

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
October 16, 2014

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:19 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, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Coy E. Harville, James A. Snead and Alternate Jerry A. Hagerman.

City/County staff members attending were: City Manager Joe King, County Administrator Clarence C. Monday, Assistant County Administrator Otis Hawker, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Telly Tucker, City of Danville Finance Director/Authority Treasurer Michael Adkins, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

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

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE SEPTEMBER 8, 2014 MEETING

Upon **Motion** by Mr. Shanks and **second** by Mr. Snead, Minutes of the September 8, 2014 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

5. CLOSED SESSION

Chairman Harville noted that during the Closed Session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.

A. At 12:21, 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)(7) of the Code of Virginia, 1950, as amended, for consultation with the Authority's legal counsel, Clement Wheatley, and briefings by the Authority staff or consultants pertaining to probable litigation on a contract matter, where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority. "Probable litigation" means litigation on which the Authority's legal counsel has a reasonable basis to believe will be commenced against a known party.

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)

On **Motion** by Mr. Snead and **second** by Mr. Shanks and by unanimous vote at 1:47 p.m., the Authority returned to open meeting.

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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

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. Shanks and carried by the following vote:

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

OLD BUSINESS

6A. CONSIDERATION OF RESOLUTION 2014-09-08-5C.

Mr. Shanks **moved** to **TABLE** Resolution 2014-09-08-5C approving Amendment No. 8 to Contract dated February 9, 2009 - Engineering Services Related to the Mega Park Master Plan - Additional Wetland Delineation Services, with Dewberry Engineers Inc., a New York corporation, for additional wetland delineation and survey for an aggregate lump sum of \$390,323.50.

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)

NEW BUSINESS

7A. - UPDATE ON EXISTING INDUSTRIES WITHIN THE AUTHORITY'S PROJECTS

Director of Economic Development Telly Tucker gave a brief report to the RIFA board noting there was an article in the paper on October 2nd about IKEA Danville doing an expansion; Economic Development received the same information. The specifics of that are unknown, but staff will be in conversation with them going forward. That company has turned things around; they had some difficulties the first couple of years but are doing well. In response to Mr. Saunders, Mr. Tucker noted his understanding that the original plan of approximately 700 plus jobs is still the goal, but is not aware of any physical plant expansions at this time.

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Mr. Harville requested Mr. Tucker review how RIFA is proceeding with acquiring properties on Tom Forks Road and how many parcels RIFA has.

7B. UPDATE ON THE AUTHORITY'S BERRY HILL ROAD INDUSTRIAL PARK PROJECT

Shawn Harden from Dewberry noted at the last meeting, staff discussed the revised wetland permit, what the steps were moving forward and costs to do the various items. Mr. Harden reviewed Option II which is the Option they are moving forward on for permitting with the Corp. This Option yields 217 acres of pad area and about 3.1M to 3.2M square feet of buildable building area with associated parking. Mr. Harden noted he went back and reviewed the cost to completely pad grade all of this and the ramifications of revising the Corp permit to match the market study. The cost to do this portion is about \$12M, which is more than what is left of the Tobacco Commission Grant for Lot 4. Staff looked at how to best utilize that money and Mr. Harden reviewed with the RIFA Board a layout showing one large pad which yields 134 acres in pad area. The cost estimate including contingency and engineering for that is \$6.5M, which is in line with what is remaining in the Tobacco Commission Grant. In response to Mr. Harville, Mr. Harden noted Lot 4 is at the intersection of Oak Hill and Berry Hill. It would have an entrance off of Oak Hill Road and an entrance off of Berry Hill Road with a circle in the middle, but noted this is just a conceptual plan to meet what the market study shows. It supports the market study to give the Corp justification enough to grant a permit. Mr. Harden also explained that there are only 2,524 stream credits left in the Mega Parks' hydrologic unit; it is at Bannister Bend.

7C. CONSIDERATION – RESOLUTION NO. 2014-10-16-7C

Authority Treasurer Michael Adkins explained that staff is proposing budgetary reclassifications outlined in the agenda. Item one relates to FY2011, RIFA did not draw down all of the administrative funds that were available from the County and City. Both the County and City each had \$55,000 left in administrative funding in support for RIFA. Staff is recommending that be requested from each locality; it will be \$110,000 of additional funding and staff would allocate that to the General Expenditures for FY15. The second and third bullets are along the same logic: the Jones Lang LaSalle Market Study and Economic Analysis and also Bullet three, the Dewberry Engineers Expenditures. Both of these are not specific to Berry Hill Lot 4, they are for the entire Berry Hill project. Staff is recommending that those expenditures and budget be moved to the General Expenditure Funding page and off the Lot 4 Site Development page. The last item relates to the remaining budget that was unspent for the Mega Park Funding Other than Bond Funds budgetary page. There is \$11,203.15 left there and staff is recommending it be reclassified to the Lot 4 budget so those funds can be used for something active.

Mr. Snead **moved** adoption of Resolution 2014-10-16-7C, *approving certain funding changes recommended by Authority staff for the Berry Hill Industrial Park.*

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)

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7D. FINANCIAL STATUS REPORT AS OF SEPTEMBER 30, 2014

Authority Treasurer Michael Adkins noted Schedule A, the Budgetary Sheet for the \$7.3M Bonds for Cane Creek, shows no spending activity for the month of September. Schedule B are the General Expenditures for FY15 and the only expenditures for September are Legal Expenses of \$1,318.00, meals \$229.14 and Utilities of \$29.00. Schedule C is the Mega Park Funding Other Than Bond Funds, there were no expenditures but \$500.00 was removed from here for a charge for Dewberry and Davis, which the County had paid. This amount was applied to the Due To/From; it was actually a reduction in expenditures on this page. Schedule D is the Berry Hill Mega Park Lot 4 Site Development: \$120,513 to Dewberry for Items covered under Amendments 4-6 and Wetland Studies had expenditures of \$3,456.00. Staff reduced the budget for Wetland Studies from the original \$150,000. RIFA had a Not to Exceed Amount and the actual contract was \$141,996, so staff reduced that budgetary line down to the actual contract value rather than the Not to Exceed Amount that had been originally approved. Schedule E is Rent, Interest and Other Income received. RIFA received \$600 in September from Securitas and spent \$13,346 to the Institute for the Hawkins' Building Property Management Fee.

Mr. Snead asked how much money RIFA had left to grade Lot 4. Mr. Adkins noted that amount would change based on the action the Board took today and Ms. Connor noted it will change to \$6,150,313.00.

Mr. Shanks **moved** to approve the Financial Report as of August 31, 2014 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)

7E. CONSIDERATION OF RESOLUTION NO. 2014-10-16-7E

Jerry Gwaltney, Executive Director of the Institute for Advanced Learning and Research explained the Capstone Project had been approved in the budget by both Houses but they lost the funding after the Governor cut all new programs. The Board has now received the funding, not from the state of Virginia, but other funding. Capstone is industry driven; it builds off of the current efforts of the Technical Center in the County, goes through the DCC program and takes the Precision Machining to a higher level, higher than anywhere in the State. The initial phase of installing the equipment and building alterations will cost \$3,218,394. In that first Phase, local industries and others are putting in \$1,056,000 of their money into the project; one of the major industries will replace one of the four major pieces of equipment every 18 months. IALR only pays the freight; that assures state of the art equipment for the life of this program. The other remaining pieces of equipment are the types of equipment that do not have to be replaced as often and are less expensive. Mr. Gwaltney noted they should know in the next few days that they have the final amount of funding for the project.

IALR had plenty of time with the General Assembly to be ready to go this coming August; now they are going to have to be on a fast track to make the project work. IALR is the recipient of the program but it is very closely related to DCC who will oversee the curriculum. Another one of the companies will pay for upgrades to curriculum in the amount of \$10,000

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a year and they have committed to do that for ten years. In order to do this project, IALR is asking RIFA to approve modifications to the Charles Hawkins Building; Mr. Gwaltney reviewed the modifications to the building with RIFA Board and Staff. They will need to be ready to go if they are to make the August deadline to bring the students into the program.

Mr. Saunders **moved** adoption of Resolution 2014-10-16-7E, *approving certain modifications to the Charles Hawkins Building to accommodate installation of certain equipment for the Capstone Project, which is a joint venture between The Institute for Advanced Learning and Research and Danville Community College to provide multi-disciplinary training.*

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)

COMMUNICATIONS

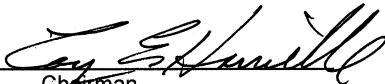
Mr. Snead noted members of the Pittsylvania County Board of Supervisors will be attending the VACO meeting next month and requested the November RIFA meeting date be changed. Mr. Harville suggested Thursday, November 13, 2014.


Mr. Shanks **moved** that the November meeting of RIFA be moved to November 13, 2014 at 12:00 o'clock at the same location. 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)

There were no further communications from Board and Staff.

MEETING ADJOURNED AT 2:18 P.M.


Chairman


Secretary to the Authority