

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

January 13, 2020

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:12 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 206, Danville, Virginia. Present were City of Danville Members Chairman Fred O. Shanks, III, Sherman M. Saunders and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Robert W. Warren, Ronald S. Searce and Alternate Vic Ingram.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, County Administrator David Smitherman, Assistant Director of Economic Development Corrie Bobe, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Susan McCullough, City of Danville Director of Finance Michael Adkins, City of Danville Accountant Henrietta Weaver, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present was Brian Bradner from Dewberry.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE DECEMBER 9, 2019 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Searce, Minutes of the December 9, 2019 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. ELECTION AND REAPPOINTMENT OF OFFICERS FOR CALENDAR YEAR 2020

RIFA Attorney Michael Guanzon explained under the by-laws, the terms for the officers are calendar year, not fiscal year; the Chairman and Vice Chairman shall be from different member localities. For the Calendar year 2020, the Board will have to have a Chairman from Pittsylvania County and a Vice Chairman from the City of Danville.

1. Election of Chairman from Pittsylvania County Member Locality (see Bylaws, Article VI, paragraph 1).

Mr. Searce **nominated** Robert Warren as Chairman of the Authority; the Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 4-0
AYE: Warren, Searce, Saunders and Shanks (4)
NAY: None (0)

2. Election of Vice Chairman of the Authority from the Danville City Member Locality (see Bylaws, Article VI, paragraph 4).

Mr. Saunders **nominated** Fred Shanks as Vice Chairman of the Authority; the Motion was **seconded** by Mr. Warren and carried by the following vote:

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VOTE: 4-0
AYE: Warren, Searce, Saunders and Shanks (4)
NAY: None (0)

3. Reappointment of the Secretary from the Authority's Staff.

Mr. Searce **moved** to reappoint Susan M. DeMasi as secretary of the Authority; the Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 4-0
AYE: Warren, Searce, Saunders and Shanks (4)
NAY: None (0)

4. Reappointment of the Treasurer from the Authority's Staff.

Mr. Saunders **moved** to reappoint Michael Adkins as Treasurer of the Authority; the Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0
AYE: Warren, Searce, Saunders and Shanks (4)
NAY: None (0)

Mr. Shanks handed the meeting over to Mr. Warren. Mr. Warren thanked Mr. Shanks for his leadership last year, and his commitment and dedication to the RIFA Board.

5B. CONSIDERATION OF RESOLUTION NO. 2020-01-13-5B

Mr. Guanzon explained this item was a renewal of the sod lease with Mountain View Farms of Virginia, for a portion of a lot in the Mega Park of about 30 acres, at a fee of \$1,200. The renewal includes a sixty day right of early termination.

Mr. Shanks **moved** for adoption of *Resolution No. 2020-01-13-5B, approving a one-year renewal of the lease with Mountain View Farms of Virginia, L.C., a Virginia limited liability company, as tenant, for that certain real property (being a portion of GPIN 1356-80-4414) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Southern Virginia Megasite at Berry Hill 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. Searce and carried by the following vote:

VOTE: 4-0
AYE: Warren, Searce, Shanks, Saunders (4)
NAY: None (0)

5F. FINANCIAL STATUS REPORTS AS OF DECEMBER 31, 2019

Authority Treasurer Michael Adkins gave the Financial Status report as of December 31, 2019, beginning with the \$7.3M Cane Creek Bonds, with \$34,333 paid to Christian & Barton for legal

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fees and \$695 to Dewberry for wetland monitoring. General Expenditures show RIFA paid \$67,703 to Christian & Barton, and \$150 to Clement Wheatley for legal fees, \$41 to the City and County for recordation fees, \$16,750 to Brown, Edwards for the Annual Audit, \$493 meals and \$31 for monthly utilities. Berry Hill Funding Other than Bonds showed RIFA expended \$44,125 to Dewberry for work under Amendment No. 27, Lot 4 Site Development shows RIFA paid \$4,875 to Dewberry and Lot 8 had no expenditures. For Water and Sewer, RIFA paid \$1,332,867 to Haymes Brothers for Phase 1 Sanitary Sewer work, \$63,276 to Dewberry for Amendment #17, and \$31,835 to Dewberry for Amendment No. 20. Rent, Interest and Other Income shows RIFA received \$25,412 from the Institute for the Hawkins' Building, \$571 in interest income, paid \$25,412 to the Institute for maintenance on the Hawkins' Building and also refunded Enviva \$10,000 as a return of their extension fee. Mr. Adkins noted page 30 shows the register of checks written and their amount. There were some large amounts mentioned for water and sewer work at the Mega Site; that was paid for by a grant administered by the County, RIFA did not write those checks.

Mr. Saunders **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Scarce and carried by the following vote:

VOTE: 4-0
AYE: Warren, Scarce, Shanks, Saunders (4)
NAY: None (0)

5D. CONSIDERATION OF RESOLUTION 2020-01-13-5D IN RECOGNITION OF SERVICE OF TELLY D. TUCKER TO THE AUTHORITY

Mr. Saunders requested this Resolution be read into the minutes, and Authority Secretary Susan DeMasi read Resolution 2020-01-13-5D:

**AUTHORITY
RESOLUTION 2020-01-13-5D**

WHEREAS, the Pittsylvania County Board of Supervisors and the City of Danville developed an agreement to establish a Regional Industrial Facility Authority to provide economic development for the region; and

WHEREAS, this regional partnership requires significant cooperation and leadership to administer the economic development programs designed for the growth and the future of these two communities; and

WHEREAS, Telly D. Tucker has served the Danville-Pittsylvania Regional Industrial Facility Authority since July, 2014, as Director of Economic Development of the City of Danville, providing guidance and leadership necessary for the Authority to move forward in developing the future of the Danville-Pittsylvania County Region; and

WHEREAS, Telly D. Tucker, during his tenure, had 21 economic development announcements, including 10 with Pittsylvania County, resulting in 1,645 new jobs and nearly \$450M in capital investments, and showed his support of expanding the Precision Machining Program at George Washington High School; and

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WHEREAS, Telly D. Tucker, working with the Authority, was instrumental in helping to bring to the region Kyocera, Overfinch, SGS Precision Tool, Unison, Harlow Fastech, Gefertec and Morgan Olson, LLC.

BE IT HEREBY RESOLVED, that the Members of the Board of Directors and Staff of the Danville-Pittsylvania Regional Industrial Facility Authority express their sincere appreciation for the service of Telly D. Tucker as the City of Danville Economic Development Director, working with the Danville-Pittsylvania Regional Industrial Facility Board of Directors, and recognize his devotion and duty, outstanding service to the Authority, exemplary leadership and wish him success in his future endeavors.

Given under my hand this 13th day of January 2020.

Chairman

Secretary to the Authority

*Mr. Saunders **moved** for adoption of Resolution 2020-01-13-5D in Recognition of Service of Telly D. Tucker to the Authority. The Motion was **seconded** by Mr. Searce.*

Mr. Shanks requested the Resolution as read be included in the minutes. Mr. Saunders noted Mr. Tucker did a great job, appreciated all he did for the region, wished him well for the future and thanked the staff who worked with Telly during his tenure here. Mr. Warren stated he had reached out to Mr. Tucker to let him know how much he appreciated what he had done for the region, he will be missed, and hopes he will have great success.

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

VOTE: 4-0
AYE: Warren, Searce, Shanks, Saunders (4)
NAY: None (0)

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 12:27 p.m. Mr. Shanks **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

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;

B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise

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of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Southern Virginia Megasite at Berry Hill project, Cyber Park project and/or Cane Creek Centre project, where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in one or more of the Authority's projects subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); 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. Scarce and carried by the following vote:

VOTE: 4-0
AYE: Warren, Scarce, Shanks, Saunders (4)
NAY: None (0)

D. On **Motion** by Mr. Saunders and **second** by Mr. Scarce and by unanimous vote at 1:45 p.m., the Authority returned to open meeting.

E. Mr. Shanks **moved** for 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. Scarce and carried by the following vote:

VOTE: 4-0
AYE: Warren, Scarce, Shanks, Saunders (4)
NAY: None (0)

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7. COMMUNICATIONS

Update - Amendment to Purchase and Sales Agreement – Enviva. Mr. Guanzon noted the parties have signed the Amendment, the deal has been canceled and RIFA will refund their \$10,000. That should free RIFA up to continue the Mega Site Certification Application.

Mr. Warren noted he needed a Motion to Amend the Agenda. Mr. Shanks moved to amend the agenda, the Motion was **seconded** by Mr. Searce and carried by the following vote:

VOTE: 4-0
AYE: Warren, Searce, Shanks, Saunders (4)
NAY: None (0)

7A. CONSIDERATION OF RESOLUTION 2020-01-13-7A

Mr. Guanzon noted last year for MBC, RIFA approved a communications easement on Cain Street, fronting property of Cane Creek. They now want to build a shelter to protect their equipment and it will require a special use permit. The Motion that staff would request was the Authority obtain a special use permit for that purpose. Mr. Guanzon noted his recommendation was that it needed to be contingent upon Ken Gillie certifying that whatever permit they are using would not be detrimental to the Cane Creek Restrictive Covenants. Mr. Rowe explained there has been additional equipment there and they need the shelter. As the property owner, RIFA has to sign off on the application with Mid-Atlantic Broadband; MBC is the applicant and RIFA is the owner.

Mr. Searce **moved** to approve *Resolution 2020-01-13-7A, a Resolution authorizing Authority staff to apply for a special use permit in support of Resolution No. 2019-06-10-5B, subject to a report by the City of Danville, Virginia's Zoning Administrator that the special use permit will not be in conflict with the Authority's Cane Creek Centre Industrial Park Project's Restrictive Covenants.*

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

VOTE: 4-0
AYE: Warren, Searce, Shanks, Saunders (4)
NAY: None (0)

Update on Weatherford Property Acquisition. Pittsylvania County Director of Economic Development Matt Rowe explained RIFA has this property under contract. Once due diligence had been done with Dewberry, the County and City, staff found some personal items from an absentee tenant. Staff informed the property owner of the need to try to contact that tenant. They have sent a letter to the last known address and staff has extended that due diligence period to allow them to mitigate those issues. Counsel has sent several options to staff; the County staff has weighed in on those options and are waiting on feedback from City staff. If everyone was in agreement, the Authority Attorney will approach the other party with the option and the best way to move forward.

Mr. Searce thanked Mr. Shanks for his leadership last year and appreciated Mr. Warren stepping up to lead RIFA this year.

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Mr. Ingram noted he was glad to be there.

Mr. Warren welcomed Mr. Ingram to the RIFA board and looked forward to his service, thanked staff for their excellent reporting today and the great job they do all the time.

Mr. Rowe thanked his colleague and good friend Telly Tucker for his service; they did a lot of traveling together and worked closely together. He was a great guy and a better man, more so than he was an economic development director and he was a heck of an economic development director. He will be deeply missed, wished him the best and looked forward to working with Ms. Bobe and her staff to take the partnership to the next level. Mr. Rowe stated he thinks there are some really good things ahead for the City and County.

Ms. Bobe noted she had run this past the Authority Attorney to see if a formal resolution was needed and he noted it would be approved at the staff level. As part of Harlow Fastech's Performance Agreement, they were allowed up to \$165,000 for equipment purchases; they came in significantly under budget. They then supplied invoices of additional equipment that they would like to acquire. Ms. Bobe noted in reading through the performance agreement, staff can review those and make the appropriate approvals. They have submitted four additional items they would like to acquire that would bring them up to \$165,000; staff wanted to make the Board aware of that.

Meeting adjourned at 1:57 p.m.

APPROVED:

s/ Robert W. Warren
Chairman

s/ Susan M. DeMasi
Secretary to the Authority