

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 14, 2018

A Special Called Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 8:03 a.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 and Ronald S. Scearce; Alternate Elton W. Blackstock was absent.

City/County staff members attending were: City of Danville 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 Attorney Michael Guanzon and Secretary Susan DeMasi.

PUBLIC COMMENT PERIOD

No one desired to be heard.

NEW BUSINESS

4A. – CONSIDERATION OF RESOLUTION NO. 2018-09-14-4A APPROVING AN OPTION CONTRACT TO PURCHASE APPROXIMATELY 149 ACRES IN ONE OF THE AUTHORITY'S INDUSTRIAL PARK PROJECTS IN PITTSYLVANIA COUNTY

Mr. Saunders **moved** for adoption of *Resolution 2018-09-14-4A, approving that certain Option Contract granting the optionee the option (but not obligation) to purchase approximately 149 acres in one of the Authority's industrial park projects located in Pittsylvania County, Virginia, at a purchase price of \$30,000.00 per acre, with an initial option fee of \$10,000.00, with additional annual payments of \$15,000.00, \$20,000.00 and \$25,000.00, respectively, for an option term of 42 months.*

The Motion was **seconded** by Mr. Scearce.

Authority Attorney Michael Guanzon noted this was an Option Contract between the Authority and Indevprop LLC, a Virginia Limited Liability Company, to purchase approximately 149 acres in the Southern Virginia Mega Site at Berry Hill; it would come out from Track H-K, which is a bigger tract of 2,123 acres. This would be for an option, they don't have to buy it, and they have a period to do due diligence. Page two of the contract shows the option fees for every year, \$10,000, \$15,000, \$20,000 and \$25,000 annually up to 42 months. The first option fee of \$10,000 is refundable, if they terminate before the first six months of this contract, they get the \$10,000 back; after that it is non-refundable. If they do close, they get the money back, essentially an adjustment to the purchase price. The purchase price will be \$30,000 per acre which is consistent with the price that RIFA has offered lots at the Mega Site. Seven years after closing, they have a commitment to make a minimum investment of \$200B. This contract is assignable, which means they can give this option to someone else who would be the ultimate buyer. It is staff's understanding that the optionee, which is Indevprop LLC., has a client that will be looking into taking over this contract; the identity of that client is protected and confidential at this time.

Mr. Rowe stated if the Board approves the Option Contract, staff does have a media statement that can be handed out. Those statements have been reviewed by both the Indevprop LLC as well as their client, and has also been reviewed by RIFA's attorney. Mr. Guanzon noted based on other transactions, this is quite favorable, it is in line with other transactions that RIFA has entered into.

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Mr. Shanks stated assuming things get extended out as far as the option is allowed, the maximum amount of time that the property would be tied up would be 42 months and Mr. Guanzon noted that was correct. There is a short extension if there was an environmental problem. In theory, it can be extended another six months past that, that would be because of something RIFA did.

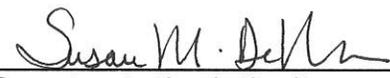
The Motion was **carried** by the following vote:

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

Meeting adjourned at 8:10 a.m.



Chairman



Secretary to the Authority