

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

April 14, 2020

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:11 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 Vice Chairman Fred O. Shanks, III, Sherman M. Saunders and Alternate J. Lee Vogler. Pittsylvania County Members present were Ronald S. Searce, Alternate Vic Ingram was absent and *Chairman Robert W. Warren attended the meeting electronically*. Mr. Saunders entered at 12:26 p.m.

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

Vice Chairman Fred O. Shanks, III presided.

CONFIRMATION OF MEETING LOGISTICS

Legal Counsel to the Authority Michael Guanzon stated, "This meeting is covered by the operation-of-government exemption under paragraph 7(e) of Governor Ralph S. Northam's Executive Order 55. Space for the public and media will be limited in compliance with the Governor's Executive Orders 51, 53 and 55 regarding the prohibition of in-person gatherings of more than 10 individuals. Seating for the public and media shall be limited to a maximum of five seats, on a first come basis. Once the maximum seating capacity is reached, the entrance door to the building (which is otherwise closed to the public) will be relocked. Seats will be assigned. In accordance with social distancing standards, attendees must remain seated at his or her assigned seat except for ingress to and egress from the meeting room. Members of the public and media may attend the open session portion of the meeting via conference call communication: Conference Line: +1 (646) 558-8656; Meeting ID: 779-763-156." Mr. Guanzon explained when the Authority goes into Closed Session, because the Institute is closed, if the media could go to the lobby and maintain social distancing standards.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE MARCH 9, 2020 MEETING

Upon **Motion** by Mr. Vogler and **second** by Mr. Searce, Minutes of the March 9, 2020 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2020-04-14-5A RATIFYING THE ACCESS EASEMENT AGREEMENT WITH POINDEXTER PROPERTIES LLC

Pittsylvania County Director of Economic Development Matt Rowe explained this ratification was needed based on the closing of the sale of the property from IKEA Industries to Morgan Olsen; they closed at the end of March. Mr. Guanzon explained the property that Morgan

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

April 14, 2020

Olsen's affiliate had purchased was landlocked. The property that surrounds it was owned by RIFA, but was being ground leased to Morgan Olsen. To make sure that the title insurance works for Morgan Olsen's affiliate, they need to memorialize the easement.

Mr. Scarce **moved** for adoption of *Resolution No. 2020-04-14-5A, ratifying that certain Access Easement Agreement dated March 9, 2020, between the Authority as grantor and Poindexter Properties, LLC, a Delaware limited liability company, as grantee, for a perpetual, non-exclusive access easement over certain land in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, with GPINs 2347-04-1865 and 2347-15-7310, more commonly known as Lots 7B and 7C.*

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

VOTE: 3-0
AYE: Scarce, Shanks, Vogler (3)
NAY: None (0)

5B. CONSIDERATION OF RESOLUTION NO. 2020-04-14-5B APPROVING THE DEED OF EASEMENT FROM THE AUTHORITY TO MID-ATLANTIC BROADBAND

Mr. Rowe explained this related to an easement needed by Mid-Atlantic Broadband to take fiber conduits to the Morgan Olsen plant. It was a time issue for them as they still intend on meeting the June manufacturing date. Mr. Guanzon noted because the property that Morgan Olsen's affiliate has was landlocked, they can only get an internet connection if it goes through RIFA's property that was already ground leased to Morgan Olsen.

Mr. Scarce **moved** for adoption of *Resolution 2020-04-14-5B, approving that certain Deed of Easement from the Authority to Mid-Atlantic Broadband Communities Corporation, a Virginia nonstock corporation, for a perpetual, non-exclusive easement and right of way to install and maintain a communication system on a portion of certain real property in the Authority's Cane Creek Centre project located in Pittsylvania County, Virginia, tax GPIN 2347-04-1865, commonly known as Lot 7B.*

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

VOTE: 3-0
AYE: Scarce, Shanks, Vogler (3)
NAY: None (0)

5C. CONSIDERATION OF RESOLUTION NO. 2020-04-14-5C APPROVING CHANGE ORDER 8 WITH HAYMES BROTHERS FOR PHASE 1 PAD EXPANSION ON LOT 4

Shawn Harden of Dewberry Engineers explained this was a clean up change order to rectify the quantities of undercut versus what the original quantities were in the project. The original change order bid for the pad expansion included 5,815 cubic yards. They ended up getting a little bit more, and needed to undercut 9,720; there was a 3,905 cubic yard difference, at a unit cost of \$12.00 per cubic yard. Mr. Shanks questioned if that was due to unsuitable materials and Mr. Harden noted it was. When they got into the pad expansion area, they were running into about a foot and a half to two feet of slop.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

April 14, 2020

Mr. Vogler **moved** for adoption of *Resolution No. 2020-04-14-5C, approving Change Order 8 to the site development work by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2017-02-24-4A, including construction of a Phase 1 pad expansion for Pad A on Lot 4, in the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania County, Virginia, increasing the contract price by \$46,860.00.*

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

VOTE: 3-0
AYE: Searce, Shanks, Vogler (3)
NAY: None (0)

5D. CONSIDERATION OF RESOLUTION NO. 2020-04-14-5D APPROVING A ONE YEAR RENEWAL OF THE LEASE TO THE OSBORNE COMPANY

Mr. Guanzon noted this was another one year renewal; it was terminable upon notice if RIFA needed to have it vacated. It was recommended because the Mega Park was so large, it was good to have someone on the property that could do some surveillance. Mr. Shanks questioned termination of the lease and Mr. Guanzon explained the property could be shown with twenty four hours notice, and had a sixty day termination.

Mr. Vogler **moved** for adoption of *Resolution No. 2020-04-14-5D, 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 (a portion of GPINs 1366-78-4718 and 1367-70-4519), 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. Searce and carried by the following vote:

VOTE: 3-0
AYE: Searce, Shanks, Vogler (3)
NAY: None (0)

5E. FINANCIAL STATUS REPORTS AS OF MARCH 31, 2020

Mr. Adkins gave the Financial Status report as of March 31, 2020, beginning with the Cane Creek Bonds which showed no expenditures for the month of March. General Expenditures for the current fiscal year show RIFA expended \$950 to Power Signs for sign changes at Cane Creek, \$311 for meals and \$61 for utilities. Funding Other than Bonds for the Mega Site showed no expenditures for March. Lot 4 Site Development shows RIFA expended \$286,000 to Haymes Brothers for the continued Phase 1 Pad Expansion work, and \$8,450 to Dewberry for Amendment No. 19. Lot 8 Site Development showed no expenditures for March. Water and Sewer showed RIFA expended \$69,195 to Dewberry for Amendment No. 28. Rent, Interest and Other Income showed RIFA received \$50,825 from the Institute which represents

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

April 14, 2020

two months of rent, \$608 in interest income, and paid \$25,412 to the Institute for the Hawkins' Building maintenance. Page 52 was a recap of the expenditures for March.

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

VOTE: 3-0
AYE: Scarce, Shanks, Vogler (3)
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 12:25 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 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 Mr. Guanzon as legal counsel employed or retained by the Authority regarding specific legal matters requiring the provide of legal advice by him.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

April 14, 2020

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

VOTE: 3-0
AYE: Scarce, Shanks, Vogler (3)
NAY: None (0)

D. On **Motion** by Mr. Scarce and **second** by Mr. Vogler and by unanimous vote at 2:18 p.m., the Authority returned to open meeting.

E. 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.

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

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

7. COMMUNICATIONS

COVID-19 and Meeting Logistics – Mr. Guanzon thanked Board Members and Staff for adhering to the meeting logistics and questioned if they had any feedback. He was not sure if they would have this room available again for the May meeting, but it would be likely they would have to meet in a similar format. Mr. Shanks noted the general feeling was the room was set up very well; Mr. Guanzon stated they would check on the microphones.

Meeting adjourned at 2:22 p.m.

APPROVED:

s/ Robert W. Warren
Chairman

s/ Susan M. DeMasi
Secretary to the Authority