

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

**Minutes
November 21, 2011**

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12:18 p.m. on the above date in the 2nd Floor Conference Room located at the Danville Municipal Building, 427 Patton Street. Present were City of Danville Members Vice-Chairman Sherman M. Saunders, and alternate Fred O. Shanks, III, T. David Luther was absent. Pittsylvania County Members present were Chairman Coy E. Harville and Henry A. "Hank" Davis, Jr.; 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, Pittsylvania County Director of Economic Development Ken Bowman, City of Danville Director of Economic Development Jeremy Stratton, City of Danville Director of Utilities Jim Kendrick, Assistant County Administrator for Planning & Development Gregory Sides, Project Manager Corrie Teague, City of Danville Senior Accountant Patricia Conner, 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 OCTOBER 11, 2011 MINUTES

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

NEW BUSINESS

A. CONSIDERATION OF RESOLUTION 2011-11-21-5A - APPROVE CHANGE ORDER NO. 003, DATED 10-18-11 TO HAYMES BROTHERS, INC., \$96,041.71

Mr. Davis **moved** adoption of Resolution No. 2011-11-21-5A, to approve Change Order No. 003, dated October 18, 2011, to Haymes Brothers, Inc., a Virginia corporation, in the amount of \$96,041.71, for reconciliation of overrun and under run of certain contract items on the project, for the construction of graded pads and sewer line at the Authority's Cane Creek Centre. [No written resolution. Copy of change order attached.]. The motion was **seconded** by Mr. Saunders and carried by the following vote:

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

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B. CONSIDERATION - RESOLUTION NO. 2011-11-21-5B-1 AUTHORIZING SUBMISSION OF APPLICATION BY THE AUTHORITY TO THE TOBACCO INDEMNIFICATION AND COMMUNITY REVITALIZATION COMMISSION FOR A GRANT UP TO \$6,300,000 – WORK ON LOT 4 AT BERRY HILL MEGA PARK

Authority Attorney Michael Guanzon noted that he wanted to clarify that the Agenda item was modified and that there is a revised Resolution.

Mr. Harville noted that the Resolution originally named “Cane Creek” and it was changed to the “Berry Hill Mega Park”. Mr. Guanzon noted the amount was different as well, it increases to \$6.3M instead of \$6M.

Greg Sides noted that this Resolution relates to the Tobacco Commission application for the Mega Site to grade Lot 4. Lot 4 is located at the intersection of Oak Hill Road and Berry Hill Road. Mr. Harville noted that this grading would create a 230 acre pad site.

Mr. Davis **moved** adoption of Resolution No. 2011-11-21-5B-1 authorizing the submission of an application by the Authority to the Tobacco Indemnification and Community Revitalization Commission for a Grant of up to \$6,300,000 for site improvement work on Lot 4 at the Authority’s Berry Hill Mega Park Project, in Pittsylvania County, Virginia, and authorizing the Danville City Manager and the Pittsylvania County Administrator, subject to approval by the Chairman or Vice Chairman or the Authority, to execute and to deliver, on behalf of the Authority, all necessary documents pertaining thereto.

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

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

City Manager Joe King noted that the staff has been doing a great job on this project and that Director of Utilities Jim Kendrick has been able to get AEP to agree to come into the Mega Park to provide the electric service. This puts the financial responsibility on AEP and allows RIFA to move much more quickly on the Park. The City still has natural gas responsibility and the Service Authority still has water responsibility.

Mr. Shanks noted that he is happy, that as a Council member, the cost of providing electricity to the Mega Park was an extreme concern from the standpoint of the rate payers of Danville and this is welcome news.

C. CONSIDERATION - RESOLUTION NO. 2011-11-21-5C (AS APPROVED) DIRECTING THE ISSUANCE OF A REQUEST FOR PROPOSALS – REMOVAL OF STRUCTURES – LAKE SHORE HOUSE AT CANE CREEK AND STRUCTURE AT 1260 SOUTH BOSTON ROAD AT THE CYBER PARK PROJECT

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Project Manager Corrie Teague noted that there is a property that is considered to be in the Cyber Park that faces Highway 58, a house, currently unoccupied, that became a part of RIFA's property in 2002. Ms. Teague noted they would like to send out an RFP and have it torn down. It is the only piece of property in the Cyber Park that faces Highway 58.

Mr. Harville asked Mr. Sleeper and Mr. King if there anything salvageable that could benefit a charity such as Habitat for Humanity. Mr. King noted that staff would look into this. Mr. Shanks noted that he has received phone calls about a billboard at that property that obstructs the adjacent property. Mr. Harville noted that staff would look into this matter.

Mr. Shanks **moved** adoption of Resolution No. 2011-11-21-5C (as approved), directing the issuance of a request for proposals (RFP) for services for removal of those certain improvements and structures including (I) that certain residence structure known as the Lake Shore House, located in Pittsylvania County, Virginia, at the Cane Creek Centre Project (a portion of Tax GPINs 2347-46-0892 and 2347-35-9903), and (II) that certain residence structure commonly known as 1260 South Boston Road, located in Danville, Virginia, at the Cyber Park Project (a portion of Tax PIN 76441); the acceptance of any proposal or the award of any contract pursuant to the RFP shall be subject to, and dependent on, further action of the Board of Directors of the Authority.

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

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

D. CONSIDERATION – RESOLUTION 2011-11-21-5D – AMENDMENT TO LEASE AGREEMENT WITH AXXOR N.A., LLC FOR THE LAKE SHORE HOUSE AND THE APARTMENTS AT CANE CREEK

Mr. Sleeper noted this Resolution was to amend the current contract that leased the house and the apartments. It is being amended to just lease the apartments so that the house can be removed.

Mr. Davis **moved** adoption of Resolution 2011-11-21-5D adopting an Amendment to Lease Agreement (the "Amendment") with Axxor N.A., LLC, a Kentucky Limited Liability Company, for (i) the house known as the Lake Shore House and (ii) the apartments, located on a portion of real property in Pittsylvania County, Virginia, at the Authority's Cane Creek site (a portion of GPINs 2347-46-0892 and 2347-35-9903). The Amendment, among other things, will exclude the Lake Shore House from the Lease and will reduce the Base rent during the term from \$6,500 to \$2,250.

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

VOTE: 4-0

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AYE: Davis, Harville, Saunders, and Shanks (4)
NAY: None (0).

E. FINANCIAL REPORT AS OF OCTOBER 31, 2011.

Barbara Dameron, Authority Treasurer gave a brief financial report as of October 31, 2011. Ms. Dameron noted that Sheet A: expenditures of \$423 for Cane Creek for wetlands. Also there is about \$819,000 in bond money that is uncommitted that has to be spent on the development of Cane Creek Park. Sheet B: general expenditures of about \$19,300, most is general legal expenses and \$7,500 for audit. Sheet C: Mega Park shows expenditures of \$6,000 for geotechnical analysis and habitat study. Sheet D: Cane Creek Centre \$456,000 paid to Haymes Bros., and \$60,840 to Dewberry. Sheet E: the Yorktowne reimbursement; Sheet F: rental income and interest with typical rent income of about \$17,000 from the IALR, \$1,000 from Browning and Associates and \$300 from Securitas. Sheet G: unaudited financial statements. Ms. Dameron noted they have had a successful bid on bonds for the Mega Park with 4.85% interest rate which is very good for bonds that are taxable.

Mr. Saunders **moved** approval of the financial report as of October 31, 2011. Mr. Davis **seconded** the motion and the Motion was carried by the following vote:

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

CLOSED MEETING

6.A. At 12:45 p.m. Mr. Harville requested a Motion to go into Closed Meeting as permitted by Section 2.2-3711(A)(29) of the Code of Virginia, 1950, as amended, for discussion of the possible award of a public contract with the Pittsylvania County Service Authority, a political subdivision of the Commonwealth of Virginia, and the City of Eden, a North Carolina municipal corporation, involving the expenditure of public funds and the provision of wastewater treatment services to the Authority's Berry Hill Regional Mega Park Site, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

Mr. Davis **made** a Motion to go into Closed Meeting. The Motion was **seconded** by Mr. Saunders and carried by the following vote:

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

Upon unanimous vote at 12:55 p.m., the Authority returned to open meeting and Mr. Shanks **moved** adoption of the following Resolution:

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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 from 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. Davis and carried by the following vote:

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

COMMUNICATIONS

Mr. Harville recognized Barbara Dameron and Kim van der Hyde on their work on the bonds. Also thanks to the County and City staff who have done a great job this year.

Upon **Motion** by Mr. Davis and **second** by Mr. Shanks, and by unanimous vote, the meeting was adjourned at 12:59 p.m.


Chairman


Secretary to the Authority