

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes  
June 11, 2012

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:20 p.m. on the above date in the Danville Regional Airport, Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders and alternate Fred O. Shanks. Pittsylvania County Members present were Chairman Coy E. Harville, James Snead and Alternate Jessie L. Barksdale.

City/County staff members attending were: City Manager Joe King, County Administrator Dan Sleeper, Danville Finance Director/Authority Treasurer Barbara Dameron, Pittsylvania County Director of Economic Development Ken Bowman, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Jeremy Stratton, City of Danville Director of Public Works Ric Drazenovich, City of Danville Director of Planning Kenny Gillie, City of Danville Marketing and Research Manager Corrie Teague, City of Danville Senior Accountant Patricia Conner, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Chairman Harville called the Meeting to order.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MAY 14, 2012 MINUTES**

Upon **Motion** by Mr. Saunders and **second** by Mr. Snead, Minutes of the May 14, 2012 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**ADDITIONS TO AGENDA**

Mr. Snead **moved** that the Board add to the Agenda of the Closed Meeting, Item 6AA, which would come after Item 6A. The **Motion** was seconded by Mr. Saunders and carried by the following vote:

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

**NEW BUSINESS**

**5A. MAINTENANCE OF RIGHT OF WAY AND LOTS AT THE AUTHORITY'S CANE CREEK CENTRE**

City of Danville Director of Public Works Ric Drazenovich noted that staff has looked at two maintenance issues, the Cane Creek Parkway and the graded lots, and maintaining them to the standard necessary for when prospects are taken through to look at the Lots. To maintain the Cane Creek Parkway, Mr. Drazenovich recommends that litter collection be done weekly,

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mowing of the banks and the shoulders be done monthly, and at least every two months, trim around the guardrails. Mr. Drazenovich reviewed several options for this maintenance:

- VDOT can continue to maintain it, they may cut it twice a year, and they don't generally have people picking up litter;
- It could be bidded out to a contractor which could be expensive; or
- Either the County or the City extends its workforce to cut it.

Mr. Drazenovich reviewed the various costs, and recommended that the City extend its forces, cut it to the standards discussed and bill it to a work order that would then get charged to RIFA. He noted that he believed the City's current work force could be extended to do this and maintain a good standard.

As to the graded lots, Lots 3 and 9, they are 80-90 acres of flat lot sown with fescue and hay and there are several options:

- the City could mow it;
- the County could mow it;
- it could be contracted out; or
- a local farmer could be hired to mow it for the value of the hay.

For the City to cut it, it would be approximately \$1726 per mowing of the 80 acres. Staff recommendation is that RIFA get a local farmer to mow those lots.

Mr. Harville asked Mr. Drazenovich to contact Kenneth Martin at VDOT to see if they could handle extra mowing on the Cane Creek Parkway. Mr. Drazenovich noted he will email Mr. Martin and see what he is willing to do and come back to RIFA.

Mr. Snead proposed that RIFA go ahead and pay for the first month instead of waiting. It may take a couple of months for VDOT to get it lined up and RIFA needs to go ahead and act on this right away for at least one cutting, litter, weed eating/trimming to get it in good shape. Mr. Harville noted his agreement, and asked for a motion to authorize Mr. Drazenovich to proceed with this and with checking with VDOT, and also indicated that the Board should leave it to the discretion of Mr. Drazenovich on how this matter should be handled. Mr. Harville noted to the RIFA Attorney the Board will make a motion to go ahead and authorize Mr. Drazenovich to do the plan as presented, put the RFP out for the hay and take care of the rest.

Mr. Saunders made the **Motion** with the understanding that RIFA pay for the first mowing if need be. The Motion was **seconded** by Mr. Snead and carried by the following vote:

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

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**5B. CONSIDERATION - RESOLUTION NO. 2012-06-11-5B – APPROVING A ONE YEAR HUNTING LEASE WITH JAY VANN CLODFELTER AND BRENT CLODFELTER – HAIRSTON FARM**

Mr. Harville noted that the previous hunting club has opted not to renew their lease because of the future development and grading of the site. The new lease is for two of the members that would like to go ahead and lease the property.

Mr. Snead **moved** adoption of *Resolution No. 2012-06-11-5B, approving a one-year hunting lease with Jay Vann Clodfelter and Brent Clodfelter, as tenants, of approximately 371.13 acres at the Authority's Mega Park Site, commonly known as the Hairston Farm (GPIN 1366-16-2959), for the uses of hunting, fishing and related outdoor recreational activities, at a total rental fee of \$1,500.*

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

Mr. Shanks questioned if all the liability issues are resolved as in the previous agreement. Mr. Harville noted this was discussed with the RIFA attorney and everything is identical to the previous lease. RIFA attorney Michael Guanzon noted that they will have the right to have guests on the property as in the previous lease and at the back of the lease is a form that they are required to have any guest sign agreeing to indemnify and release. This is essentially the same hunting lease, just changing the name of the party and reducing the size of the area being hunted to just the Hairston Farm.

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

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

**6C. CONSIDERATION – RESOLUTION NO. 2012-06-11-5C, APPROVING A PLAN OF CBN SECURE TECHNOLOGIES FOR IMPROVEMENT OF BUILDING AND DRIVEWAY AND AN AMENDMENT TO DECLARATION OF COVENANTS OF THE CYBER PARK**

Director of Planning Kenny Gillie noted the company is looking at possibly expanding their facility and as part of the expansion of the facility, the covenants state that all truck traffic is supposed to be handled on site. The proposal to expand will require them to move towards the East, and right now they have a driveway that goes from East, back around the facility. The Company wants to make a secured loading dock area so they can pull a truck inside then drop doors, lock it up and then transfer materials inside the facility; that would eliminate the ability to move the trucks around. The trucks would actually have to come onto the street and back into the property and the covenants say that is not permitted, but because of the limited number of trucks they would have, staff thought the modifications to the covenants would be necessary. Also, as to the exterior of the building, the Covenants state not to use metal, but the only way to

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have a secured roll up door is to have metal on the front of the facility and the Company is asking for a modification to that as well.

In response to Board members' questions, Tim Clarke from Blair Construction noted there would be approximately 5-10 trucks per month, or about 2 per week making deliveries. Mr. Gillie noted that there are no site distance issues and from an engineering and traffic standpoint, it is not a problem.

Mr. Clarke noted CBN is not sure which side of the building they are going to expand and before they expand, and before they add parking, which they are going to need to do, that plan also needs to come before the Board for approval along with a rendering of the expansion. Mr. Clarke noted they don't have a rendering today because the Company doesn't know if they are going to the right or left of the building. The Company also is going to have to add more parking in the front of the building and that also needs to come before the RIFA Board.

After further discussion with staff and Board, Mr. Saunders **moved** to approve *Part II of Resolution 2012-06-11-5C (now new Resolution 2012-06-11-5C-2), approving an amendment to that certain Declaration of Covenants of the Authority's Cyber Park, dated September 17, 2004, and recorded in the Clerk's office of the Circuit Court of Danville, Virginia, as Instrument No. 05-1617, at Page 107, as the same pertains to Lot 7C, located in the Authority's Cyber Park, bearing the mailing address of 350 Stinson Drive, Danville, Virginia (PIN 78461).*

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

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

**5D. CONSIDERATION – RESOLUTION 2012-06-11-5D – APPROVING THE ENGAGEMENT LETTER OF BROWN, EDWARDS & COMPANY**

Authority Treasurer Barbara Dameron noted that staff issued a Request for Proposal three months ago and held pre-proposal meetings in which each firm could come and ask questions. Based on experience, as well as fees, Barbara Dameron, Kim van der Hyde and Patricia Conner recommend that RIFA stay with Brown, Edwards. This year their basic audit fee will be \$18,250. RIFA will be required to conduct a single audit and the fee for that will be \$2,500, with a total fee of \$20,750.

Mr. Snead **moved** adoption of *Resolution No. 2012-06-11-5D, approving the engagement letter of Brown, Edwards & Company, L.L.P., Certified Public Accountants, to audit the basic financial statements of the Authority as of and for the year ending June 30, 2012, at a base fee of \$18,250, plus expenses and \$2,500 for the single audit requirement.*

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

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

**5E. APPROVAL OF THE AUTHORITY 2013 GENERAL EXPENDITURS BUDGET**

Patricia Conner, CPA, City of Danville, reviewed funding received for FY2012, expenditures for this fiscal year as of May 31, 2012 as well as the proposals for RIFA funding and expenditures for the upcoming Fiscal Year 2013. Staff is proposing the same level of funding from the City and the County.

Board members questioned Ms. Conner and Ms. Dameron regarding insurance coverage, utility fees and legal fees.

Mr. Shanks **moved** for approval of the Authority's 2013 General Expenditures Budget. The Motion was **seconded** by Mr. Snead and carried by the following vote:

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

**5F. FINANCIAL REPORT AS OF MAY 31, 2012 – BARBARA DAMERON, AUTHORITY TREASURER**

Ms. Dameron reviewed the financial report as of May 31, 2012 beginning with the Cane Creek bond issue and noted the Board has only had \$2,820 expended since April: \$1,020 for the Dewberry Site Planning and \$1,800 to ECS Mid-Atlantic Phase I Environmental Site Assessment for Lot 9. Ms. Dameron reviewed a new report on page 60 showing funds available for appropriation. Rental income received was \$42,500 and General Expenditures were \$2,756 in mostly general legal fees. Net Assets are approximately \$373,000 and the majority of that, \$353,000, is related to the final reimbursement from the EPA for the Cane Creek Lots 3 and 9.

Mr. Saunders **moved** to approve the Financial Report as of May 31, 2012 as presented. The Motion was seconded by Mr. Snead and carried by the following vote:

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

**5G. LOCAL MATCH FOR TOBACCO COMMISSION GRANT #1916**

Ms. Dameron noted that the engineering portion of Grant #1916 for Berry Hill Phase II, requires a local match of \$173,543, roughly \$86,700 for the City and County each. The total local match that will be required once all work is completed is estimated to be only \$76,000. As the City and County have not yet put forth money, the Staff noted that the Board may want to consider appropriating funds from page 60 of the financial report which was discussed earlier, to go

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towards that match as well as the remaining funds with the bond issue. RIFA has about \$11,060 that has not been drawn down from the Bond issue that can be used toward the Mega Park and the balance of \$65,000 would come from the balance of Funds Available for Appropriation.

Mr. Snead **moved** to approve the RIFA funds as presented as part of the Tobacco Commission Grant #1916. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

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

**6A. CLOSED SESSION**

At 1:03 p.m., Mr. Snead **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting as permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning the expansion of an existing business where no previous announcement has been made of the business' interest in expanding its facilities on or about the Authority's Cane Creek Centre; and as permitted by Section 2.2-3711(A)(29) of the Code of Virginia, 1950, as amended, for discussion of the award of a public contract involving the expenditure of public funds, and discussion of the terms or scope of such contract pertaining to the construction of a Berry Hill Connector Road into the Authority's Mega Park, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority; and as permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion and consideration of the acquisition of real property for a Berry Hill Connector Road into the Authority's Mega Park, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and as permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended, for discussion concerning the expansion of an existing business where no previous announcement has been made of the business' interest in expanding its facilities on or about the Authority's Cane Creek Centre.

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

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

Mr. Harville noted that upon **Motion** by Mr. Snead and **second** by Mr. Shanks, and by unanimous vote at 1:50 p.m., the Authority returned to open meeting.

Mr. Snead **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

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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. Saunders and carried by the following vote:

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

**COMMUNICATIONS**

Mr. Snead asked the Chairman if Mr. Luther would be recognized at the next meeting. Mr. Harville noted that a plaque was obtained for Mr. Luther recognizing his service on the RIFA board. Mr. Harville noted he would invite Mr. Luther to the next RIFA meeting to receive the plaque.

MEETING ADJOURNED AT 1:55 P.M.

  
Chairman

  
Secretary to the Authority