

# DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

## Minutes July 11, 2011

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12:10 p.m. on the above date in the Conference Room located at the Danville Regional Airport, 424 Airport Drive. Present were City of Danville Members David Luther and alternate Fred Shanks; Chairman Sherman Saunders was absent. Pittsylvania County Members Vice-Chairman Coy Harville and Henry A. "Hank" Davis, Jr., were present; Pittsylvania County alternate Fred Ingram was absent.

City/County staff members attending were: City Manager Joe King, Pittsylvania County Administrator Dan Sleeper, Danville Finance Director/Authority Treasurer Barbara Dameron, Director of Economic Development Jeremy Stratton, Pittsylvania County Economic Director Ken Bowman, Assistant County Administrator for Planning & Development Gregory Sides, Danville Senior Accountant Patricia Knutti, Clement and Wheatley Attorney Michael Guanzon, and Secretary to the Authority Susan DeMasi.

Also present were Karen Walker, Senior Director of Business & Operations and Liam Leightley, Executive Director for the Institute for Advanced Learning & Research.

Vice Chairman Harville called the Meeting to order.

### **PUBLIC COMMENT PERIOD**

No one desired to be heard.

### **APPROVAL OF JUNE 13, 2011 MINUTES**

Upon **Motion** by Mr. Luther and **second** by Mr. Davis, Minutes of the June 13, 2011 Meeting were approved, as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

### **NEW BUSINESS**

### **CONSIDERATION OF RESOLUTION NO. 2011-07-11-5A – A RESOLUTION TO ELECT THE CHAIRMAN AND VICE CHAIRMAN OF THE AUTHORITY AND APPOINT THE SECRETARY AND TREASURER OF THE AUTHORITY.**

Mr. Harville noted he would now hear nominations from the floor for Chairman.

Mr. Luther **moved** under **Resolution No. 2011-07-11-5A** to nominate Coy Harville as Chairman. The Motion was **seconded** by Mr. Shanks.

Mr. Harville requested a Motion to close the nominations for Chairman.

Mr. Shanks **moved** to close the nominations; the Motion was **seconded** by Mr. Luther. The Motion to elect Coy Harville as Chairman of the Authority was **carried** by the following vote:

**DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**

**Minutes  
July 11, 2011**

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

Chairman Harville opened the floor for nominations for Vice-Chairman of the Authority.

Mr. Luther **moved** under **Resolution No. 2011-07-11-5A** to nominate Sherman Saunders as Vice-Chairman of the Authority. The Motion was **seconded** by Mr. Davis.

Mr. Harville requested a Motion to close the nominations for Vice Chairman.

Mr. Davis **moved** to close the nominations. The Motion was **seconded** by Mr. Shanks.

The Motion to elect Sherman Saunders as Vice-Chairman of the Authority was **carried** by the following vote:

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

Mr. Shanks **moved** under **Resolution No. 2011-07-11-5A** to appoint Susan DeMasi as Secretary to the Authority and Barbara Dameron as Treasurer to the Authority. The Motion was **seconded** by Mr. Davis and carried by the following vote:

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

Mr. Harville requested a Motion to adopt Resolution No. 2011-07-11-5A with the names of the Chairman, Vice-Chairman, Secretary and Treasurer, filled in at the appropriate places on the Resolution.

Mr. Davis **moved** adoption of Resolution 2011-07-11-5A with the names of the Chairman, Vice-Chairman and the Secretary and Treasurer filled in. The Motion was **seconded** by Mr. Luther and carried by the following vote.

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

**CONSIDERATION OF RESOLUTION NO. 2011-07-11-5B**

Mr. Davis **moved** to approve **Resolution No. 2011-07-11-5B**, to support the Authority's Application for Certification of the Authority's Mega Site under the McCallum Sweeney Consulting Mega-Site Certification Program.

# DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

## Minutes July 11, 2011

Mr. Harville noted that this Resolution is part of the Mega Park process for RIFA to ensure that the lots remain for sale for at least five years, and that RIFA will not use these lots for their own use for at least five years.

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

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

### CONSIDERATION OF CHANGE ORDER NO. 1

Mr. Sleeper noted that they ran into an underground spring and installed a French drain to take the water away from the Pad. Mr. Sleeper noted that with this Motion he would like to request that the Authority send a copy to Mr. Brotherston at the EDA to change the grant.

Mr. Luther **moved** to adopt Change Order No. 1 dated June 17, 2011 in the Amount of \$10,625 from Haymes Brothers, Inc. for the Cane Creek Graded Pads Project. The Motion was **seconded** by Mr. Davis.

Mr. Shanks questioned Mr. Sleeper whether this was something that Dewberry had recommended or whether it was something that Haymes Brothers did on their own. Mr. Sleeper noted that it was recommended by Froehling & Robinson who tested the sight and determined that the French drain needed to be installed. Mr. Luther questioned how many additional days would be added onto the project and it was noted that three additional days would be added.

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

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

### CONSIDERATION – FISCAL YEAR 2012 PROPOSED BUDGET FOR RIFA'S GENERAL EXPENDITURES.

Authority Treasurer Barbara Dameron presented the proposed FY 2012 Proposed Budget for RIFA's general expenditures for approval. Ms. Dameron noted that they have estimated this budget based on prior experiences, contracts and other information. Ms. Dameron recommended that the City and County both contribute \$75,000 each and she estimates a carry forward of \$5,000. This should meet the Authority's needs for the coming year. Mr. Shanks questioned the Yorktowne reimbursement and Ms. Dameron noted it appeared on a separate sheet.

Mr. Davis **moved** approval of the FY 2012 RIFA Budget for General Expenditures as presented. The Motion was **seconded** by Mr. Luther and carried by the following vote:

# DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

## Minutes July 11, 2011

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

### CONSIDERATION OF RESOLUTION NO. 2011-07-11-5E

Mr. Luther **moved** to approve **Resolution No. 2011-07-11-5E**, to approve the Engagement Letter with BNY Mellon Corporate Trust to Perform the Final Arbitrage Rebate Calculation for the \$14M Series 2002 Revenue Bonds used for the IALR project.

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

Mr. Luther and Mr. Davis questioned why the Authority had to pay someone to calculate a rebate. Ms. Dameron noted it was a complex calculation and that the Company had special software to make this calculation.

Mr. Luther questioned a paragraph on page four that had been struck out. Authority attorney Michael Guanzon noted that that provision was not enforceable under Virginia Law and BNY Mellon agreed to remove that paragraph.

Mr. Harville noted that he would like to add to the Motion to authorize the Secretary to sign the Certification.

Mr. Luther **amended** his Motion to include this authorization. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

### FINANCIAL REPORT AS OF JUNE 30, 2011

Barbara Dameron gave a brief Financial report as of June 30, 2011 and noted that there was almost no activity. There was a payment to Dewberry for wetland monitoring and a payment to VML insurance. There was no activity in the Mega Park, no changes in Cane Creek Center and the Yorktowne reimbursement is noted. Ms. Dameron passed out a document with respect to rental income which breaks down the rental income by facility. Ms. Dameron noted a total rental income of \$22,865.50 and interest of \$69.00.

Mr. Harville noted he had received the rent check of \$2,225.00 from Browning & Associates.

Mr. Luther questioned whether the Authority was named as an additional insured on the Hunt Club's insurance policy and if not, they need to name the Authority as an additional insured. Mr. Guanzon noted that that is a requirement on most contracts for RIFA. Mr. Harville directed Mr. Guanzon to incorporate that into all the leases with RIFA. Mr. Guanzon noted that it is in all

# DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

## Minutes July 11, 2011

leases in which they occupy the property, that it is a standard provision and the Hunt Club did name them as an additional insured.

Mr. Luther **moved** to approve the Financial Report as presented. The Motion was **seconded** by Mr. Davis and carried by the following vote.

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

### CLOSED MEETING

At 12:36 p.m. Mr. Harville requested a Motion to go into Closed Meeting as permitted by Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for discussion or consideration of a request from the Institute for Advanced Learning and Research, a political subdivision of the Commonwealth of Virginia (the "Institute"), for assignment of that certain real property with improvements, commonly known as 150 Slayton Avenue, 230 Slayton Avenue and 228 Slayton Avenue (Tax PINs 76442 and 78360), located in the Authority's Cyber Park, and currently occupied by the Institute, and in the alternative, for reduction of rent under the lease of 230 Slayton Avenue (located on Tax PIN 78360), where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and

As permitted by Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended, for consultation with and briefing by legal counsel pertaining to actual litigation regarding Nancy Barbour Smith, et al. v. Pittsylvania County Board of Supervisors (Case No. CL10000088-00), where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority.

Mr. Davis **made** a Motion to go into Closed Meeting. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

Upon unanimous vote at 12:55 p.m., the Authority returned to open meeting and Mr. Shanks **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;

**DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**

**Minutes  
July 11, 2011**

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 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. Luther and carried by the following vote:

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

**ACTION OF MATTERS CONSIDERED IN CLOSING MEETING:**

Mr. Davis **made** a Motion that RIFA advise IALR that the Authority will not be honoring their request and that counsel provide IALR with a memorandum so advising them. The Motion was **seconded** by Mr. Luther and carried by the following vote:

VOTE: 4-0  
AYE: Davis, Harville, Luther and Shanks (4)  
NAY: None (0).

**COMMUNICATIONS**

Mr. Harville suggested that regarding the request from the Pittsylvania County Historical Society that the Authority should work with the Historical society and the Preservation group. Mr. Harville directed the City Manager and County Supervisor to write to the Historical Society and ask them to come up with a plan or their outlay of the Mega Park, regarding the history and the natural scenic resources for Berry Hill.

Dan Sleeper noted that the Authority still has the property in Cane Creek, the apartments, and the Authority is going to close them down, shut the power off and winterize them as there is no one in the facility.

Upon **Motion** by Mr. Davis and **second** by Mr. Luther, the meeting was adjourned at 1:10 p.m.

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Chairman

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Clerk to the Authority