

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
August 28, 2012

A Special Called Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:18 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, Fred O. Shanks, III and alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James Snead and Alternate Jessie L. Barksdale.

City/County staff members attending were: 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 Senior Accountant Patricia Conner, Pittsylvania County Attorney Vaden Hunt, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Chairman Saunders called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

NEW BUSINESS

4A. CONSIDERATION – RESOLUTION NO. 2012-08-28-SPECIAL-4A-3

Authority Attorney Michael Guanzon explained that this Resolution is a follow up transaction. A deed was recorded where the IDA gave certain property to S&B Associates, LLC, and included a provision known as the Shell Building in Cane Creek. Under the terms of that Deed, S&B had to construct a shell building and it provided that if they sell or lease the property, they would have to pay \$125,200 back to RIFA.

Chairman Saunders requested a Motion.

Mr. Harville **moved** adoption of *Resolution No. 2012-08-28-Special-4A-3 in order (i) to confirm the satisfaction of the building construction requirements in that certain Deed dated June 12, 2008, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia, as Instrument No. 08-4211, at page 9, and (ii) to waive or assign the \$125,200 payment related to the sale of the property.*

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

Authority Attorney Michael Guanzon noted that this property does not belong to RIFA. The property was conveyed to S&B and it was only if S&B would sell it or lease it then S&B would be required to pay \$125,200 to RIFA. At the end, when that transfer is made to the IDA, the IDA will have title to it. The IDA will have an agreement with RIFA that as they

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have title to it now, if they subsequently sell the property, they will pay the \$125,200 back to RIFA.

After questions and discussion, the **Motion** was carried by the following vote:

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

4B. CONSIDERATION – RESOLUTION 2012-08-28-SPECIAL-4B

Authority Attorney Michael Guanzon noted that this is a follow up with United States Green Energy where they were required under the terms of the Performance Grant Agreement to complete their building and have jobs in place by a certain deadline. The Company is requesting an extension of 30 days. With US Green Energy, RIFA has a Reverter Clause which says if they fail to meet these deadlines, title automatically, without any action whatsoever by any Trustee, comes back to RIFA. That is the reason for the Special Meeting. It is such an extreme type of action that if RIFA does nothing and gets the property back and the Company is 99% finished, RIFA would have to re-convey it back to the company and there are transfer costs and taxes that would have to be paid again.

Mr. Saunders asked for a Motion to Approve.

Mr. Harville **moved** adoption of *Resolution 2012-08-28-Special-4B to extend the completion deadline in that certain Deed of Correction and Amendment dated March 12, 2012, and recorded in the Clerk's Office of the Circuit Court of Pittsylvania County, Virginia as Instrument No. 12-1384, at page 23, from September 1, 2012 to September 30, 2012.*

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

Mr. Shanks questioned how many extensions there have been and Mr. Guanzon noted this was the second extension. Mr. Shanks asked Jeremy Stratton if any progress has been made on the site. Mr. Stratton noted that the Company was almost done and that George Peterson from U.S. Green Energy was present. Mr. Peterson gave the Authority an update and noted the inside of the building is being fitted out, sheetrock is being completed today, spackling tomorrow, painting following that. Electric is in the building, cable trays are being set to the machines. They have moved most of the tooling and machines except for one line that is needed to finish some orders. There is no sewer and water yet and there are two toilets that have to be installed. The boiler is shipping this week for the heating. The outside has been the real issue; they have had some compaction issues and a water issue that created a delay of about two weeks. The surveyor finished the site work today and the road can be cut. The survey work has all been put in for the sewer and water lines. They need two manholes and a water vault; there has been a delay getting those and hopefully they will be here next week. If they are here next week, they can finish the water and sewer and after that, lay down the sidewalk and pavement.

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Board Members questioned Mr. Peterson if a 30 day extension is enough time and Mr. Peterson noted he believed it would be. Mr. Guanzon explained it is at the Board's discretion as to how long an extension they want to grant and also, the Company will need a Certificate of Occupancy to say that the building has been complete, they have to have those numbers of new jobs and they have to be open for business. Those are the three things that have to be done or else it comes back to RIFA. Mr. Guanzon explained if another extension was needed, the Board would have to have another special meeting.

Mr. Shanks asked what the last extension was for and Mr. Guanzon explained it was two parts, the first was due to an error on RIFA's part in the square footage requirements and that was reduced. RIFA also changed the date from June or July to this September 1, deadline.

Mr. Vogler questioned if the extension could only be 30 days or 60 days, or could 45 be an option and Mr. Guanzon advised it could any number of days, but RIFA by-laws state there has to be a certain period time for public notice to set a special meeting; hypothetically if they decided, close to that deadline, that they needed an extension, RIFA might not be able to give it because a special meeting could not be convened fast enough.

Mr. Bowman stated that he and Mr. Stratton discussed this and suggest the extension go to the next RIFA meeting in October as a deadline in case there is a delay with equipment or work force coming in. Mr. Stratton noted the October 8, 2012 RIFA meeting would give an additional eight days after the suggested 30 day extension and a special meeting would not be needed.

Mr. Snead noted he wanted to **amend** the motion and give them until the 8th of October.

Mr. Saunders asked Mr. Snead if that was a motion and Mr. Snead confirmed it was, that he was making a motion to amend to the RIFA meeting.

Mr. Harville suggested RIFA give them an additional 10 day extension.

Mr. Saunders noted that there were two motions on the floor, the original motion for Item B and then the amended motion; that the Board had to take the amended motion first.

Mr. Saunders asked for a second to the amended motion and Mr. Shanks **seconded** the amended motion.

Mr. Harville withdrew his motion.

Mr. Guanzon stated that the motion needs to be to accept the amendment and then vote on the actual revision.

Mr. Saunders questioned Mr. Guanzon regarding the Motion. Mr. Guanzon stated that the amendment is on the floor and has not been voted on and there is a second motion to change that Resolution. The Board has to vote to make sure they accept that one in lieu of the other.

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Mr. Saunders questioned if Mr. Snead's motion was in order and Mr. Guanzon confirmed it was but the vote has to be to accept that Motion in lieu of the other and then the Board would vote on it.

The **motion** to accept Mr. Snead's amendment was carried by the following vote:

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

Mr. Saunders called for a vote on the *revised Motion* and Mr. Guanzon stated that the Motion would be exactly as noted earlier except that instead of the September 30 date, it will be October 8.

Mr. Saunders asked the second if he agreed with what Mr. Guanzon stated and Mr. Shanks noted his agreement and the Motion was carried by the following vote:

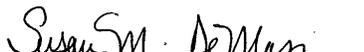
VOTE: 4-0
AYE: Harville, Snead, Saunders and Shanks (4)
NAY: None (0)

COMMUNICATIONS

Mr. Harville questioned when the tour for CBN would be and Mr. Stratton noted CBN will come back and give a presentation to the Board. A tour of the facilities would be difficult due to the Company's high security measures and it would be better for CBN to come to a RIFA meeting and give a presentation.

MEETING ADJOURNED AT 12:50 P.M.


Vice Chairman


Secretary to the Authority