, and staff thinks this is the simplest and most direct way to handle the issue of maintaining some security for IDA tenants and their property. Mr. Whitfield has approved the amendment as presented.

PRESENTED: June 12, 2018

ADOPTED: June 12, 2018

RESOLUTION NO. 2018-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING AN AMENDED LEASE WITH NORFOLK SOUTHERN RAILWAY COMPANY.

WHEREAS, the Industrial Development Authority of Danville, Virginia (IDA) leases property from Norfolk Southern Railway Company adjacent to 750 Craghead Street; and

WHEREAS, Norfolk Southern Railway Company has offered a First Amendment to Lease Agreement with the IDA covering the parking lot adjacent to 750 Craghead Street to include the fence that is currently on Norfolk Southern land outside the leased area.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby authorizes and approves the execution of the First Amendment to Lease Agreement with Norfolk Southern Railway Company attached hereto and made a part hereof as if fully set out herein; and

BE IT FURTHER RESOLVED by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any officer, to execute the amended lease and any other documents necessary to complete the transaction described in this resolution.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney



Activity Number: 1259695

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "**Amendment**") is made as of the _____ day of _____, _____ by and between **NORFOLK SOUTHERN RAILWAY COMPANY**, a Virginia corporation (the "**Landlord**") and **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VA**, a Virginia government entity (the "**Tenant**").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated July 20, 2015, (as amended, the "**Lease**"), for real property located at Milepost NF-204.70 in **Danville, Danville (city), Virginia**, having an area of 6,173 square feet, more or less (the "**Premises**");

WHEREAS, Landlord and Tenant desire to modify the rental payable by Tenant under the Lease and to make certain other changes to the Lease as hereinafter stated.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lease is hereby amended, and the parties hereto do agree as follows:

1. Tenant-Owned Improvements. Tenant shall have the right to use and maintain the existing Tenant-Owned fence (the "**Tenant-Owned Improvements**") located upon the Premises. Said Tenant-Owned Improvements shall not become fixtures upon the realty, but shall remain the property of Tenant and shall be removed from the Premises upon termination or expiration of the Lease.

2. Insurance. Tenant shall procure and maintain, at all times and at its expense, in a form and with an insurance company acceptable to Landlord, Commercial General Liability Insurance for the Premises. Such coverage shall (a) have a single limit of not less than \$2,000,000.00 for each occurrence (or such greater amount over time so as to be commercially reasonable) and shall provide for a deductible of not more than \$5,000.00, (b) cover Tenant's contractual liability hereunder, (c) cover Tenant and Landlord for liability arising out of work performed by any third parties for Tenant in or about the Premises, (d) name the Landlord Entities as additional insureds, and (e) be considered primary and noncontributory, regardless of any insurance carried by Landlord. Any property insurance maintained by Tenant on its furniture, fixtures, equipment and personal property shall include a waiver of subrogation in favor of Landlord. Tenant shall deliver certificates of insurance evidencing the insurance required hereinabove to Landlord simultaneously with the execution of this Lease by Tenant, which certificates shall reflect that the policies shall not be canceled without at least thirty (30) days prior notice to Landlord. If Tenant fails to obtain the necessary coverages, Landlord may do so at Tenant's expense and the same shall constitute additional rental. All insurance certificates should be delivered to Landlord's Risk Management Department, Three Commercial Place, Norfolk, Virginia 23510, simultaneously with the execution of this Lease by Tenant. The minimum limits of insurance provided for hereunder are not intended to be a limitation on the liability of Tenant hereunder and shall not waive Landlord's right to seek a full recovery from Tenant.

3. Notice. Any notice given pursuant to the Lease shall be in writing and sent by certified

mail, return receipt requested, by hand delivery or by reputable overnight courier to:

(a) Landlord: c/o Director Real Estate, Norfolk Southern Corporation, 1200 Peachtree Street, NE – 12th Floor, Atlanta, Georgia 30309-3579 or at such other address as Landlord may designate in writing to Tenant.

(b) Tenant: Industrial Development Authority of Danville, Virginia, 427 Patton Street, P.O. Box 3300, Danville, Virginia 24543, or at such other address as Tenant may designate in writing to Landlord.

Any notice sent in the manner set forth above shall be deemed delivered three (3) days after said notice is deposited in the mail if sent by certified mail (return receipt requested), or upon receipt if sent by hand delivery or reputable overnight courier. Any change of notice address by either party shall be delivered to the other party by the manner of notice required hereby.

4. Ratification; Successors and Assigns. Landlord and Tenant acknowledge and agree that the Lease, as amended by this Amendment, is hereby ratified and confirmed and in full force and effect. This Amendment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in duplicate, each

part being an original, as of the _____ day of _____, 20_____.

Witness (As To Landlord):

Signature
Name: _____

Witness (As To Landlord):

Signature
Name: _____

LANDLORD:

NORFOLK SOUTHERN RAILWAY COMPANY
a Virginia corporation

By: _____
Name: _____
Title: _____

Date of Landlord Signature: _____

[SEAL]

Witness (As To Tenant):

Signature
Name: _____

Witness (As To Tenant):

Signature
Name: _____

TENANT:

**INDUSTRIAL DEVELOPMENT
AUTHORITY OF DANVILLE, VA**
a Virginia government entity

By: _____
Name: _____
Title: _____

Date of Tenant Signature: _____

[SEAL]

K L Wednesday, May 9, 2018\Activity No. 1259695\iManage No. 1624749v1
Form Amendment – Rental, Insurance and Notice (NS) 214854v1

Executive Summary

ACCEPTANCE OF PROPERTY FROM THE CITY OF DANVILLE

In 2010, the City purchased Lynn Street Parcel 21403 Lot 1A as part of the Fire Department's new Lynn Street station. Since then, a number of new private development projects have taken place along the 500-600 blocks of Craghead Street, which have increased the demand for parking options.

To support this growth and future growth spurred by the upcoming development of 523-525 Lynn Street, formerly known as the Durham Hosiery building, this parcel will provide 120 new parking spaces to this area of the River District. The creation of this lot will leverage approximately \$7.5M of private capital investment and also provide parking for approximately 40 apartments that will soon be constructed in the surrounding buildings. Staff recommends the acceptance of the transfer of this property from the City to the IDA for the purpose of developing a parking lot approved at the June 5th City Council Meeting (see attached survey).

PRESENTED: June 12, 2018

ADOPTED: June 12, 2018

RESOLUTION NO. 2018-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE ACCEPTANCE OF PROPERTY FROM THE CITY OF DANVILLE.

WHEREAS, the Council of the City of Danville, Virginia approved a resolution conveying property to the Industrial Development Authority of Danville, Virginia identified as Lynn Street Parcel 21403 Lot 1A.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby authorizes and approves the acceptance of property identified as Lynn Street Parcel 21403 Lot 1A from the Danville City Council; and

BE IT FURTHER RESOLVED by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any officer, to execute any documents necessary to complete the transaction described in this resolution.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

Executive Summary

LEASE AGREEMENT FOR LYNN STREET PARCEL 21403 LOT 1A

The developers of 523-525 Lynn Street have requested to lease 60 parking spaces in Lynn Street Parcel 21403 Lot 1A to accommodate the tenants of their upcoming project. This \$7.5M project will create 40 residential apartments and 30,000 sq. ft. of commercial space. They have requested a 20-year lease at the following rate schedule (see attached lease):

- Years 1-5: \$8,640 per year
- Years 6-10: \$10,080 per year
- Years 11-15: \$11,520 per year
- Years 16-20: \$12,960 per year

PRESENTED: June 12, 2018

ADOPTED: June 12, 2018

RESOLUTION NO. 2018-____.

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE AGREEMENT FOR LYNN STREET PARCEL 21403 LOT 1A.

WHEREAS, the Council of the City of Danville, Virginia approved a resolution conveying property to the Industrial Development Authority of Danville, Virginia identified as Lynn Street Parcel 21403 Lot 1A; and

WHEREAS, Lynn Street LLC, the developers of 523-525 Lynn Street, have requested to lease 60 parking spaces in the Lynn Street Parcel 21403 Lot 1A to accommodate the tenants of their upcoming project;

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby authorizes and approves the lease, substantially in the form attached hereto, of 60 parking spaces in the Lynn Street Parcel 21403 Lot 1A to Lynn Street LLC, the developers of 523-525 Lynn Street; and

BE IT FURTHER RESOLVED by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman, or in his absence any officer, to execute any documents necessary to complete the transaction described in this resolution.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

PARKING LEASE

THIS PARKING LEASE, made this the ____ day of _____, 2018, by and between the Industrial Development Authority of Danville, VA, (IDA) a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "Lessor," and Lynn Street LLC, a Virginia corporation having offices at 3210 Chamberlayne Avenue Richmond, VA 23227 "Lessee";

WITNESSETH:

THAT for and in consideration of the mutual covenants and agreements herein contained, the parties do hereby covenant and agree as follows:

1. Lease of Property; Warranties and Covenants of Lessor.

- a. Lessor owns the real property described in Schedule A attached hereto (the "Property").
- b. The Property will become a surface parking lot along with related improvements (the "Parking Facility").
- c. Lessee is a Developer whose purpose is to redevelop and renovate the former Knitting Mill located at 523-525 Lynn St. by constructing at least forty (40) apartments and additionally twenty five thousand (25,000) square feet of commercial space.
- d. Lessee desires to lease from Lessor sixty (60) parking spaces within the future parking lot located at 580 Lynn Street and Lessor agrees to lease to Lessee sixty (60) parking spaces within the future parking lot located at 580 Lynn Street.
- e. Lessor warrants and covenants that they have the right to lease the Leased Premises on the terms and conditions of this lease, that the Leased Premises is presently free of any restrictions prohibiting Lessee's authorized use or occupancy thereof as a parking lot and that the Lessee may peaceably and

quietly hold and enjoy the Leased Premises for the term of the lease as long as it shall faithfully perform its obligations hereunder except as otherwise provided by the terms of this lease.

2. Future Adjustments.

This lease shall provide for the future adjustments of the rental fee. Adjustments in rates will not exceed more than once every five years.

3. Acceptance of Premises by Lessee.

The taking of possession of the said Leased Premises by the Lessee shall be conclusive evidence that said premises were in good and satisfactory condition when possession of the same was taken, latent hidden defects excepted.

4. Term of Lease.

The term of this lease shall be for a period of twenty (20) years, commencing _____, 2020, (or as soon as practical thereafter) and continuing through _____, 2040. The Lessee agrees to relocate this parking to another public lot during this term should one be available that is closer to the development project.

5. Rental.

Lessee shall pay to Lessor yearly payments in lawful money of the United States as rent hereunder the following amounts on the first date of the lease and upon the anniversary date of each year thereafter:

- a. Years 1-5: \$8,640 per year
- b. Years 6-10: \$10,080 per year
- c. Years 11-15: \$11,520 per year
- d. Years 16-20: \$12,960 per year

6. Late Charges.

In the event Lessee does not pay yearly rental payment or other charges which Lessee is required to pay to Lessor under this lease within five (5) days of the date such

payments are due, Lessee shall pay to Lessor as additional rent the sum of One Hundred Dollars (\$100) for each day that any such sums remain unpaid and delinquent.

7. Use of Leased Premises.

The Leased Premises is to be used for parking of vehicles only and no other purposes, without the prior written consent of the Lessor.

Further, Lessee shall not permit the Leased Premises to be used in any manner which shall be unlawful or shall constitute a nuisance or hazard.

8. Care and Maintenance of Leased Premises.

No improvement or alteration of the premises shall be made without the prior written consent of the Lessor. All enforcement of parking within the parking area described in this lease shall be the full responsibility of the Lessee.

9. Loss or Damage to Lessee's Property.

All personal property of any kind or description whatsoever on the demised premises shall be the Lessee's sole risk, and the Lessor shall not be held liable for any damage done to or loss of such personal property

10. Liability Insurance.

The Lessee shall maintain, at its expense, for its own protection against claims of third persons and their property arising through or out of the use and occupancy of the leased premises including but not limited to public liability insurance including bodily injury and property damage insuring Lessee and Lessor with minimum coverage as of \$1,000,000 per occurrence and \$2,000,000 in aggregate.

Lessee shall provide Lessor with a Certificate of Insurance and Endorsement showing Lessor as an additional insured. The Certificate shall provide for a ten day written notice to Lessor in the event of cancellation or material change of coverage.

The Lessor may maintain its own protection against such claims arising out of its ownership of the premises.

11. Rebuilding and Repair of Major Damage to Premises.

In the event the Leased Premises or a major portion thereof shall be damaged or destroyed by casualty, or otherwise, to an extent which renders them untenable, as the Lessor may reasonably determine, the Lessor may rebuild or repair such damaged or destroyed portions and the obligation of the Lessee to pay rent hereunder shall abate as to such damaged or destroyed portions during the time they shall be untenable. In the event the Lessor elects not to proceed with the rebuilding or repair of the Leased Premises (if so damaged or destroyed), or shall fail to proceed with such repair or rebuilding for a period of one hundred eighty (180) days after the damage or destruction, then either party may, at its option, cancel and terminate this Lease and agreement.

12. Surrender of Possession.

The Lessee agrees to deliver up and surrender to the Lessor possession of the leased premises at the expiration or termination of this Lease, by lapse of time or otherwise, in as good repair as when the Lessee obtained the same at the commencement of said term, excepting ordinary wear and tear, or damage by the elements.

13. Eminent Domain.

In the event the whole of the Leased Premises (or such a substantial part thereof that it is rendered unsuitable for Lessee's use) shall be taken by any public authority under the power of eminent domain or like power, this lease shall terminate as of the date possession shall be required to be delivered to the appropriate authority. In the event of only a partial taking under such power, which does not materially render the Leased Premises unsuitable for Lessee's business, this Lease shall not terminate, but there shall be an equitable abatement of the rent proportionate to the part of the Leased Premises taken under such power. In the event of total or partial taking under such, Lessor shall be entitled to all such awards of damages as may be allowed.

14. Entry of Lessor.

The Lessor, or his agents and employees, shall have the right, upon reasonable notice to the Lessee and at reasonable hours, to examine the demised premises and/or to maintain or make alterations and repairs as provided for in this agreement. Lessor at any time within thirty (30) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter.

15. Hazardous Materials.

Lessee shall not use, store, or dispose of any hazardous substances upon the premises. Hazardous substances mean any hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property.

16. Abandonment of Premises.

Lessee shall not vacate or abandon the premises at any time during the term hereof.

17. Cancellation and Termination.

The Lessor may cancel and terminate this Lease, and may repossess the premises in the event an abandonment of the premises by Lessee or if any yearly installment of the payments provided for herein is in arrears, and remains unpaid for a period of thirty (30) days after the same is due, and upon the giving of ten (10) days' written notice to the Lessee of its intention to so terminate, at the end of which time all the rights of the Lessee hereunder may be terminated at Lessor's option unless the default which shall have been stated in such notice shall have been cured within such ten (10) days.

18. Holding After Termination.

If, after the expiration of this Lease, the Lessee shall remain in possession of the Leased Premises without a written agreement as to such holding, then such holding over shall be deemed and taken to be a holding upon a periodic tenancy from month to month at a

monthly rental payment of \$1,800 payable in advance or on the 1st day of each month with all other terms and conditions of this lease remaining the same.

19. Notice and Reports.

Any notice, report, statement, approval, consent, designation, demand, or request to be given, and any option or election to be exercised by a party under the provisions of the lease shall be effective only when made in writing and delivered by certified or registered mail to the other party at the applicable address set forth below. However, either party may designate a different address by giving the other party written notice of the change. Rental payments payable to Lessor shall be paid by Lessee at the same address prescribed for delivery of written notice.

20. Notice to Lessor/Notice to Lessee.

Notice to Lessor or Lessee shall be deemed given when mailed by certified mail, return receipt requested, as follows:

To Lessor:

Chairman
Industrial Development Authority of Danville, VA
C/O City Attorney's Office
P.O. Box 3300
Danville, Virginia 24541

With a copy to:

City Attorney
427 Patton Street
Danville, Virginia 24541
P.O. Box 3300
Danville, Virginia 24541

To Lessee: Garrett Shiflett and Ross Fickenscher
Lynn Street LLC
3210 Chamberlayne Avenue
Richmond, VA 23227

21. Construction of Lease.

This lease contains all of the understandings between the parties and may not be modified except by writing signed by all parties hereto or their successors. The failure of the Lessor to insist upon strict performance of any of the covenants or conditions of this lease shall not be construed as a waiver of any such covenants, conditions, or options, but the same shall be and remain in full force and effect.

22. Severability.

Each provision hereof shall be separate and independent and the breach of any such provision by Lessor shall not discharge or relieve Lessee from its obligations to perform each and every covenant to be performed by Lessee hereunder.

If any provision hereof or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and enforceable to the extent permitted by law.

23. Assignment and Subletting.

Lessee shall not assign this lease or sublet any portion of the premises without prior written consent of the Lessor. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this lease.

24. Headings.

The headings of various paragraphs herein have been inserted for convenient reference only and shall not to any extent have the effect of modifying or amending the express terms and provisions of this Lease.

25. Indemnification.

Lessee shall defend all actions against Lessor, its members and any officer, director, agent or employee of Lessor and its members (each, a "Lessor Indemnitee") with respect to, and shall pay, protect, indemnify and save harmless all Lessor Indemnitees from

and against, any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature.

26. Choice of Law and Venue.

This Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

27. Binding Effect of Lease.

All rights and liabilities hereunder shall benefit and bind the respective successors, heirs, and assigns of the parties.

IN WITNESS WHEREOF, these parties have executed this Lease Agreement on the day and year first above written in two (2) counterparts, each of which is to be deemed to be an original Lease Agreement.

{Signatures appear on the following pages}

LESSOR:

INDUSTRIAL DEVELOPMENT AUTHORITY
OF DANVILLE, VIRGINIA

By: _____
T. Neal Morris
Chairman

COMMONWEALTH OF VIRGINIA
CITY OF DANVILLE

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by T. Neal Morris, Chairman of the Industrial Development Authority of Danville, Virginia.

Notary Public

My commission expires: _____.

LESSEE:

LYNN STREET LLC

_____ (SEAL)

By:

Title:

COMMONWEALTH OF VIRGINIA

CITY OF DANVILLE

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by _____, Lessor in his capacity as _____.

Notary Public

My commission expires: _____.