

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 10, 2021

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:09 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 207, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders, J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Vice Chairman Ronald S. Searce, Robert W. Warren, and Alternate Vic Ingram.

City/County staff members attending were: City Manager Ken Larking, Pittsylvania County Administrator David Smitherman, City of Danville Director of Economic Development Corrie Bobe, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry. *City of Danville Director of Finance/Authority Treasurer Michael Adkins, and City of Danville Accountant Henrietta Weaver, attended the meeting electronically.*

Chairman Sherman M. Saunders presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE APRIL 12, 2021 MEETING

Upon **Motion** by Mr. Vogler and **second** by Mr. Searce, Minutes of the April 12, 2021 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2021-05-10-5A, APPROVING A ONE YEAR LEASE RENEWAL WITH THE OSBORNE COMPANY

Authority Attorney Michael Guanzon explained this was a renewal of the farm pasture lease; it has the same provisions as before for \$1,000, for only hay or items like that, for a one year renewal. If RIFA had a recruit that needs this property, then RIFA can terminate the lease. Mr. Guanzon stated the GPINS need to be updated, but that can be taken care of when they get the numbers later this week.

Mr. Warren **moved** for approval of *Resolution No. 2021-05-10-5A, approving a one-year renewal of the lease to The Osborne Company of North Carolina, Inc., a North Carolina corporation, of approximately 100 acres of pastureland in the Authority's Southern Virginia Megasite at Berry Hill project (corrected GPIN: 1367-30-1931), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia; the lease term shall be subject to a right of landlord to show the demised premises upon at least 24-hours notice and the obligation of tenant to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law; the Authority shall have the right to early terminate the lease with at least 30-days notice; and the lease shall be for the use of harvesting grass hay and incidental uses acceptable to the Authority, at a total rental fee of \$1,000.00.*

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

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AYE: Scarce, Warren, Saunders, and Vogler (4)
NAY: None (0)

5B. CONSIDERATION OF RESOLUTION NO. 2021-05-10-5B, AUTHORIZING THE EXECUTION OF A FORBEARANCE AGREEMENT WITH THE TOBACCO COMMISSION

Mr. Warren made a **Motion** to move Item 5B to Item 7B, following the closed session, *Resolution No. 2021-05-10-5B, authorizing the execution of a Forbearance Agreement with the Virginia Tobacco Region Revitalization Commission, the City of Danville, Virginia, Pittsylvania County, Virginia and Harlow Fastech LLC, a Virginia limited liability company for a loan approved on October 15, 2018 used to recruit Harlow Fastech LLC to the Authority's Cyber Park project, located in Danville, Virginia.*

The **Motion to Move Item 5B** was **seconded** by Mr. Scarce and carried by the following vote:

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

5C. FINANCIAL STATUS REPORTS AS OF APRIL 30, 2021

Authority Treasurer Michael Adkins gave the Financial Status report as of April 30, 2021 beginning with the Cane Creek Bonds which showed no expenditures for April. General Expenditures for Fiscal Year 2021 show RIFA paid \$233 for meals and \$61 for monthly Utilities. Funding Other than Bonds for Berry Hill showed no expenditures for April, and Lots 1 and 2 Site Development at Berry Hill show RIFA expended \$21,250 to Dewberry for work done under Amendment #30. Under Water and Sewer at Berry Hill, there were no expenditures for April. Rent, Interest and Other Income show RIFA earned \$38 in interest, and paid \$22,817 to the Institute for the Hawkins' Building Maintenance.

Mr. Vogler **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: Scarce, Warren, Saunders, and Vogler (4)
NAY: None (0)

5D. REPORT ON PROPOSED GROUND LEASE ARRANGEMENT WITH THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA

City of Danville Director of Economic Development Corrie Bobe noted at the February RIFA meeting, the Board approved a lease with the City of Danville Industrial Development Authority and the Pittsylvania County Industrial Development Authority, to construct a 30,000 square foot shell building in a lot across from the Institute's main campus. Later, Board and staff will discuss whether to relocate that structure; more details will be discussed in Closed Session.

Mr. Vogler made a **Motion** to accept the report as presented; the Motion was **seconded** by Mr. Scarce and carried by the following vote:

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

5E. REPORT ON THE AUTHORITY'S PURCHASING POLICIES AND PROCEDURES

City Manager Ken Larking noted he had emailed information to the Board previously, which was revised after input from Michael Guanzon. This was to provide some guidance to staff when making purchasing decisions going forward. There were some basics within the by-laws, but not with this level of detail. Mr. Larking noted he thought it was important that RIFA had a policy for staff to operate with, to have some guidance to follow, and bring purchasing decisions to the Board. Mr. Guanzon explained the law part of it was a little confusing and he would explain that in closed session. The by-laws provide a way for having certain purchases up to \$10,000 for a limited purposes, which wasn't exactly the same as the City Manager and County Administrator being able to make expenditures. He hasn't been able to have a dialogue with the staff, but does not think at this time there was enough definite agreement to have this policy put together. He wants to make sure the City and the County were on the same page as to what the by-laws say, and what the Virginia Code says, so that the policy will be helpful in giving the staff clear guidance as to how this Board wants them to operate.

Mr. Warren **moved** to accept the Purchasing Policy report as presented; the Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 4-0
AYE: Scarce, Warren, Saunders, and Vogler (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 12:29 p.m. Mr. Scarce **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 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

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- 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.
 - D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.
 - E. As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

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

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

RETURN TO OPEN SESSION

On **Motion** by Mr. Scarce and **second** by Mr. Warren and by unanimous vote at 2:45 p.m., the Authority returned to open meeting. (Reinstatement/Unmuting of Conference Line.)

Mr. Scarce **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.

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Mr. Vogler left the meeting at 2:00 p.m.

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

VOTE: 3-0
AYE: Saunders, Searce, Warren (3)
NAY: None (0)

NEW BUSINESS CONTINUED

7A. CONTINUATION OF AGENDA ITEM 5.D – CONSIDERATION OF RESOLUTION 2021-05-10-7A, EXECUTION OF A GROUND LEASE

Mr. Searce **moved** to **TABLE** Item 7A - Continuation of Agenda Item 5.D – *Resolution 2021-05-10-7A, approving the negotiation, execution and delivery of a Ground Lease with the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, and the Pittsylvania County Industrial Development Authority, a political subdivision of the Commonwealth of Virginia, for a portion of that certain real property containing approximately 10.17 acres (PIN 78359), commonly known as Lot 10B, in the Authority’s Cyber Park project, located in the City of Danville, Virginia, under which the lessee, at its expense, would cause to be installed an approximately 30,000 square feet building an related parking lot and driveway.*

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

VOTE: 3-0
AYE: Saunders, Searce, Warren (3)
NAY: None (0)

7B. CONTINUATION OF AGENDA ITEM 5.B - CONSIDERATION OF RESOLUTION 2021-05-10-7B

Mr. Warren **moved** that Item 7B, *Resolution 2021-05-10-7B - authorizing the execution of a Forbearance Agreement with the Virginia Tobacco Region Revitalization Commission, the City of Danville, Virginia, Pittsylvania County, Virginia and Harlow Fastech LLC, a Virginia limited liability company for a loan approved on October 15, 2018 used to recruit Harlow Fastech LLC to the Authority’s Cyber Park project, located in Danville, Virginia*

Be revised to include an adjustment in the liability of the City and County from \$630,000 down to \$380,000 due to the additional depreciation in the equipment. The Board does not feel that the City and County should be put in a less collateral position than they already were.

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

Mr. Warren **Amended** his motion to say that there be a Letter from the Chair. Mr. Searce seconded the **Amendment** and the **Motion** was carried by the following vote:

VOTE: 3-0
AYE: Saunders, Searce, Warren (3)
NAY: None (0)

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7. COMMUNICATIONS

Mr. Smitherman noted Boardroom 206 had new equipment and suggested staff ask the Institute if the RIFA meetings could be moved back; Ms. DeMasi stated the Institute had sent her an email that the June meeting would be moved to 206, and if RIFA was happy with 206, they could make it permanent.

Meeting adjourned at 2:51 p.m.

APPROVED:

s/ Sherman M. Saunders
Chairman

s/ Susan M. DeMasi
Secretary to the Authority