

## **DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**

### **Minutes August 8, 2011**

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date in the Conference Room located at the Danville Regional Airport, 424 Airport Drive. Present were City of Danville Members Vice-Chairman Sherman Saunders, David Luther and alternate Fred Shanks; Pittsylvania County Members present were Chairman Coy Harville and Henry A. "Hank" Davis, Jr.; Pittsylvania County alternate Fred Ingram was absent.

City/County staff members attending were: City Manager Joe King, Pittsylvania County Administrator Dan Sleeper, Assistant County Administrator Otis Hawker, Danville Finance Director/Authority Treasurer Barbara Dameron, Pittsylvania County Finance Director Kim Van der Hyde, Director of Economic Development Jeremy Stratton, Assistant County Administrator for Planning & Development Gregory Sides, Danville Senior Accountant Patricia Knutti, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Also present was Dewberry & Davis project manager Shawn Harden.

Chairman Harville called the Meeting to order.

#### **PUBLIC COMMENT PERIOD**

No one desired to be heard.

#### **APPROVAL OF JULY 11, 2011 MINUTES**

Upon **Motion** by Mr. Davis and **second** by Mr. Luther, Minutes of the July 11, 2011 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

#### **NEW BUSINESS**

#### **CONSIDERATION OF RESOLUTION NO. 2011-08-08-5A**

Chairman Harville noted that a corrected Resolution has been distributed that shows that the rent will be reduced to \$500 a month as the tenant is not occupying the house full time.

Authority Attorney Michael Guanzon stated that the other revision in the attachment notes that it did not extend the lease for an extra year, this is just to change it for the balance of this year.

Mr. Saunders **moved** to adopt Resolution 2011-08-08-5A (corrected) a Resolution to Approve An Amendment to the One-Year Lease to Browning & Associates, Ltd., A Virginia Corporation, Of The Residence Located At The Authority's Mega Park Site, In Pittsylvania County, Virginia, Commonly Known As 4380 Berry Hill Road, Danville, Virginia (Part of GPIN 1367-70-4519), At A Total Rental Fee Of \$3,250.

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The Motion was **seconded** by Mr. Davis and carried unanimously.

**CONSIDERATION OF A RESOLUTION TO APPROVE CHANGE ORDER NO. 2,  
DATED JULY 20, 2011 TO HAYMES BROTHERS, INC.**

Mr. Harville noted he spoke with Mr. Hawker, they have reduced the price from \$10 a cubic yard to \$5 a cubic yard and it will be put on the back side of the property.

Dan Sleeper noted that it was originally a stock pile from Yorktowne that was put over there and now is in the way.

Mr. Luther **Moved** To Adopt a Resolution To Approve Change Order No. 2 dated July 20, 2011, To Haymes Brothers, Inc., A Virginia Corporation, in the Amount Of \$156,750, For Removal Of Stockpile Located On The Authority's Cane Creek Project Lot #9, Where Such Stockpile Is Unsuitable For Landfill Needed For The Construction Of Graded Pads and Sewer Line **[No Written Resolution]**.

Chairman Harville noted also that the Board authorizes the County Administrator to sign on behalf of the Authority.

The Motion was **seconded** by Mr. Davis and carried unanimously.

**CONSIDERATION OF PROPOSED CONSOLIDATION OF THE DAN RIVER  
BUSINESS DEVELOPMENT OPERATION UNDER RIFA**

City Manager Joe King noted that the Board of Directors of Dan River Business Development Center had voted unanimously to request that RIFA take over the operation of the Center due to budget restraints. Mr. King reviewed the proposed consolidation of the Center's operations under RIFA. The focus of the operations of the Center would be on the role it plays to house new businesses and to refocus the Center employee as a facility manager instead of the President of the Center. For discussion purposes, the person would serve as custodian to the Business Development Center as well as any light real estate management functions for RIFA industrial parks. The Center's Board would continue as an advisory role to RIFA, not a governing body.

Mr. Luther questioned how the employee would be funded and the City Manager stated there is an approved budget for the Center, but it is not sustainable. A revised budget would have to be put together, but at this point in time there are adequate funds in the budget to cover this position depending on the pay.

Mr. Shanks noted his concern with this situation and taking and creating a full time position that would incur benefits, including retirement.

Chairman Harville noted he would like to go ahead with a temporary person at the business center to oversee it and let City Manager and County Administrator work on the details of a

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position with a salary, benefits and duties, either part time or full time position. He also noted that he does not agree with all of the suggested duties listed for the facility's manager on the staff report.

Joe King noted that a part time person is being trained.

RIFA attorney, Michael Guanzon noted the Center board is a separate corporation that is a tax exempt entity. RIFA can talk to them about staying together or not, and their level of participation moving forward. The name of the building can stay, but if RIFA should take it over RIFA would have to operate under RIFA's name but the name of the building can stay the same. There are some assets such as equipment and office furniture; the Authority would have to negotiate purchasing that equipment. The Board's articles of incorporation do not provide for donations to a non-501(3)(C).

After further discussion and questions by Board members, Mr. King noted that they would bring back more details at the next meeting for further discussion.

Mr. Davis **moved** to **TABLE** the Motion. The Motion to Table was **seconded** by Mr. Luther and carried by the following vote:

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

**FINANCIAL REPORT AS OF JULY 31, 2011**

Authority Treasurer Barbara Dameron presented the financial report as of July 31, 2011. In the last month, there were \$264,000 in expenditures, the largest being \$232,000 for Haymes Brothers for Lots 3 and 9 at Cain Creek. There was \$6,550 in rental revenue and legal fees totaled \$19,939.00 - \$16,094 for FY 2011 and \$3,825 for the current fiscal year. Mega Park shows no changes from last month.

Ms. Dameron also reviewed Utilities, Rent, Interest and Other Income and answered questions with respect to the financial report.

Mr. Saunders questioned what effects there might be on RIFA's bond issue from with respect to the Washington issues. Ms. Dameron noted that national problems do trickle down and we might see some increase in interest costs when RIFA does issue their bonds. However, RIFA cannot move forward because of the litigation issue.

Mr. Shanks noted that RIFA needs to discuss the costs involved with lawsuits and countersuits.

Mr. Davis **moved** approval of the Financial Report as of July 31, 2011. The Motion was **seconded** by Mr. Saunders.

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Ms. Dameron also noted that the Letter of Credit with Wachovia for the Cain Creek bonds has been renewed with the same terms.

The Motion was carried by the following vote:

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

**CONSIDERATION OF CHANGING THE MONDAY, OCTOBER 10, 2011  
MEETING TO OCTOBER 11, 2011**

Mr. Saunders **moved** to approve changing the Monday, October 10, 2011 meeting of the Authority to Tuesday, October 11, 2011 due to the Columbus Day Holiday.

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

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

**COMMUNICATIONS**

Mr. Harville noted that everyone should have a Brown & Edwards Co., CPA letter to review. Members will meet at 7:30 a.m. at IALR for the trip to Wytheville on Wednesday. Thanks to Dan Sleeper and to Joe King for getting the van for the trip.

Mr. Saunders noted that due to a funeral on Wednesday he would not be able to attend the trip.

Michael Guanzon noted that the October 11<sup>th</sup> meeting might include someone from the Virginia Freedom of Information Council here to do general training. This would be a public meeting and if anyone from City Council or Board of Supervisors who would like to attend, they can.

Joe King noted that if it would be beneficial, the City could have Mark Aron videotape the training and make it available to members who could not attend.

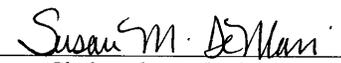
Dan Sleeper noted this week that the County Board of Supervisors is sending a note to VDOT; they have some state money they want to put in revenue sharing and want to add it to an active project. The County has not been notified yet, but it is the connector road to the Mega Park.

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Upon **Motion** by Mr. Luther and **second** by Mr. Davis, the meeting was adjourned at 1:10 p.m.

  
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Chairman

  
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Clerk to the Authority