

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
July 9, 2012

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:21 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 J. Lee Vogler, Fred O. Shanks was absent. 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, City of Danville Director of Economic Development Jeremy Stratton, City of Danville Director of Public Works Ric Drazenovich, City of Danville Senior Accountant Patricia Conner, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Also present were Dewberry and Davis Project Manager Shawn Harden and Brian Bradner.

Chairman Harville called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF JUNE 11, 2012 MINUTES

Upon **Motion** by Mr. Saunders and **second** by Mr. Snead, Minutes of the June 11, 2012 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION – RESOLUTION NO. 2012-07-09-5A – RECOGNITION OF THE SERVICE OF T. DAVID LUTHER TO THE AUTHORITY AS DIRECTOR

Mr. Snead **moved** adoption of *Resolution No. 2012-07-09-5A in Recognition of the Service of T. David Luther to the Authority as a Director.*

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

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

Mr. Harville asked Mr. Luther to come forward along with the RIFA members. Mr. Harville read Resolution 2012-07-09-5A and presented Mr. Luther with a plaque commemorating his service to the Danville Pittsylvania Regional Industrial Facility Authority.

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Mr. Luther thanked everyone and noted that RIFA has been the best of all the groups he has served on, and Council, and probably the most important. He has enjoyed serving, getting to know people he might normally not have met and seeing the cooperation by City and County.

5B. CONSIDERATION - RESOLUTION NO. 2012-07-09-5B - ELECTING THE CHAIRMAN AND THE VICE CHAIRMAN OF THE AUTHORITY AND APPOINTING THE SECRETARY AND THE TREASURER OF THE AUTHORITY

Mr. Snead **nominated** Sherman M. Saunders for Chairman of the Authority. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

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

Mr. Vogler **nominated** Coy E. Harville as Vice Chairman of the Authority. The Motion was **seconded** by Mr. Snead and carried by the following vote:

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

Mr. Snead **moved** that Susan M. DeMasi be appointed as Secretary of the Authority and Barbara A. Dameron be appointed as Treasurer of the Authority. The Motion was **seconded** by Mr. Saunders and carried by the following vote:

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

5C. CONSIDERATION - RESOLUTION NO. 2012-07-09-5C, AUTHORIZING THE DISTRIBUTION AND CONVEYANCE OF A 0.15 ACRE PORTION OF LOT 9 IN THE CYBER PARK TO THE CITY OF DANVILLE TO CREATE A CUL-DE-SAC ON GILBERT DRIVE

City of Danville Director of Public Works Ric Drazenovich noted Gilbert Drive is located near the airport, behind the houses on the West side of Airport Drive. It dead ends towards Stinson Drive with no turn around at the end; garbage trucks have to back down the street and pull back out. The City is asking for a small amount of property to build a cul-de-sac, which will make it safer for the neighborhood and the City can extend collection down to the end of the street.

Mr. Saunders **moved** adoption of *Resolution No. 2012-07-09-5C authorizing the distribution and conveyance of a 0.15 acre portion, more or less, of the Authority's Lot 9, Tax PIN 76367, located in the Authority's Cyber Park project, in Danville, Virginia, to the City of Danville, Virginia, a member locality of the Authority, for the purposes of creating a cul-de-sac at the end of Gilbert Drive, Danville, Virginia, and improving traffic safety and efficiency along that road.*

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

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

5D. CONSIDERATION – RESOLUTION 2012-07-09-5D – APPROVING REQUEST OF US GREEN ENERGY - ALLOW CERTAIN DRIVEWAY AREAS TO BE CONSTRUCTED WITH GRAVEL

Mr. Bob Bennett, CEO of United States Green Energy appeared before RIFA and noted that when they changed the design of the building, they didn't have a circular drive, but ended up with a drive that leads into the main loading area of the factory. The trucks are very heavy and if they asphalt that drive, as the weather gets hot, the asphalt will be damaged needing frequent repairs. They will pave, per the covenants, the entrance and the parking lot but would like to put in the loading area VDOT grade gravel, 10" of aggregate, as a road surface.

Mr. Harville asked Mr. Bennett if he ever anticipated paving that area. Mr. Bennett noted not immediately. If they go back to a circular drive, they will pave it all the way around. Mr. Harville questioned Authority attorney Michael Guanzon how this fits with the covenants. Mr. Guanzon noted there are eight conditions to approval and reviewed the eight conditions with the Board. Mr. Harville noted that Item 5 of the Conditions states 4" stone and Mr. Guanzon noted that should read 10".

Mr. Snead **moved** adoption of *Resolution 2012-07-09-5D approving the request by United States Green Energy Corporation, a Nevada corporation, to allow certain truck loading driveway areas of its New Lot 1, GPIN 2347-39-1745, located in the Authority's Cane Creek site, in Pittsylvania County, Virginia, to be constructed with gravel instead of asphalt. (Condition Number 5 will be changed to 10-inch stone instead of 4-inch stone.)*

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

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

5E. REPORT ON MEGA PARK

Shawn Harding and Brian Bradner from Dewberry gave an update on the Mega Park. Mr. Bradner noted a there is a lot of attention being given to the Mega Park from the Governor's office, the Corp, the Department of Historic Resources and DEQ.

Dewberry submitted a draft Master Plan earlier in the year to the City and County staff, who have reviewed that, made comments and they are working through those. As for certification, they have received comments back from McCullum Sweeney and one of those comments was that before certification they need to have a mitigation plan that was achievable within 90 days,

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for an industry to come here. That means RIFA needs to go through the permitting process for that. The Army Corp permit application is ready, with an initial application meeting set up with the Corp on the 18th.

Shawn Harden stated they will submit an application to get the impacts permitted for Lots 3, 4, 5, the rail spur that runs through Lot 11 and some minor utilities down in Lot 12. Lot 3 has been developed into a 230 acre development, Lot 4 is about 238 acres and Lot 5 is about 85 acres. Right now, Dewberry is focused on getting Lot 4 through the permitting process, to go forward with the grading and get it marketable to industry. Dewberry has looked at some unique strategies to mitigate for the necessary impacts, including some conservation and preservation areas in the Mega Park property itself.

The schedule included a stakeholder meeting with City and County staff on June 25th. The Permit application was completed on July 2nd, and July 18th is the meeting with the Corp which Dewberry and City and County staff will attend to vet the permit application. Staff anticipates leaving there with some modification and enhancements which will take about one to two weeks to complete. It is anticipated the permit will be submitted on August 1, 2012.

Mr. Saunders questioned why it takes a year to a year and a half to get the permit and what can be done in the interim to speed it up. Mr. Bradner noted that with a permit this size, there are two things to deal with, one is the documented process, and then there is some negotiating on the mitigation side. It takes that amount of time to work through those issues. Mr. Harden also noted that when the permit is submitted, the Corp has 120 days to respond back that more information is needed or groups like the DEA or DEQ need more information. Also with the historical impacts, they are probably going to ask for some Phase I and Phase II studies on the historical site. Those take several months to do, and then several more months to be reviewed. Historical evaluations will be reviewed and they will come back with requests for additional information, then come back with their assessment and suggest what needs to be done in the way of mitigation and that negotiation starts.

Mr. Bowman noted that the focus is on Lot 4, which will be the first marketable site in the Mega Park. Mr. Bowman asked Dewberry if, while going through the permitting process, a client comes in and is shown the site, how long before ground can be broken. Mr. Bradner responded that they have asked the Corp but have not received a direct answer from them. Mr. Bradner noted if he had to say, it would be 8 months on that Lot. They will know a lot more after the initial meeting with the Corp in two weeks and then a subsequent meeting with DHR. Mr. Harden stated it would then take about 6-8 months to grade it. He stated that having a client would change this from permitting from speculative development to permitting for an industry; that would help the process.

The RIFA board and staff also discussed the completion of the sewer line from Eden and the process of obtaining funding for that project. Mr. Harville suggested that RIFA should start looking into that project soon.

**5F. FINANCIAL REPORT AS OF JUNE 30, 2012 – BARBARA DAMERON,
AUTHORITY TREASURER**

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Ms. Dameron reviewed the financial report starting with the Cane Creek Bond with \$6,740 of expenditures, primarily for the ECS Carolina Surface Exploration. \$891,000 remains unexpended and unencumbered in those funds. Under General Expenses, part of the demolition of the house at the Cyber Park has been paid, which was \$7500. Also paid were legal services of \$5,000 and renewal on the VML Insurance of \$5,456. Utility bills were paid and also reimbursement received from the renters. On the Mega Park Funding, \$7,000 to Dewberry for the GIS Data System and also a local match that the board approved at the June meeting. Under the bond for the Mega Park, this reflects the funding that the board approved for local match, part of the bonds and part of available funding sources were used. Lots 3 and 9 showed no expenditures for the month of June. Under rental income, \$3,800 in rent was received during the month of June. Ms. Dameron noted that unaudited financial statements were attached that reflect the debt service paid in March, the reimbursement from the Tobacco Funds from that as well as RIFA reimbursing the City and County for their advances to pay for debt service.

Mr. Snead **moved** to approve the Financial Report as of June 30, 2012. The Motion was **seconded** by Mr. Saunders and approved by the following vote:

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

6A. CLOSED SESSION

At 1:10 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 site; and as permitted by Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended, for consultation with its legal counsel, Clement & Wheatley, A Professional Corporation, and briefings by staff members or consultants pertaining to probable litigation pertaining to a certain contract to which the Authority is a party, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Authority; and for consultation with legal counsel employee or retained by the Authority regarding specific legal matters requiring the provision of legal advice by such counsel. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

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

Mr. Harville noted that upon **Motion** by Mr. Snead and **second** by Mr. Vogler, and by unanimous vote at 1:39 p.m., the Authority returned to open meeting.

Mr. Vogler **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.

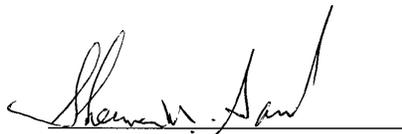
The Motion was **seconded** by Mr. Saunders and carried by the following vote:

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

COMMUNICATIONS

Mr. Snead asked the Chairman about the meeting with VDOT on the grass cutting and how that meeting went. Mr. Harville noted that Ric Drazenovich from the City is looking into that. Mr. Harville noted with respect to Lots 3 and 9, several people he spoke with said they shouldn't be cut, to let them seed out this year, especially with the drought. Mr. Harville also noted he spoke with VDOT and he would speak to Ric Drazenovich about this.

MEETING ADJOURNED AT 1:46 P.M.


Chairman


Secretary to the Authority