

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 13, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:21 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, 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 were absent.

City/County staff members attending were: Deputy City Manager Earl Reynolds, County Administrator David Smitherman, 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, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorneys Michael Guanzon and Jennifer Burnett, Secretary to the Authority Susan DeMasi and Executive Secretary Amanda Allen. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis, Executive Director of IALR Marc Gignac, and Linda Green from SVRA.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE JULY 9, 2018 MEETING AND JULY 27, 2018 SPECIAL MEETING**

Upon **Motion** by Mr. Shanks and **second** by Mr. Saunders, Minutes of the July 9, 2018 Meeting and July 27, 2018 Special Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. – CONSIDERATION OF RESOLUTION NO. 2018-08-13-5A APPROVING A LETTER AGREEMENT WITH THE INSTITUTE FOR ADVANCED LEARNING AND RESEARCH**

Authority Attorney Michael Guanzon explained this item is to approve the Institute's request to build the Gene Haas Center expansion building, at its expense. Currently, that property is located in the same tax parcel as the SENTEC and the Charles Hawkins' Building. The Charles Hawkins' building is a gross lease, and the SENTEC building is under a ground lease. This letter agreement gives the Institute consent to build on the property that they are going to own as far as the structure is concerned; it will be a perpetual ground lease, at a nominal fee. They will be responsible for the construction of the replacement parking lot in that same area and the maintenance of that parking area. Separately, the SENTEC building lease will have to be amended to change the configuration; the way it is configured now, the Institute is unable to exercise their option to purchase because of the size of the demised area. The idea is to amend the SENTEC building lease to remove that area that is not usable for purposes of an option to purchase, to increase the balance of their demised area and then convert that to a perpetual lease; they would still continue to own the building itself.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-08-13-5A, approving a letter agreement with the Institute for Advanced Learning and Research ("IALR"), a political*

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*subdivision of the Commonwealth of Virginia, setting forth the terms and conditions of the Authority's consent to IALR's construction, at IALR's expense, of the Gene Haas Expansion to the Charles Hawkins Building in the Authority's Cyber Park.*

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

VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

**5B. CONSIDERATION OF RESOLUTION NO. 2018-08-13-5B APPROVING A PROPOSAL FOR PROFESSIONAL SERVICES DATED JULY 27, 2018**

Shawn Harden from Dewberry explained he and Mr. Bradner recently met with the Army Corp to discuss the pad expansion project. During that meeting, they looked at some aerial photos and the Corp had reason to believe that the wetlands in that area have changed to the better. They requested that Dewberry go, re-delineate and let them reconfirm it. Mr. Harden noted he would like to see if there is a change that would be in RIFA's best interest and if there is, they will delineate it, and if there is not, they will just charge for the one day site visit and keep it the way it is. Mr. Rowe questioned how that was being paid for and Mr. Harden explained it would be paid for under the current Lot 4 grant which has a remaining fund balance.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-08-13-5B, approving that certain Proposal for Professional Services dated July 27, 2018, to re-delineate and re-identify, upon the recommendation of the U.S. Army Corps of Engineers, previously identified wetlands in the Authority's Berry Hill Mega Park in connection with the Phase I Pad Expansion, for a lump sum of \$11,500.00, subject, however, to grant use approval from the Virginia Tobacco Regional Revitalization Commission.*

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

VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

**5C. CONSIDERATION OF RESOLUTION 2018-08-13-5C APPROVING CHANGE ORDER 6 BY HAYMES BROTHERS**

Mr. Harden explained at the request of Economic Development they were asked to solicit a price from Haymes Brothers to construct a gravel access road and gravel pad on the Phase I development area, to prepare for the upcoming site visits with site consultants. Mr. Harden noted he vetted the cost received from Haymes Brothers and found them to be acceptable. Mr. Harden noted he recommended that Change Order No. 6 in the amount of \$47,700 be executed for Haymes Brothers; this will also be paid for out of Lot 4 Grant Funds.

Mr. Saunders **moved** for adoption of *Resolution No. 2018-08-13-5C, approving Change Order 6 to the site development work by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2017-02-24-4A, including construction of a 12 foot wide x*

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1,700 foot stoned roadway and a 100 foot x 150 foot stoned pad, increasing the contract price by \$47,700.00.

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

VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

**5D. CONSIDERATION OF RESOLUTION NO. 2018-08-13-5D, AUTHORIZING THE CONSTRUCTION OF A HELIPAD AT BERRY HILL**

Brian Bradner from Dewberry noted there has been a need to determine a way to easily and safely land helicopters at the Mega Site. They looked at various solutions, evaluated a number of them and are recommending a portable product; it is called Supa Trac, and it would be 50' by 50' and easily assembled. It is laid out on geotextile fabric and is suitable for all forms of commercial aircraft. Mr. Harden noted when RIFA develops Phase I, it can be removed and placed in another part of the park if needed.

Mr. Saunders **moved** for adoption of *Resolution No. 2018-08-13-5D, authorizing the construction of a helipad upon the Authority's Berry Hill Mega Park project and the expenditure of up to \$10,000.00 for such purpose.*

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

VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

**5E. CONSIDERATION OF RESOLUTION NO. 2018-08-13-5E REBRANDING BERRY HILL MEGA PARK**

Director of Economic Development for Pittsylvania County Matt Rowe explained during the site selection process for the Toyota Mazda plant, staff learned a lot about Berry Hill, as far as naming and raised brand site. They were trying to find a way for site consultants, large companies and industries to better understand where the mega site was, the fact that it is a mega site and the acreage. Staff made the determination to start calling the site, the Southern Virginia Mega Site at Berry Hill, with the abbreviation of SVMS. Staff feels this is a wise move; they understand the historical, cultural and community significance of the site, and feel it is important to include the name "Berry Hill." Staff is requesting approval from the Board to go forward and formally call the site, the Southern Virginia Mega Site at Berry Hill. They know from meeting with site consultants that the rebranding is resonating very positively with them. That would lead to a discussion on coming up with a signage plan that staff could present to the Board at the next meeting. Mr. Rowe noted he has also asked Ms. Linda Green, the Executive Director of the Southern Virginia Regional Alliance to discuss certification.

Mr. Shanks questioned if the site consultants they have spoken with think it is an awkwardly long name and Mr. Rowe noted they did not. When they are dealing with site consultants, the name is the Southern Virginia Mega Site or SVMS; it is very common to other mega sites.

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Mr. Shanks **moved** for adoption of *Resolution No. 2018-08-13-5E, rebranding the Authority's Berry Hill Mega Park project as "Southern Virginia Mega Site at Berry Hill" and "SVMS" – [No written resolution.]*

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

VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

Ms. Green noted in conjunction with the name and rebranding, in order to market the site, larger sites across the nation are typically certified as a mega site by a third party evaluator. Mark Sweeney who was with McCallum and Sweeney, and had worked with the park in past years, has met with the group and the state. Southern Virginia Regional Alliance and the Institute for Economic Development office worked with the grant proposal to pay the cost on this. They would like to recommend that the Board move forward with the third party recommendation, with the SVRA paying the cost, because of its potential marketing for the area. Most of the major OEM and supplier parks have these certifications and it takes away the risk by the companies looking at them. It gives them a third party assessment that someone has looked at the site carefully and says yes, this is ready to move forward.

Mr. Shanks noted when RIFA first started this, that was the Board's initial goal, how did RIFA get off that track. Ms. Green noted she did ask staff and there was a mutual decision that it was not ready to get the full certification at the point they were working on it; they stopped, with the mutual agreement that it was important to do so, but the timing was not right as far as the amount of work that had gone on. They are convinced that now is the right time; it is a one year process, it is not a quick process, but it is one that all prospects would understand and appreciate even if it was underway when they visited. Mr. Shanks stated the company that provides the certification does this across the country and Ms. Green noted they did. McCallum Sweeney has ended their company, but Mark Sweeney will still works with the new company, Quest Site Solutions, who work with O'Neal Engineering with the largest percentage of successful certifications in the nation; they are out of Greenville.

Mr. Rowe noted at this point, they will proceed forward with the certification since the money is in place through SVRA.

**5F. CONSIDERATION OF RESOLUTION NO. 2018-08-13-5F APPROVE AN EASEMENT FROM THE AUTHORITY TO THE CITY OF DANVILLE**

City of Danville Assistant Director of Economic Development Corrie Teague-Bobe noted the City's Public Works Department is extending sanitary sewer across South Boston Road. Initially they were looking to extend it along the right of way in front of some housing, however, due to the existing utilities within that right of way, it was apparent it was not the safest way to install the sanitary sewer. They are requesting a ten foot wide easement, which is along Lot 6 in Cane Creek Centre, in order to provide the utilities to the residential and possible future tenants at Cane Creek.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-08-13-5F, approving the grant of an easement from the Authority to the City of Danville, Virginia, for a permanent 10-foot wide*

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*sanitary sewer easement over certain land in the Authority's Cane Creek Centre project located in Danville, Virginia, commonly known as Tax PIN 77193, containing 6.78 acres, more or less, being part of Lot 6, fronting on South Boston Road and Cane Creek Parkway.*

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

VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

**5G. FINANCIAL STATUS REPORTS AS OF JULY 31, 2018**

Authority Treasurer Michael Adkins gave the Financial Status report as of July 31, 2018. Mr. Adkins noted the \$7.3M in bonds for Cane Creek show one expenditure during July, \$2,328 to Biddle Street Industrial Associates for the appraisal of the equipment for Unison. Mr. Adkins noted there were extra sheets this month as they are finishing up FY18 and into FY19. FY18 General Expenditures show \$230 for meals and \$31 for Utilities. FY19 General Expenditures show one expenditure for \$2,000 paid to Brown Edwards, a progress billing on the current audit; that audit will be commencing through this month and into September. Funding for the Mega Park other than Bonds show no activity; Lot 4 Site Development did not have any expenditures for July and Lot 8 shows no activity. Water and Sewer at Berry Hill has two major funding sources, TCR Grant 2641 and TCR 3011; Grant 2641 is administered by Pittsylvania County and a lot of the costs are paid directly by them. They are getting the funding sources put together here for information purposes. Ms. Weaver has worked with Ms. Van Der Hyde in the County to go back and capture any previous expenditures related to that grant. Mr. Adkins reviewed those expenditures noting they expended \$20,685 to Dewberry for Amendment 17 work, \$352,288 to Haymes Brothers for Phase I Sanitary Sewer Work, \$21,300 to Norfolk Southern Railway for financing and occupancy fees, \$1,475 to Pittsylvania County Service Authority for a Feasibility Analysis, \$4,500 to the Treasurer of Virginia, DEQ, for permit fees, \$2,500 for AECOM for an application fee and \$296 for BH Media for Advertisement of bids.

FY18 Rent, Interest and Other Income shows RIFA received \$20,654 from the Institute related to the Hawkins' Building, \$1,800 from Capital Outdoor for a lease renewal and \$425 of interest income; Expenditures were \$20,654 paid to the Institute for the Maintenance of the Hawkins' Building. FY19 Rent, Interest and Other Income shows \$20,654 from the Institute for Rent on the Hawkins' Building; RIFA also received the incentive payments for Unison from various agencies, \$215,250 from the City, \$215,250 from Pittsylvania County and \$542,500 from the Danville Regional Foundation. The City and County were just the portions that were earned by Unison; the Regional Foundation sent RIFA the entire incentive grant for Unison. The only expenditure for the month was to Unison for their Incentive Grant of \$764,135.50.

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

VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

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**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 12:47 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 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. Shanks and carried by the following vote:

VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

D. On **Motion** by Mr. Saunders and **second** by Mr. Shanks and by unanimous vote at 1:50 p.m., the Authority returned to open meeting.

E. Mr. Saunders **moved** for 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

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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:

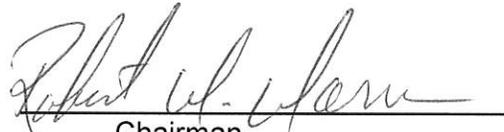
VOTE: 3-0  
AYE: Warren, Saunders and Shanks (3)  
NAY: None (0)

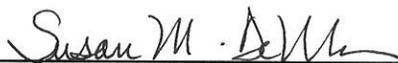
**7. COMMUNICATIONS**

Mr. Shanks thanked everyone involved in keeping this Board active with so many challenging and exciting projects.

Mr. Warren thanked Mr. Guanzon and Clement Wheatley, they do a great job and are always prepared. Mr. Warren thanked staff as well.

Meeting adjourned at 1:54 p.m.

  
Chairman

  
Secretary to the Authority