

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 13, 2019

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:14 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 Blackstock was absent.

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, City of Danville Project Manager Kelvin Perry, Assistant County Administrator for Planning & Development Gregory Sides, Project Manager Susan McCullough, City of Danville Director of Finance Michael Adkins, City 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, and Council Member Madison Whittle.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE APRIL 8, 2019 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Warren, Minutes of the April 8, 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. 2019-05-13-5A APPROVING THE AUTHORITY TREASURER NEGOTIATE TERMS OF ITS REVENUE REFUNDING BONDS FOR CANE CREEK PROJECT

Authority Treasurer Michael Adkins explained in 2005, the Authority issued \$7.3M in bonds to develop Cane Creek Centre; those have been maturing periodically, most recently every three years. This year is one of the years that they are maturing. The outstanding principal is a little over \$2.5M. He has been talking with Patrick Dixon at Wells, Fargo and they have agreed to refinance the bonds for a period of five and half years, which will get RIFA to the very end of the term of the bond; they will not have to be refinanced again. Wells Fargo has offered a fixed rate: their cost of funds plus about 1.5%; the last time it was checked, that would be 3.95% for the remaining five and a half years. Mr. Adkins noted he needed approval to proceed with that. In addition, the City and the County provide debt service for these bonds, a renewal and support agreement from both localities will be needed.

Mr. Warren **moved** for adoption of *Resolution No. 2019-05-13-5A, authorizing the Treasurer of the Authority to pursue and to negotiate the terms and conditions of an issuance of its Revenue Refunding Bond (Cane Creek Project), Series 2019 in an amount not to exceed \$2,545,000; and to authorize the execution and delivery of the Summary of Preliminary Terms and Conditions Dated May 1, 2019, with Wells Fargo Bank, National Association, in order to refinance the prior \$3,700,000 Revenue Refunding Bond (Cane Creek Project), Series 2016.*

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

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

5B. CONSIDERATION OF RESOLUTION 2019-05-13-5B APPROVING THE PROPOSED SITE AND FLOOR PLAN FOR BGF INDUSTRIES IN THE CYBER PARK

Pittsylvania County Director of Economic Development Matt Rowe (attending the meeting electronically) noted the layouts for the proposed facility for BGF Industries research center and corporate headquarters were included in the Agenda, as well as a concept site plan for the layout of the lot itself. The original plans were for 25,000 square feet of floor area, which has increased to a little over 30,000 square feet. The company agreement was to have sixty-five employees for the facility, with average wages of \$75,000; as of last week, speaking with management and paperwork they provided to staff, they are well over forty five, closing on fifty. Mr. Rowe noted the lowest wages he has seen for the jobs that have been advertised for the facility are in the mid-eighties. Based on the requirement in the Performance Agreement, RIFA has to approve both the architectural ascetic of the building and the preliminary layouts for the lot. In the future, it will go the Danville Planning department in advance. Any approval from the RIFA Board would be pending Zoning and final Planning approval from the City. The actual layout could be tweaked a little based on the entrance shared with the Center for Manufacturing Advancement, otherwise the floor plan is pretty much finalized. They seem to be very excited about the ascetics of the building, and believes it will be an attractive building for the Cyber Park. Mr. Shanks noted the motion should be contingent upon the Planning Department approval and Mr. Guanzon noted those contingencies are built into the Resolution.

Mr. Saunders **moved** for adoption of *Resolution No. 2019-05-13-5B, approving the proposed site plan and floor plan to the site in the Authority's Cyber Park in Danville, Virginia, that will be occupied by BGF Industries, Inc., a Delaware corporation.*

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)

5C. CONSIDERATION OF RESOLUTION 2019-05-13-5C APPROVING THE PURCHASE OF PROPERTY IN PITTSYLVANIA COUNTY KNOWN AS PART OF 401 BUFORD ROAD

Mr. Rowe noted staff received a call from Mr. Harden and Mr. Bradner of Dewberry that a key portion of property was for sale that would benefit RIFA for continued economic development of the Mega Site. The property was to the east of the Mega Site, it has a home on it, the original sales price was \$499,000, and the owner decided to subdivide off the home and land area. The purchase will be paid for by Tobacco Commission Grant #2264; in the contract staff received, the purchase price was \$259,000, which was a pro rated cost minus the house and some additional land for a pond to be associated with the house lot. Mr. Rowe noted RIFA has sixty days for due diligence and earnest money to be deposited of \$3,000. Mr. Guanzon noted the purchase price is still consistent the tax assessed value per acre.

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Mr. Warren **moved** for adoption of *Resolution No. 2019-05-13-5C, approving the purchase of certain real property containing approximately 90 acres, located in Pittsylvania County, Virginia, commonly known as part of 401 Buford Road, Danville, Virginia, in support of the Authority's Southern Virginia Megasite at Berry Hill, at a purchase price of \$259,000, the funding of which shall derive from TIC grant #2264 from the Virginia Tobacco Region Revitalization Commission and a grant from the Virginia Economic Development Partnership.*

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)

5C. FINANCIAL STATUS REPORTS AS OF APRIL 30, 2019

Authority Treasurer Michael Adkins gave the Financial Status report as of April 30, 2019 beginning with the Cane Creek Bonds which show two expenditures for April, \$55 to Dewberry for Wetland Monitoring and \$5,412 to Clement Wheatley for legal fees. General Expenditures show RIFA paid \$33,755 to Clement Wheatley for legal services and \$252 in meals. The Mega Site Funding Other than Bonds, Lot 4 Site Development, Lot 8 Site Development, and Water and Sewer show no activity for April. Rent, Interest and Other Income shows RIFA received rent from the Institute for the Hawkins Building of \$25,412, \$1,000 from Osborne for their annual lease payment, \$427 in interest income, and \$150,000 from the Regional Foundation for Harlow. That \$150,000 was also expended in the month of April to Harlow, and RIFA expended \$25,412 to the Institute for the maintenance on the Hawkins' Building.

Mr. Saunders **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, 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 12:28 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

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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. Warren 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. Searce and by unanimous vote at 2:03 p.m., the Authority returned to open meeting.

E. Mr. Searce **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. Warren and carried by the following vote:

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

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7. COMMUNICATIONS

Board Members thanked staff and Dewberry & Davis for the work they do.

Ms. McCulloch gave a brief review of the Enterprise Zone Amendment Map and explained the County is doing an Enterprise Zone Amendment in Zone 24 and Zone 57, for boundary and incentives, to make them more in line with Danville's. The boundary was to make them more efficient and remove the inefficient parcels; it doesn't have any impact on the City except for Cane Creek. It was to remove agricultural, houses and other land that will not be developed. They are also removing the wetlands and cultural areas at the Berry Hill site and adding more land around the Hurt-Southern Virginia Multi-Modal Park. This will be taken to City Council in the next month. Mr. Warren requested a copy of the map to Board members.

Meeting adjourned at 2:09 p.m.

APPROVED:

s/Fred O. Shanks, III
Chairman

s/Susan M. DeMasi
Secretary to the Authority