

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

June 11, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, Room 206, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders and Alternate J. Lee Vogler; Fred O. Shanks, III was absent. Pittsylvania County Members present were Chairman Robert W. Warren, Ronald S. Scarce and Alternate Elton W. Blackstock.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, 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, Project Manager Ashley Wolfe, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis and Danville City Council Member Madison Whittle.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE MAY 14, 2018 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Scarce, Minutes of the May 14, 2018 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. – CONSIDERATION OF RESOLUTION NO. 2018-06-11-5A, APPROVING CHANGE ORDER 1 TO THE PHASE I SANITARY SEWER PROJECT IN THE AUTHORITY'S BERRY HILL INDUSTRIAL MEGA PARK

Shawn Harden from Dewberry explained this was for Change Order No.1 for the Sanitary Sewer Project; most of it is dealing with Stormwater management compliance. During the bidding, DEQ was still reviewing the plans, they added and deleted some items, so it was a change in their overall contract. The second item is the addition of the recirculation piping; RIFA removed that section of the force main so it is not physically attached. In order to test and operate the pumps, exercise the pumps periodically until there is enough flow to pump it to Eden and get it connected, that recirculation piping will allow RIFA to operate the pump station without having to get enough water to send all the way back to Eden. Mr. Harden noted this would come out of a contingency budget; before the Change Order, there was about \$304,500, this will bring that down to \$257,000.

Mr. Vogler **moved** for adoption of *Resolution No. 2018-06-11-5A, approving Change Order 1 to the Phase I Sanitary Sewer Project in the Authority's Berry Hill Industrial Mega Park, located In Pittsylvania County, Virginia, to be performed by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2018-03-12-5A, increasing the contract price by \$46,755.00.*

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

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

5B. - CONSIDERATION OF RESOLUTION NO. 2018-06-11-5B, APPROVING THE FY2019 BUDGET

Senior Accountant Henrietta Weaver reviewed the proposed General Expenditure Budget for the upcoming fiscal year and explained the first three columns are the actual numbers as of the end of May; using those numbers and projections, the proposed funding and budget for the upcoming fiscal year are presented. Currently, it only accounts for the contributions from the City and the County of \$75,000 each; whatever is leftover from this fiscal year will be transferred over to be used for next year.

Mr. Saunders **moved** for adoption of *Resolution No. 2018-06-11-5B, approving the FY2019 Budget.*

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

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

5C. FINANCIAL STATUS REPORT AS OF MAY 31, 2018

Senior Accountant Henrietta Weaver gave the Financial Status report as of May 31, 2018 noting under the \$7.3M Bonds for Cane Creek Centre, RIFA spent \$1,430 to Dewberry for Wetlands Monitoring. Under General Expenditures, RIFA spent \$287 on meals and \$31 for Utilities. Mega Park Funding Other than Bonds had no activity for the month of May. Berry Hill Mega Park Lot 4 Site Development showed RIFA paid \$4,250 to Dewberry for Professional Services under Amendment 10. Berry Hill Mega Park Lot 8 Site Development showed no activity for the month of May. Ms. Weaver noted the Berry Hill Mega Park Water and Sewer sheet is for information purposes only, the County paid \$8,640 to Dewberry for the water line. Rent, Interest and Other Income shows payment to the Institute for Advanced Learning and Research for the Hawkins' Building property management in the amount of \$20,654 for the month of April.

Mr. Vogler **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Searce and carried by the following vote:

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

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5D. CONSIDERATION OF RESOLUTION NO. 2018-06-11-5D, APPROVING THE HIRING OF BIDDLE STREET INDUSTRIAL ASSOCIATES, INC.,

City of Danville Director of Economic Development Telly Tucker noted as a part of the Performance Agreement with Unison Tube LLC., and as part of the continuing obligation to provide oversight of the Performance Agreement and monitoring, once Unison had all their stock equipment on the floor, it is RIFA's duty to have that appraised to make sure it meets the financial value they set forth in the agreement. This proposal is to cover the cost of a third party appraiser to give RIFA the value of the equipment. It covers two to three days of travel expenses and on site evaluation of the equipment. That report will be submitted back to the RIFA board; this is part of RIFA's ongoing obligation agreement with the Regional Foundation as it pertains to the incentive for Unison. Part of RIFA's requirement was they had to get this third party appraisal done before they release any funds, how the incentive dollars are covered by the value of the equipment they propose to have on-site. This falls within the staff authority of approval but staff wanted to make sure it was put on the agenda so the Board is aware that staff is monitoring the Company's progress per what was outlined in the Performance Agreement and Security Agreement. Mr. Guanzon noted the Resolution that the Board had already passed for this transaction does cover the amount but because staff had to go to Pennsylvania to find a qualified appraiser because of the specialized nature of this equipment, is the reason why staff brought this back to the Board.

Mr. Scarce **moved** for approval of *Resolution No. 2018-06-11-5D, approving the hiring of Biddle Street Industrial Associates, Inc., a Pennsylvania corporation, to appraise certain equipment at an estimated cost of \$3,700, as part of that certain Local Performance Agreement, approved by the Authority under Resolution No. 2017-09-07-4F.*

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

VOTE: 4-0
AYE: Warren, Scarce, 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 12:24 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 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)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain

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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 Vogler (4)
NAY: None (0)

D. On **Motion** by Mr. Saunders and **second** by Mr. Searce and by unanimous vote at 12:45 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. Searce and carried by the following vote:

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

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7. COMMUNICATIONS

Mr. Warren noted his appreciation of the staff from the Southern Virginia Regional Alliance and VEDP for the recent meeting that SVRA put on at the Institute. It was very informative in relation to Berry Hill and he felt like he learned a lot. He asked staff if it was possible for the power point presentation to be sent to all the RIFA Board members. Mr. Saunders noted having a State director there meant a lot.

Mr. Warren noted the County is losing Ms. Wolfe, she is leaving to move to Arizona; the County will miss her greatly, she has done an outstanding job and is moving on to great things.

Enterprise Zone Boundary and Incentive Amendments

Ashley Wolfe, Project Manager, Pittsylvania County Economic Development gave a brief overview on Enterprise Zone Amendments noting their office has been working on boundary and incentive amendments to both of their Enterprise Zones; Zone 24 which is County only, and Zone 57 which is the joint zone between the City and the County. Ms. Wolfe noted they have some land that they felt likely to be developed but was not in an Enterprise Zone and also have some land that was in an Enterprise Zone taking up valuable acreage that they did not see being developed. Ms. Wolfe reviewed the zones (a copy of the handout *Pittsylvania County Proposed Enterprise Zone Amendment 2018 Application Map is attached to these minutes*) noting the green areas are the existing Enterprise Zones and red areas are the proposed additions.

The first area was the SVMP, a little bit of it is in, but most of it is not so staff will add that as Zone 24. In Gretna, the green area is existing and the blue areas are removals. The Techma Building is not in an Enterprise Zone, but the twenty-seven acres behind the building are, they are going to add the building in. They are going to remove a school and a library that is in an Enterprise Zone, that's not on land that will be developed. They are going to remove a little bit of the Gretna Industrial Park that is an area that has bad access and doesn't think that will be developed; those are in Zone 57 primarily. The Old Dominion Agricultural Complex is not in, but staff would like to put it in. The Chatham Industrial Park has some industry going in there and staff wants to have it in a zone. In Blairs, there is a bit of land in the middle of an interchange, two, ten acre parcels they are going to take out.

There are maximum acreages in the zones so any small piece that is not going to be developed they want to get it out so they can put it in a better spot. There is also some area in Zone 57 with some residential, not really developable properties, that will be taken out. They are not doing anything to Cane Creek, everything that is in Zone 57 will remain. In Berry Hill there are a couple of small pieces which will be removals, the parts of the lots on the other side of the railroad tracks totaling about 350 acres that can be taken out and used somewhere else. Staff is also going to do incentive amendments; Zone 57 has one set of incentives and Zone 24 has a different set of incentives. Their objective is to bring them to level so that they match, bringing Zone 24 incentives up to par.

Mr. Saunders questioned if there was a certain amount the State will give out per year to jurisdictions for Enterprise Zone designations and Ms. Wolfe noted there are two different programs in the Enterprise programs at the state level, there is a Job Creation Grant and a Real Property Investment Grant. The Job Creation Grant is based on the wage of the jobs;

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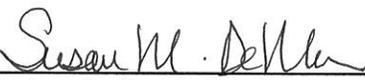
the state will give a certain dollar figure per job, that is over a five year period for eligible companies. The Real Property Investment Grant is based on a minimum investment and is also pro rated; sometimes the State is not able to give the full amount, they give as much as they can based on how many applications they receive each year.

Update on Enviva Development Holdings, LLC – Corrie M. Teague-Bobe, Assistant Director, Danville Economic Development noted staff has been notified by Enviva Development Holdings, LLC that they do intend to extend their review period for Lot 8 at Berry Hill. They will be processing the \$20,000 payment, with \$10,000 towards the Extension Fee and \$10,000 toward the deposit, this week.

Update on Connector Road Plans for Berry Hill Industrial Mega Park – Brian Bradner, P.E., Vice President, Dewberry Engineers Inc., noted staff has just about wrapped up a Transportation Plan update on the Connector Road, through the local MPO and North Piedmont Planning District. That update was focused on two things, one was looking at the Connector Road as the preferred alternative connecting with the existing interchange on the bypass. Secondly, the other role of the update was to update the cost, and then look at the phasing for what that project would look like in support of a VDOT Smart Scale application. They have finished the draft of that report, and recently had an informal meeting with what they believe to be the affected owners that they would need to obtain right of ways from. Mr. Bradner noted Mr. Sides, Mr. Harden and Rick Youngblood with VDOT were there. Their collective take away from that was that all that attended that meeting were very supportive of the project and in general very supportive of Berry Hill. There was a collective understanding of what it means to the County and for the region; they asked a lot of good questions and there was good feedback. Also, as part of that study, there will be an open community public meeting, to inform the public what the results of the study are and solicit feedback. That meeting has been scheduled for June 21st, at Brosville Elementary School, 5:00 p.m. to 7:00 p.m. As it relates to the Smart Scale application, the pre-application for that is being submitted through the MPO and the Planning District and the final application is due in about 30-40 days.

Meeting adjourned at 12:59 p.m.


Chairman


Secretary to the Authority