

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

August 9, 2010

The Regular Meeting of the Danville Pittsylvania Regional Industrial Facility Authority convened at 12 o'clock Noon on the above date at the Institute for Advanced Learning and Research located at 150 Slayton Avenue. Present were City of Danville Members Chairman Sherman Saunders, David Luther, Alternate Fred Shanks and Pittsylvania County Members Secretary-Treasurer Coy Harville and Hank Davis.

City/County staff members attending were: Danville City Manager Joe King, Danville Deputy City Manager David Parrish, Pittsylvania County Administrator Dan Sleeper, Pittsylvania County Assistant County Administrator Otis Hawker, Pittsylvania County Assistant Administrator for Planning Greg Sides, Danville Finance Director Barbara Dameron, Danville Business Systems Accountant Amy Merricks Chandler, Danville Economic Development Director Jeremy Stratton, Danville Economic Development Project Manager Corrie Teague, Danville Economic Development Consultant Linwood Wright, Pittsylvania County Economic Development Director Ken Bowman, Danville City Attorney Clarke Whitfield, Clement and Wheatley Attorney Michael Guanzon, Clerk to the Authority Annette Crane and Pittsylvania County Deputy Clerk Rebecca Flippen.

Danville City Council Members present were Larry Campbell, Alonzo Jones, and Gary Miller.

Pittsylvania County Board of Supervisors Members present were Tim Barber, Marshall Ecker, William Pritchett and James Snead.

Troutman Sanders Attorney Steve Johnson, Dewberry and Davis associates Brian Bradner and Shawn Harden and Jeanette Goldsmith with McCallum Sweeney was also present.

Citizens in attendance were Carolyn Gibson, Barbara Hudson, Andrew Lester, and Nancy B. Smith.

Mr. Saunders called the Meeting to order.

APPROVAL OF JULY 12, 2010 MINUTES

Upon **Motion** by Mr Harville and second by Mr. Luther, Minutes of the July 12, 2010 meeting were approved by the following vote:

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

Draft copies of the Minutes were distributed to Authority Members prior to the meeting.

RESOLUTION RATIFYING ACTIONS TAKEN BY VICE CHAIRMAN AND AMENDING THE AMENDED AND RESTATED BYLAWS OF THE AUTHORITY

Mr. Harville **moved** adoption of a Resolution ratifying actions taken by the Vice Chairman and amending the amended and restated Bylaws of the Authority. The Motion was seconded by Mr. Luther

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

August 9, 2010

and carried by the following vote:

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

ELECTION OF VICE CHAIRMAN

Mr. Davis **moved** the nomination of Coy Harville as Vice Chairman of the Authority. Mr. Luther **moved** to close the nominations. Mr. Harville was elected Vice Chairman by the following vote:

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

SECOND RESOLUTION RATIFYING PRIOR ACTIONS

Mr. Harville **moved** to ratify all actions previously taken by the Authority and by the members of its Board of Directors. The Motion was seconded by Mr. Davis and carried by the following vote:

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

REVIEW CITY-COUNTY PARTNERSHIP & REGIONAL INDUSTRIAL FACILITY AUTHORITY

Pittsylvania County Administrator Dan Sleeper gave a slide presentation outlining the history of the City-County partnership and the Danville Pittsylvania Regional Industrial Facility Authority. Mr. Sleeper listed the industries that were located in the region that involved collaboration between the City and the County. He said the loss of major industries such as tobacco, textiles, Corning Glass, furniture and others, rendered it was necessary to take stock of what was remaining and what needed to be done to draw other industries to the area. The creation of regional partnerships was one of the first steps toward revitalizing the region. The partnerships have resulted in the creation of facilities such as the Dan River Business Development Center, a regional fire school, the development of a regional sewer system and businesses that included Corning Glass, Goodyear, and a revenue-sharing agreement with Lowe's. This history brought about the idea for a regional industrial facility authority. The Danville-Pittsylvania Regional Industrial Facility Authority (RIFA) is the crown jewel derived from a long history of regional cooperation. Resulting from the establishment of the Authority in 2001, which marked the first time in the region's history that Danville and Pittsylvania County would jointly enter into contracts and jointly own businesses, are Cane Creek Centre, the Institute for Advanced Learning and Research in the Cyber Park, and development of the mega park at Berry Hill.

An opportunity for questions and comments followed Mr. Sleeper's presentation.

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

August 9, 2010

MEGA PARK SITE BRIEFING

Dewberry & Davis Project Manager Shawn Harden briefed those in attendance on progress at the Berry Hill Mega Park Site. Mr. Harden noted that a certified mega site draws “game-changing” industries, such as automobile, chemical or steel. A certified site would mean an investment of \$800 million to \$1.2 billion, employment of 2,000-5,000 and would have a major impact on the region. He reported that to date, the tobacco funding allocation from RIFA is \$9,582,426 and tobacco funding from Pittsylvania County is \$3,000,000. The funding has been used for property acquisition, water line from Route 58 to the park and design fees and due diligence. Mr. Harden reviewed the total project cost as follows:

• Site certification/due diligence	\$ 2,000,000
• Property cost	\$13,100,000
• Water cost	\$25,280,000
• Sewer cost	\$ 9,612,000
• Power cost	\$33,000,000
• Gas cost	\$ 5,400,000
• Road cost	\$49,600,000
• Rail cost	<u>\$26,000,000</u>
Total cost for project	\$163,992,000.

Mr. Harden said the mega park site is the largest in Virginia and commented that former Governor Tim Kaine said the regional cooperation between the City and the County is a tribute to the localities. Governor Kaine said the localities were doing something very unusual in that he did not see this level of cooperation all over the Commonwealth.

City Manager Joe King stated the two local governing bodies should have a joint meeting at least every six months in order to share information of common interest and to receive updates on what is going on in the district.

City Council Member Larry Campbell said most citizens in the area are unaware of what both localities were doing and should be informed. Mr. Saunders agreed there needed to be ongoing discussions about the progress currently being made by the Joint Authority and the local governing bodies.

MCCALLUM SWEENEY CERTIFICATION REPORT – MEGA PARK SITE

McCallum Sweeney consultant Jeanette Goldsmith was present to give an update on the status of the certification process for the mega park site. She reviewed a PowerPoint presentation containing information explaining a certified site. She advised a certified site is one that meets certain site readiness criteria. These criteria are based on the location needs of private sector companies. Key attributes of a certified site include property that is available and ready for sale with established terms and conditions. The site is fully served. If all infrastructure (utilities and transportation) is not currently at the site, then plans (including cost and schedule) have been developed. The site is developable. Due diligence and engineering have been done to know that all acreage can be developed with no risk

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

August 9, 2010

to project schedule. Due diligence and engineering include wetlands delineation, Phase I ESA, threatened and endangered species study, archeological and historical survey and geotechnical analysis.

Ms. Goldsmith reviewed the three phases for obtaining site certification. She said certified sites in Phase I would help the locality be more prepared to respond to requests for proposals by providing good data and meeting important deadlines. Certified sites in Phase II would be prepared for site visits and response to follow-up questions would be easier. In Phase III, site due diligence would be completed so closing the deal could be the priority.

At the conclusion of Ms. Goldsmith's presentation, board and local governing body members were given an opportunity for comments and questions.

ADDITION OF PUBLIC COMMENT SECTION ON FUTURE RIFA AGENDAS

Mr. Davis **moved** to place a public comment period on future RIFA agendas to include a three-minute time restriction for comments on an agenda item only. The Motion was seconded by Mr. Luther and carried by the following vote:

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

Mr. Luther said he had opposed the public comment period when it was presented at the June meeting because there were no restrictions included in the Motion at that time and would have allowed anyone to get on a soapbox to speak about items other than those on the agenda. He said he could support the comment period with the three-minute restriction. Mr. Harville concurred.

In response to Dr. Miller, Mr. Guanzon advised the Chairman of the Authority controls what items will be placed on the Authority agenda.

CONSIDER FUTURE RIFA MEETING SITE

City Manager Joe King asked the Board to consider moving the monthly RIFA meetings to the Conference Room at Danville Regional Airport. Mr. King said that while the Dan River Business Development Center has graciously allowed the Authority to meet in one of its conference rooms, more space was needed since there were more citizens and guests present for the meetings.

Mr. Harville **moved** to accept the recommendation of City Manager King and move the RIFA meetings to the Danville Regional Airport beginning January 1, 2011. The Motion was seconded by Mr. Davis and carried by the following vote:

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

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

August 9, 2010

It was noted the next regular meeting of the Board would be held at the Dan River Business Development Center.

FINANCIAL REPORT

Mr. Saunders called attention to the Monthly Financial Report that had been distributed to Members prior to the Meeting. Members were asked to direct any questions to Danville Finance Director Barbara Dameron.

Upon **Motion** by Mr. Davis and second by Mr. Harville, the Monthly Financial Report was accepted as presented by the following vote:

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

Ms. Dameron called attention to a footnote relating to the Yorktowne reimbursement that had been included in the financial report. She advised the City and County both contributed \$525,000 to RIFA in July 2005 for Yorktowne incentives. Because Yorktowne did not meet the job requirements set forth in the Performance Agreement, they have to repay incentive money to account for the jobs not created. According to the revised performance Agreement, one payment has been received from Yorktowne in the amount of \$45,334.52. Another payment of \$136,004.79 is expected in November 2010. She said it is the board's discretion whether to allocate the money towards another RIFA project or send it back to the respective localities. How to allocate those funds has not been determined.

CLOSED MEETING

At 1:25 P.M., Mr. Saunders recognized Mr. Davis who **moved** the meeting be recessed and the Authority immediately convene in Closed Meeting for consultation with legal counsel pertaining to probable litigation, where such consultation or briefing in open meeting would adversely affect the litigating posture of the Authority as permitted by Subsection (A) (7) of Section 2.2-3711 of the Code of Virginia, 1950, as amended, and more specifically pertaining to probable litigation regarding Nancy Barbour Smith, et al. v. Pittsylvania County Board of Supervisors (Case No. CL10000088-00), and discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the Community as permitted by Subsection (A) (3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended. The Motion was seconded by Mr. Luther and carried by the following vote:

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

At 2:20 P.M. the Authority returned to open meeting and Mr. Luther **moved** adoption of the following

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

August 9, 2010

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 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. Harville and carried by the following vote:

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

RESOLUTION AUTHORIZING CLEMENT & WHEATLEY TO REPRESENT RIFA IN MATTERS RELATED TO LITIGATION REGARDING NANCY BARBOUR SMITH, ET AL

Mr. Davis **moved** adoption of the following Resolution:

A RESOLUTION OF THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

WHEREAS, the Danville-Pittsylvania Regional Industrial Facility Authority (the "Authority") is a political subdivision of the Commonwealth of Virginia duly created pursuant to the Virginia Regional Industrial Facilities Act, as amended; and

WHEREAS, as permitted by Subsection (A) (7) of Section 2.2-3711 of the Code of Virginia, 1950, as amended, the Authority's Board of Directors considered in closed session a proposal to authorize Clement & Wheatley, A Professional Corporation ("Clement & Wheatley") to represent the Authority in all matters related to the litigation pending in the Circuit Court of Pittsylvania County, Virginia, styled Nancy Barbour Smith, et al, v. Pittsylvania County Board of Supervisors, Case No. CL1000088-00, (the "Suit"), including without limitation, the authority to intervene in the Suit as a defendant alongside the Pittsylvania County Board of Supervisors; and

WHEREAS, the Board of Directors has determined that it is in the best interests of the Authority and of the citizens of Danville and Pittsylvania County for the Authority to authorize Clement & Wheatley to represent the Authority in all matters related to the Suit, including without limitation, the authority to intervene in the Suit as a defendant alongside the Pittsylvania County Board of Supervisors.

Danville-Pittsylvania Regional Industrial Facility Authority

Minutes

August 9, 2010

NOW, THEREFORE, BE IT RESOLVED BY THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, THAT:

1. The Authority hereby authorizes Clement & Wheatley to represent the Authority in all matters related to the Suit, including without limitation, the authority to intervene in the Suit as a defendant alongside the Pittsylvania County Board of Supervisors.
2. The Authority hereby authorizes and directs staff and other agents and representatives working on behalf of the Authority to take such actions and to do all such things as they in their discretion deem necessary or appropriate in order to carry out the intent and purposes of these resolutions.
3. The Authority hereby approves, ratifies and confirms any and all actions previously taken by the Authority, its agents and representatives, in respect of the matters contemplated therein.
4. This Resolution shall take effect immediately upon its adoption.

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

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

COMMUNICATIONS

There were no communications from Authority Members.

The Meeting adjourned at 2:25 P.M.

Chairman

Clerk to the Authority