

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 11, 2019

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:08 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, 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 Elton W. Blackstock. *Mr. Saunders entered the meeting at 12:18 p.m.*

City/County staff members attending were: City Manager Ken Larking, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Bobe, Project Manager Kelvin Perry, Assistant County Administrator for Planning & Development Gregory Sides, Project Manager Susan McCullough, City of Danville Director of Finance Michael Adkins, Clement Wheatley Attorney Jennifer Burnette, and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis and Council Member Madison J.R. Whittle.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES OF THE JANUARY 14, 2019 MEETING**

Upon **Motion** by Mr. Warren and **second** by Mr. Vogler, Minutes of the January 14, 2019 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. CONSIDERATION OF RESOLUTION NO. 2019-02-11-5A APPROVING AMENDMENT NO. 23 WITH DEWBERRY**

Shawn Harden of Dewberry explained this matter was briefly discussed at the last meeting. Staff has been back to parts of Lot 4 and found that the wetlands that were delineated ten years ago have shrunk substantially. They would recommend doing this on the remainder of Lots 4, 5, 8 and 9; it is about 840 acres of the total industrial park.

Mr. Vogler **moved** for adoption of *Resolution No. 2019-02-11-5A, approving Amendment No. 23, dated January 22, 2019, to Contract dated February 9, 2009, with Dewberry Engineers Inc., a New York corporation, Engineering Services Related to the Mega Park Master Plan, to reevaluate the boundaries of Wetlands and Other Waters of the United States (WOUS) within Lots 4, 5, 8 and 9 of the Authority's Southern Virginia Megasite at Berry Hill project located in Pittsylvania County, Virginia, as recommended by the U.S. Army Corps of Engineers, for a lump sum fee of \$19,500.*

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

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

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**5B. CONSIDERATION OF RESOLUTION 2019-02-11-5B AUTHORIZING A RIGHT OF FIRST REFUSAL AGREEMENT WITH SAMET**

Authority Attorney Jennifer Burnette noted this was an agreement with Samet to the extent that the Authority identifies any property or land they might be interested in, in both Cane Creek and SVM Berry Hill. It is structured as a right of first refusal; Samet would enter into the contract to buy the land and within five business days after, they would give notice to RIFA. RIFA would have thirty days to exercise their right to have the contract assigned by Samet to RIFA. The assignment fee payable to Samet would be negotiated between RIFA and Samet, but wouldn't exceed 3% of the contract price. Samet is not really an agent of RIFA with respect to this, so they can't bind RIFA, they would have to consult with RIFA on the land and an acceptable purchase price. City Manager Ken Larking questioned who was paying the 3%, the seller or the purchaser. Ms. Burnette they would try to get a 3% brokerage fee that the seller would pay instead of the purchaser. If they couldn't do that, RIFA could determine if they wanted to exercise the right of first refusal or not.

Mr. Warren **moved** for adoption of *Resolution No. 2019-02-11-5B, authorizing a Right of First Refusal Agreement with Samet Corporation, a North Carolina corporation, or its affiliates for property that the Authority might consider for acquisition and addition to its Cane Creek Centre project and/or SVM project for an annual fee of \$100.*

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

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

**5C. FINANCIAL STATUS REPORTS AS OF JANUARY 31, 2019**

Authority Treasurer Michael Adkins gave the Financial Status report as of January 31, 2019 beginning with the Cane Creek Bonds showing no activity for the month of January. General Expenditures for FY 2019 show RIFA paid \$106 for check stock, \$605 to US Bank for the annual bond administration fee, \$259 in meals and \$31 for monthly utilities. The Mega Site Other Than Bonds shows no activity for January, Lot 4 Site Development had an expenditure of \$26,625 paid to Dewberry for Phase I Pad Expansion, and Lot 8 Site Development shows no expenditures. Mega Site Water and Sewer shows \$24,365 expended to Dewberry for Amendment No. 20. Rent, Interest and Other Income shows RIFA received \$1,200 from Mountain View Farms for their annual lease renewal, \$129,030 received from the City related to the Harlow Lease payment, and \$134,750 was received from the City for the Unison Incentive Grant; the County portion of both those items was received in February. RIFA earned \$440 in interest and paid \$22,400 for the Hawkins' Building maintenance.

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

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

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**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 12:20 p.m. Mr. Saunders **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 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 Berry Hill Mega Site 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 the Authority’s Berry Hill Mega Site project 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. Warren and by unanimous vote at 1:00 p.m., the Authority returned to open meeting.

E. Mr. Saunders **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

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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. Searce and carried by the following vote:

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

**7. COMMUNICATIONS**

City Manager Ken Larking noted there was a request by Axxor to have their business placed on the sign for Cane Creek; technically Axxor is not in the Cane Creek park. There is available space and they have come to an agreement with Axxor, it would only be as long as it was empty and not needed for something else. In the future, there may be an opportunity to create a sign that would accommodate both Cane Creek and the Ringgold Park. Staff would like to know from the RIFA Board if there was interest in moving forward with allowing them to be on that sign. Mr. Sides stated it was a reasonable approach, they are willing to share the cost and is something they have been interested in for some time. Mr. Warren noted he would like to see the Board do this; any company that is here, especially located close to both the County and the City, bringing jobs, it is the least the Board can do to put them on the sign. There were no objections from Board members.

Mr. Shanks noted he, Mr. Saunders and Mr. Blackstock attended the first Stanton River RIFA meeting on Friday in Hurt. It was a good meeting, with a good board and he looks forward to working with them. Mr. Shanks stated Mr. Blackstock was elected Chairman for the first SR RIFA.

Meeting adjourned at 1:06 p.m.

s/Fred O. Shanks, III  
Chairman

s/Susan M. DeMasi  
Secretary to the Authority