

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:18 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 and Ronald S. Searce. Alternate Elton W. Blackstock was absent.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Pittsylvania County Administrator David Smitherman, 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, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Susan McCullough, City of Danville Director of Finance Michael Adkins, Senior Accountant Henrietta Weaver, Clement Wheatley Attorneys Michael Guanzon and Jennifer Burnette, and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE FEBRUARY 11, 2019 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Searce, Minutes of the February 11, 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. 2019-03-11-5A APPROVING THE CALLING OF A SPECIAL JOINT MEETING WITH THE CITY COUNCIL AND COUNTY BOARD OF SUPERVISORS

Authority Attorney Michael Guanzon explained there was a meeting of City Council and the Board of Supervisors at the Institute scheduled for March 18, 2019; this is for RIFA to officially join that meeting. Even though there are members of both governing bodies attending, the agenda that will be sent separately will allow better dialogue; this is just to call the meeting as a part of the joint meeting. Mr. Saunders questioned at the joint meeting, will there be a closed meeting to update Council Members; in RIFA, what is discussed in closed session, cannot be discussed outside the closed session. Mr. Guanzon explained it was planned to have a closed session; as far as the subject matter of the closed session, it will be consistent with what was at the RIFA meetings. The process will be the same; the City and County members who are not members of RIFA, will have to sign the same confidentiality agreements.

Mr. Warren **moved** for adoption of *Resolution No. 2019-03-11-5A, approving the calling of a special joint meeting with the City Council of Danville and the Board of Supervisors of Pittsylvania County on March 18, 2019 at 5:30 p.m. at the Institute for Advanced Learning and Research. [No Written Resolution]*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

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)

5B. CONSIDERATION OF RESOLUTION 2019-03-11-5B APPROVING AMENDMENT #24 WITH DEWBERRY

Brian Bradner of Dewberry explained this Amendment covers the completion of the NEPA study that was discussed for the realignment of US 311 for the connector road. Staff met recently with the district leadership from VDOT in Lynchburg to scope out in detail what the process looks like. When it was complete, it is actually a VDOT product; in essence, they are preparing this on behalf of VDOT, VDOT okays it and it gets submitted to FHWA as a VDOT product. Mr. Bradner noted that based on the momentum they have been experiencing, VDOT was very engaged in this meeting; it was very evident that they are going to be eager to move this along. As part of the scoping, staff had originally budgeted about \$1.5M for this process as it is very in depth. Thanks to VDOT and the efforts last year on behalf of the MPO to update the transportation plan, they are just going to require that RIFA do the detailed analysis of Option One; that was the option that was selected as the preferred alternative. Due to that, RIFA is able to substantially reduce the amount of work and cost associated with it. Mr. Shanks questioned the funding source, and Mr. Bradner noted it was Tobacco Grant #2264 which has a local match contingent. That Tobacco Grant also includes the monies that are going toward AEP, with respect to the engineering and planning on the transmission line. Mr. Guanzon noted the local match had already been appropriated a year ago.

Mr. Shanks stated he was surprised to see curb and gutter on that and Mr. Bradner noted some of that detail on the final road design was still subject to change. The one thing they did talk about at the scoping meeting was how they actually plan to deliver on some of the details; those things will be worked out later. Mr. Harden noted part of that was to do four lane divided, if there isn't the curb and gutter on the inside, which is fifteen feet wide, it ends up looking like the bypass which is a 100 foot wide strip in the middle.

Mr. Shanks asked if the transportation board will approve the Smart Scale funding before or after and Mr. Bradner noted right now it was in the draft funding resolution which was scheduled to be approved at their June meeting. What they are hearing was there are efforts to advance it beyond the Smart Scale funding. Smart Scale funding money wouldn't be available until year 2024, but there are efforts to find other sources of money. Nothing is known for certain, but he thinks the observation from the comments from VDOT district staff was they have been told to prepare to have full funding by July of this year for that road; right now the plan is to have the study completed this calendar year.

Mr. Saunders **moved** for adoption of Resolution No. 2019-03-11-5B, approving Amendment No. 24, dated March 4, 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 complete required environmental work under the National Environmental Policy Act (NEPA) for a new connector road (connecting Berry Hill Road to the existing Oak Ridge Farms Road interchange) that would serve and benefit the Authority's Southern Virginia Megasite at Berry Hill project in Pittsylvania County, Virginia, at a lump sum fee of \$780,000.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

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)

5C. FINANCIAL STATUS REPORTS AS OF FEBRUARY 28, 2019

Authority Treasurer Michael Adkins gave the Financial Status report as of February 28, 2019 beginning with the Cane Creek Bonds showing an expenditure of \$4,922 to Dewberry for Wetland Monitoring. General Expenditures for FY 2019 show RIFA paid \$252 in meals and \$31 for monthly utilities. The Mega Site Other Than Bonds, Lot 4 Site Development, and Lot 8 Site Development show no activity for February. Water and Sewer at Berry Hills shows \$1,544,407 expended to Haymes Brothers for Phase 1 Sanitary Sewer Connection and \$37,816 to Dewberry for Amendment #17. Rent, Interest and Other Income shows RIFA received the rent from the Institute for the Hawkins Building of \$22,400, received the County's local share of funding for Harlow and Unison incentives in the amount \$29,030 for Harlow and \$134,750 for Unison; the City's share was received in the prior month. RIFA earned \$440 in interest and paid \$22,400 for the Hawkins' Building maintenance, \$478,362 for Unison as part of their grant and \$58,060 to the Institute for payment of the Harlow Lease. Mr. Adkins explained the Cane Creek Bonds have a five year maturity coming up; the current debt schedule payment allows for a balloon payment of \$2,545,000, however, the intention is to refinance that for another four or five years which will be the final refinancing of that bond. Mr. Adkins noted he was working with Wells Fargo and wants to get a fixed rate. With interest rates being a little higher now than they were five years ago, they are looking at between 4% and 4.25%. He will report back to the Board as they progress through those talks; there will need to be Board action and that will need to be done by August.

Mr. Warren **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Saunders and 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 12:32 p.m. Mr. Warren **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;

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

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. Saunders and carried by the following vote:

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

D. On **Motion** by Mr. Warren and **second** by Mr. Saunders and by unanimous vote at 2:18 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

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)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 11, 2019

NAY: None (0)

7. COMMUNICATIONS

Mr. Saunders thanked staff for all they do. Mr. Shanks thanked staff for everything they put together for this meeting, the answers that were provided, appreciated the Board members and their views on how they move forward and looks forward to what is next.

Mr. Perry noted staff had received an offer from someone who was interested in purchasing the former Securitas Building on South Boston Road. The staff discussed this and thought it was not in RIFA's best interest to do that. He received a quote from Public Works about what it would take to demolish the building; the cost would be about \$6,000, they would also have to do Phase 1 to make sure there was no asbestos in the building, with a total cost of about \$10,000. Once that was done, there was talk about developing a master plan and this becoming a possible additional entrance into the Cyber Park as properties continue to be developed. He will let the person who had the interest in purchasing the building and some of the land surrounding it, that it wasn't for sale. Mr. Shanks questioned if they agreed it was not for sale and Mr. Warren stated if staff thinks RIFA can use it, he does not want to sell. Mr. Vogler noted he did not see the need to hurry and tear it down. Mr. Perry explained the discussion on selling the building had led to a discussion of other possible uses for the building. If RIFA was going to create another entrance into the Cyber Park, at some point that building will need to be demolished. Mr. Perry noted he just wanted to give the Board an idea of what it would take to do that when that time comes.

Mr. Tucker stated that Harlow has hired a UK architecture firm to design their new building, ultimately it will have to come back to the Board to be approved on the design. They have also made their second offer to a graduate of the third year program. Their first employee lives in Gretna, a graduate of the third year program who was working in the BWXT; he was their first hire. They are moving forward, and David Gordon-Smith will be in town next week as well to do some follow up. They have two machines in their temporary space in the high bay and things seem to be moving in the right direction.

Meeting adjourned at 2:27 p.m.

s/Fred O. Shanks, III
Chairman

s/Susan M. DeMasi
Secretary to the Authority