

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

December 11, 2017

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 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 and Alternate J. Lee Vogler; Fred O. Shanks, III was absent. Pittsylvania County Members present were Vice Chairman Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock.

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Project Manager Kelvin Perry, City of Danville Director of Finance Michael Adkins, Senior Accountant Henrietta Weaver, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Ashley Wolfe, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present was Brian Bradner from Dewberry & Davis.

Chairman Saunders presided.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE NOVEMBER 15, 2017 MEETING**

Upon **Motion** by Mr. Barksdale and **second** by Mr. Vogler, Minutes of the November 15, 2017 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. CONSIDERATION – RESOLUTION 2017-12-11-5A – APPROVING ONE YEAR RENEWAL OF LEASE WITH MOUNTAIN VIEW FARMS**

Mr. Warren **moved** for adoption of Resolution No. 2017-12-11-5A, *approving a one-year renewal of the lease with Mountain View Farms, L.C., a Virginia limited liability company, as tenant, for that certain real property (GPIN 1356-75-8216) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Berry Hill Mega Park project, in Pittsylvania County, Virginia, for the purpose of planting and harvesting sod, soybeans, and/or other cover crops, but not tobacco, at a total rental fee of \$1,200; such renewal also includes a 60-day early termination right and right to show the Property to business recruits of the Authority.*

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

Mr. Sides explained this is a renewal of an existing agricultural lease; RIFA has decided not to renew hunting leases as potentially being a detriment to development of the Park. This agricultural lease is an area that is not being developed and there are various exit aspects included in the lease; staff recommends renewal.

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

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders and Vogler (4)  
NAY: None (0)

**5B. PRESENTATION OF AUDIT OF AUTHORITY'S FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2017**

Mr. Chris Murray, from Brown, Edwards, thanked City staff for being ready and prepared for the Audit. Mr. Murray reviewed the three audit documents beginning with the Financial Report for which they issued a Clean, Unmodified Opinion again this year. Looking at a few highlights, on the Statement of Net Position, RIFA did have a dip in cash related to disbursements for the ongoing work at the Berry Hill Mega Park. There is a \$1.4M receivable related to the timing of collections of reimbursements for that work. Current Liabilities show a spike in Construction Accounts Payable that also relates to the work being performed. Unearned Revenue increased over \$300,000 due to timing; a few of the County and City contributions for FY2018 were received before year end. On the Statement of Revenues and Expenses, there is nearly \$2.4M in Tobacco Commission money related to the ongoing work. Under Operating Expenses, Economic Development at the Cyber Park, the majority of that is related to the ten acres of land donated to the IDA related to the Kyocera agreement.

The Required Communication for Those Charged with Governance is the standard letter they are required to issue, and identifies the auditors' responsibilities, the management's responsibilities and allows them to identify any disagreements they have with management; Mr. Murray noted there were none. It also identifies the adjustments they worked with management to report. The final document is the Comments on Internal Controls and Mr. Murray noted there are no new comments this year. The only comment is the segregation of duties, and as they say each year, that has to do with staffing limitations. That comment does not rise to the level of a Significant Deficiency or Material Weakness.

Mr. Vogler **moved** to accept the Audit Report as presented. The Motion was seconded by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders and Vogler (4)  
NAY: None (0)

**5C. FINANCIAL STATUS REPORT AS OF NOVEMBER 30, 2017**

City of Danville Director of Finance Michael Adkins gave the Financial Status report as of November 30, 2017 starting with the \$7.3M Bonds issued for Cane Creek with an expenditure to Clement & Wheatley for legal fees of \$11,245 for the month of November. General Expenditures shows RIFA received \$2,500 from Pittsylvania County for reimbursement for a Utility Application fee, and expenditures were \$159 to LeClair Ryan for legal services dealing with the Wilmot Project Lot 3B, \$10,166 to Clement Wheatley, \$5,000 to Brown, Edwards for the FY17 Audit, \$261 in meals and \$31 in monthly utilities. Mega Park Funding Other than Bond Funds showed no activities for the month of November; Berry Hill Lot 4 Site Development shows \$50,785 to Dewberry for Amendments #10 and #17 as well as a progress

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payment of \$111,554 to Haymes Brothers for Phase 1 Grading. Rent, Interest and Other Income shows rent received of \$21,400 from the Institute for the Hawkins' Building, RIFA paid \$21,400 to the Institute as a Management Fee for the Hawkins Building, and earned \$437 in interest for the month of November.

Mr. Barksdale **moved** to accept the Financial Report as presented; the Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders and Vogler (4)  
NAY: None (0)

Chairman Saunders commended Mr. Adkins and his staff for another clean audit; Mr. Adkins explained Ms. Weaver takes the lead on the accounting and auditing for RIFA and does a great job. Mr. Saunders thanked Ms. Weaver for her work.

**5D. CONSIDERATION OF RESOLUTION 2017-12-11-5D IN RECOGNITION OF SERVICE OF JESSIE L. BARKSDALE**

Mr. Vogler **moved** for adoption of Resolution 2017-12-11-5D *in Recognition of Service of Jessie L. Barksdale to the Authority as a Chairman, Vice Chairman and Director.*

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

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders and Vogler (4)  
NAY: None (0)

Mr. Saunders asked Board Members and staff to stand and join him in the presentation of the plaque to Mr. Barksdale. Mr. Saunders read Resolution 2017-12-11-5D and presented Mr. Barksdale with a plaque in recognition of his service. Mr. Barksdale thanked everyone and stated it has been a pleasure to serve on the RIFA Board; he has learned a lot in the last few years. He recognized the expertise, commitment and devotion of everyone on the Board and staff. He will remember this always and thanked everyone for their support over the years.

**6. CLOSED SESSION**

*[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.]*

At 12:39 p.m. Mr. Vogler **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purpose:

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;

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B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

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

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders and Vogler (4)  
NAY: None (0)

D. On **Motion** by Mr. Barksdale and **second** by Mr. Warren and by unanimous vote at 1:29 p.m., the Authority returned to open meeting.

E. Mr. Barksdale **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. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders and Vogler (4)  
NAY: None (0)

**7. COMMUNICATIONS**

Mr. Vogler noted it was a great honor to serve on this board with Mr. Barksdale; he is going to be missed.

Mr. Warren stated it has truly been a pleasure to serve with him on RIFA and on the Board of Supervisors, and appreciates his help in the beginning; he was a great mentor.

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Mr. Guanzon thanked Mr. Barksdale for his service and wished everyone Happy Holidays.

Mr. Rowe noted it has been a pleasure working with him and looks forward to seeing him around.

Mr. Bradner thanked Mr. Barksdale for his service.

Mr. Perry stated he hoped he enjoyed his retirement.

Ms. Teague-Bobe noted it has been a pleasure to work with Mr. Barksdale over the years and thanked him for being such a supporter of regional efforts.

Mr. Larking noted it has also been a pleasure working with Mr. Barksdale on a number of occasions; he has been a great champion for Pittsylvania County, but also a great champion for the region and looks forward to working with him on future projects.

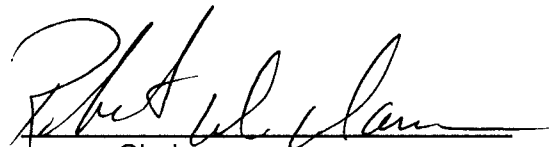
Mr. Tucker noted it has been a delight to work with Mr. Barksdale, having traveled with him internationally on economic development and working locally, he appreciated his calm demeanor and regional approach to economic development and improving the region. He will be missed and thanked him for his service.

Mr. Blackstock noted he and Mr. Barksdale are friends and do things outside of politics, but noted he is a gentleman and a statesman and he has learned being involved in politics for years, they are few and far between. Mr. Blackstock noted he hopes he continues to be involved in the community, looks forward to supporting him in future endeavors and he will be missed at RIFA and on the Board of Supervisors.

Mr. Saunders thanked Mr. Barksdale for his service to the community and region and is glad he moved back here after living in many different areas. Mr. Saunders noted he hears good things about Mr. Barksdale all over the region and thanked him for his service.

Mr. Barksdale thanked everyone and stated he likes Paul Simon's music and he wrote a song, *Born at the Right Time*, and stated that is what he feels like when he is with everyone here on the RIFA Board. Mr. Barksdale noted he learned a lot, he will miss it, it has been wonderful, thanked everyone and wished everyone a nice holiday and, he is not done.

The Meeting adjourned at 1:41 p.m.

  
Chairman

  
Secretary to the Authority