



Wednesday, February 16, 2022; 6:00 P.M; Elections and Training Center; 18 Deport Street,
Chatham, Virginia 24531

AGENDA

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ANY ADDITIONS/REVISIONS TO AGENDA**
- IV. APPROVAL OF AGENDA**
- V. CONSENT AGENDA**
 - A. Approval of January Meeting Minutes
 - B. Review/Approval of January Financials
- VI. OLD BUSINESS**
 - A. ODAC Water and Sewer Study Update (*T. Reynolds*)
 - B. County Hotel Feasibility Study Update (*K. Saunders*)
- VII. NEW BUSINESS**
 - A. Approve Moral Obligation for the VSBFA Loan for Staunton River Plastics (*V. Hunt*)
 - B. Approve Remote Participation in Authority Meeting (*V. Hunt*)
- VIII. MATTERS FROM IDA MEMBER**
- IX. ADJOURNMENT**

Agenda Section:	Consent Agenda (Section V(A))
Agenda Title:	Approval of January Minutes
Staff Contact:	MDR
Agenda Date:	February 16, 2022
Attachments:	1 (January Meeting Minutes)

SUMMARY:

A copy of the January meeting minutes is included in the packet for your review, comment, and approval.

FINANCIAL IMPACT AND FUNDING SOURCE:

None

RECOMMENDATION:

County Staff recommends the IDA approve the January meeting minutes as presented.

MOTION:

“I make a Motion to approve the January meeting minutes as presented.”

PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

WEDNESDAY, JANUARY 19, 2022; 6:00 P.M.; ELECTIONS AND TRAINING CENTER; 18 DEPOT STREET, CHATHAM, VA 24531

MEETING MINUTES

I. CALL TO ORDER

Daniel called Meeting to Order at 6:00 PM.

II. ROLL CALL

IDA Members present: Faucette, Daniel, Haymore, Reynolds, Nuckols, Merricks, and Minter.
County Staff present: Rowe, Saunders, Van Der Hyde.

III. REVISIONS TO AGENDA

None

IV. APPROVAL OF AGENDA

On a motion by Haymore, second by Nuckols, the revised Agenda was approved by IDA Members present.

V. APPROVAL OF CONSENT AGENDA

On a motion by Nuckols, second by Reynolds, the Consent Agenda was approved by IDA Members present with revisions to Item VII. Economic Development Update in the November Meeting Minutes. The revision, stated by Reynolds, requested that the new wording to Item VII. read that "*Reynolds & Clark has been selected and a contract is forthcoming for the Preliminary Engineering Report for Water and Sewer Service for the Olde Dominion Agriculture Complex (ODAC).*"

VI. OLD BUSINESS

A. Update on Preliminary Engineering Report for Water and Sewer Service for the Old Dominion Agriculture Complex (ODAC)

Rowe stated that the Preliminary Engineering Report Contract for Water and Sewer Service to Reynolds-Clark Development, Inc. still needed to be signed and executed. Rowe asked IDA Members for their approval on him signing and executing the contract for Water and Sewer Services for ODAC on behalf of the IDA.

B. Update on Old Dominion Agriculture Complex (ODAC) contribution of \$1,000

Rowe provided an update to the IDA Members that a check has been deposited into the IDA account in the amount of \$1,000.

On a motion by Merricks, second by Nuckols, the IDA approved the request of Rowe signing and executing the contract to Reynolds-Clark Development, Inc. for Water and Sewer Services for ODAC on behalf of the IDA. Reynolds abstained from the vote.

VII. NEW BUSINESS: ELECTION OF OFFICERS FOR CALEDAR YEAR 2022

- A. Election of Chairman (see Bylaws, Article VI, page 3-4): Daniel nominated Faucette as Chairman based on approval of oath recertification. On a motion by Haymore, second by Nuckols, the IDA Members approved Faucette as Chairman based on approval of oath recertification.
- B. Election of Vice Chairman (see Bylaws, Article VI, page 3-4): Merricks nominated Daniel as Vice Chairman. On a motion by Reynolds, second by Nuckols, the IDA Members approved Daniel as Vice Chairman.
- C. Election of Secretary from the Authority's staff – Matthew D. Rowe, Director of Economic Development, Pittsylvania County: On a motion by Haymore, second by Nuckols, the IDA Members approved Rowe as Secretary.
- D. Election of Treasurer from the Authority's staff – Kim Van Der Hyde, Finance Director, Pittsylvania County: On a motion by Daniel, second by Haymore, the IDA Members approved Van Der Hyde as Treasurer.

VIII. ECONOMIC DEVELOPMENT UPDATE

- A. Rowe provided an update on the VSBFA Loan for Staunton River Plastics. Staunton River Plastics is still underway, but they have recently experienced a material escalation for roofing. Due to this escalation, the loan had to be amended. The VSBFA Loan provided Staunton River Plastics with an additional \$1,020,000 at a rate of 2.44%. In addition, the company contributed another \$180,000. Staunton River Plastics had their contractor sign an agreement that stated any further material escalations will be their responsibility. Additionally, cost savings have been built into the budget.
- B. Rowe stated that the Southern Virginia Megasite at Berry Hill received \$1,312,400 from the Virginia Business Ready Sites Program (VBRSP) Grant for grading Lots 1 and 2 for a 50-acre pad. Pittsylvania County received the largest Virginia Business Ready Sites Program (VBRSP) Grant of other sites in Virginia.

IX. MATTERS FROM IDA MEMBERS

Faucette recommended that the IDA amend the bylaws to include a remote meeting policy at the February IDA Meeting. No IDA Members present were in opposition of this suggestion.

X. 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 6:28 p.m., on a motion by Haymore, second by Nuckols, the meeting of the IDA was 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.

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) 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 commonly known as the Brosville Industrial Park, in Brosville, Virginia, and Ringgold East Industrial Park, in Ringgold, Virginia, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

XI. RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION

Confirmation of Motion and Vote to Reconvene in Open Meeting

On a motion by Nuckols, second by Merricks, the IDA Members present voted at 6:51 p.m., the IDA return to open meeting.

Motion to Certify Closed Meeting

On a motion by Nuckols, second by Merricks, the IDA Members present approved 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.

XII. ADJOURNMENT

On a motion by Haymore, second by Nuckols, Daniel adjourned the Meeting at 6:52 PM.

Agenda Section:	Consent Agenda (Section V(B))
Agenda Title:	Approval of Financials
Staff Contact:	Kim Van Der Hyde
Agenda Date:	February 16, 2022
Attachments:	1 (January Financial Report)

SUMMARY:

A copy of the January financial report is included in the packet for your review, comment, and approval.

FINANCIAL IMPACT AND FUNDING SOURCE:

None

RECOMMENDATION:

County Staff recommends the IDA approve the January financial report as presented.

MOTION:

“I make a Motion to approve the January financial report as presented.”

Pittsylvania County Industrial Development Authority
Balance Sheet
As of January 31, 2022

	Jan 31, 22
ASSETS	
Current Assets	
Checking/Savings	
101000 · First Citizens Checking	906,576.97
10400 · FCB-IDA SR-Plastics	0.46
Total Checking/Savings	906,577.43
Total Current Assets	906,577.43
Fixed Assets	
110000 · Inventory	1,035,300.00
15000 · Capital Assets	
150100 · Land	1,174,496.00
150200 · Industrial Building	1,786,765.72
Total 15000 · Capital Assets	2,961,261.72
160000 · Accumulated Depreciation	-58,514.75
Total Fixed Assets	3,938,046.97
Other Assets	
120100 · Notes Receivable-Intertape	2,510,199.54
121000 · Note Receivable-Panacea Equip	143,316.75
121500 · Note Receivable-Panacea Upfit	104,164.57
121600 · Note Receivable-VRA Loan-Realty	1,150,000.00
121700 · Note Receivable-SR Plastics	2,209,028.73
Total Other Assets	6,116,709.59
TOTAL ASSETS	10,961,333.99
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
270100 · SR-Plastics Reserve	-15,553.44
Total Other Current Liabilities	-15,553.44
Total Current Liabilities	-15,553.44
Long Term Liabilities	
210000 · Security Deposit-Panacea	6,750.00
250000 · Note Payable-ANB-Intertape	2,572,923.61
253000 · Bond Payable-Panacea	803,072.00
253200 · Note Payable-First Citizens-Pana	144,945.84
253300 · Note Payable-VRA Loan-Realty	1,150,000.00
253400 · Note Payable-ANB SR Plastics	2,209,028.73
Total Long Term Liabilities	6,886,720.18
Total Liabilities	6,871,166.74
Equity	
30000 · Opening Balance Equity	2,204,971.66
32000 · Unrestricted Net Assets	1,086,521.61
Net Income	798,673.98
Total Equity	4,090,167.25
TOTAL LIABILITIES & EQUITY	10,961,333.99

Pittsylvania County Industrial Development Authority
Transaction List by Date
January 2022

Type	Date	Num	Name	Account	Split	Debit	Credit
Deposit	01/04/2022			101000 · First Citizens Checking	120100 · Notes Receivable-Intertape	30,324.97	
Deposit	01/04/2022			10500 · ANB-IDA SR-Plastics	253400 · Note Payable-ANB SR Plastics	145,756.00	
Deposit	01/06/2022			10500 · ANB-IDA SR-Plastics	253400 · Note Payable-ANB SR Plastics	42,607.82	
Transfer	01/06/2022			10500 · ANB-IDA SR-Plastics	121700 · Note Receivable-SR Plastics		188,363.82
Check	01/07/2022		ARCO Design/Build, LLC	10400 · FCB-IDA SR-Plastics	-SPLIT-		278,387.33
Check	01/07/2022			101000 · First Citizens Checking	5050 · Bank Charges		196.53
Check	01/08/2022	1030	Pittsylvania County	101000 · First Citizens Checking	5030 · 5030 Professional Services		3,391.08
General Journal	01/10/2022	72R	Chatham First Inc.	101000 · First Citizens Checking	65130 · Contribution to Other Entities	2,000.00	
Check	01/10/2022	1031	Chatham First Inc.	101000 · First Citizens Checking	65130 · Contribution to Other Entities		2,000.00
Deposit	01/10/2022			101000 · First Citizens Checking	-SPLIT-	11,475.11	
Check	01/12/2022	EFT	First Citizens Bank	101000 · First Citizens Checking	-SPLIT-		4,511.47
Check	01/12/2022	1032	VSBFA	101000 · First Citizens Checking	-SPLIT-		500.00
Deposit	01/13/2022			10500 · ANB-IDA SR-Plastics	253400 · Note Payable-ANB SR Plastics	2,020,664.91	
Transfer	01/13/2022			10500 · ANB-IDA SR-Plastics	121700 · Note Receivable-SR Plastics		2,020,664.91
Check	01/14/2022	1033	Froehling & Robertson, Inc.	101000 · First Citizens Checking	-SPLIT-		15,053.90
Check	01/26/2022	1034	BB & T	101000 · First Citizens Checking	-SPLIT-		66,708.90
Check	01/26/2022	1035	American National Bank	101000 · First Citizens Checking	-SPLIT-		30,324.97
Deposit	01/31/2022			101000 · First Citizens Checking	43410 · Pittsylvania Cty Contribution	25,527.06	
Deposit	01/31/2022			101000 · First Citizens Checking	45030 · Interest Revenue	370.82	
Deposit	01/31/2022			10400 · FCB-IDA SR-Plastics	270100 · SR-Plastics Reserve	0.46	

MORAL OBLIGATION FOR THE VSBFA LOAN FOR STAUNTON RIVER PLASTICS SUMMARY:

In late November, Staff was notified by ARCO Design-Build of an impending material escalation charge of \$1,150,000 due to significant price increases on roofing membrane, steel sprinkler piping, and concrete. This escalation fee was and is unavoidable and, per the Industrial Development Authority's outside counsel, falls within the provisions of the executed construction contract. To account for this increase, Staff made application to and received approval from the Virginia Small Business Financing Authority (VSBFA) who has agreed to lend \$1,020,000 with the same terms as the primary loan with American National Bank, except VSBFA's loan's interest rate is 75% of market prime at 2.44%. The Company has agreed to contribute over 15% through a cash payment of \$180,000 which covers the remaining escalation cost(s) and closing. Further, Staff was able to negotiate with ARCO Design-Build to strike typically mandatory escalation language from the construction contract which ensures that future material escalation charges will not impact the County or IDA and are at the sole risk of ARCO Design-Build. This is a strong good faith commitment from the contractor.

As a condition to the approval of their loan, VSBFA requires the County to provide a Moral Obligation for the amount of the loan – the same action taken for the loan with American National Bank. The loan will be repaid via the lease-to-purchase agreement with the Company. The Company, Rage / Staunton River Plastics, LLC has stated that the increase in monthly lease payments due to the loan is still within their budget. Company representatives took part in the presentation to the VSBFA Board for loan approval. VSBFA counsel is working with IDA counsel to finalize loan agreements, which will have to be executed in the near future. The IDA is required to approve the included Moral Obligation agreement as a condition for approval of VSBFA's loan.

**SUPPORT AGREEMENT OF
THE COUNTY OF PITTSYLVANIA, VIRGINIA**

THIS SUPPORT AGREEMENT, dated as of the ____ day of _____, 2022, by and between the **County of Pittsylvania, Virginia**, a political subdivision of the Commonwealth of Virginia (the **“County”**) and the **Industrial Development Authority of Pittsylvania County, Virginia**, a public body corporate of the Commonwealth of Virginia (the **“Authority”**), recites and provides as follows.

RECITALS

1. The Authority was created under the Industrial Development and Revenue Bond Act (§15.2-4900 *et seq.*) of the *Code of Virginia*, 1950, as amended, to promote industry and develop trade.

2. In order to induce Staunton River Plastics, LLC (the **“Company”**) to lease from the Authority a 150,000 sq. ft. build-to-suit manufacturing facility, and thereby promote the industrial development and economy of the County, the Authority desires to assist the Company in the acquisition such equipment (the **“Project”**).

3. The Authority has obtained a commitment from the Virginia Small Business Financing Authority (**“VSBFA”**) to lend to the Authority pursuant to a loan agreement dated of even date herewith (the **“Loan Agreement”**) up to \$1,020,000.00 (the **“Loan”**) for part of the projected costs of the Project, and as part of that commitment and as part of the security for the Loan, the VSBFA has required the County to enter into this Support Agreement (this **“Agreement”**).

4. The Loan is to be evidenced by a promissory note (the **“Note”**) executed by the Authority and held by the VSBFA.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, the promises and mutual benefits to be derived by the parties from entering into this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows.

1. The Authority has acquired an ownership interest in the Project. The Authority will lease the Project to the Company under a [Lease Agreement] (the **“Lease Agreement”**) to promote the economic development of the County. The Lease Agreement shall provide for payment of rent by the Company to the Authority in amounts sufficient to enable the Authority to fulfill its debt service obligations to the VSBFA under the Note and the Loan Agreement, such obligations to be secured by a lien or liens against the Project. Should the Company fail to make such rent payments in full under the Lease Agreement, the Authority shall request an appropriation from the County to the Authority sufficient to allow the Authority to make current payments on the Note (the

“Deficiency Amount”) to protect and maintain the Authority’s interest in the Project.

2. No later than May 15 of each year, beginning May 15, 2021, the Authority shall notify the County Administrator of the County (**the “County Administrator”**) of the Deficiency Amount which the Authority desires the County to pay to the Authority in accordance with Section 1 above during the County’s fiscal year beginning the following July 1.

3. The County Administrator shall include such Deficiency Amount requested pursuant to Section 2 above in his budget submitted to the Board of Supervisors of the County (**the “Board of Supervisors”**) for the following fiscal year as an amount to be appropriated to or on behalf of the Authority. The County Administrator shall deliver to the Executive Director of the Authority within ten days after the adoption of the County’s budget for each fiscal year, but not later than July 15 of each year, a certificate stating whether the Board of Supervisors has appropriated to or on behalf of the Authority the Deficiency Amount requested.

4. If at any time the Authority believes there is a Deficiency Amount or that amounts paid by the Company under the Lease Agreement are insufficient to allow the Company to fulfill its rent obligations under the Lease Agreement in order for the Authority to meet its debt service obligations under the Note, the Authority shall notify the County Administrator of the amount of the Deficiency Amount or such insufficiency and the County Administrator shall request a supplemental appropriation from the Board of Supervisors in the amount necessary to make such payment.

5. The County Administrator shall present each request for appropriation pursuant to paragraph 4 above to the Board of Supervisors, and the Board of Supervisors shall consider such request, at the Board of Supervisors’ next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Not later than three (3) business days after such meeting, the County Administrator shall notify the Authority as to whether the amount so requested was appropriated. If the Board of Supervisors shall fail to make any such appropriation, the County Administrator shall add the amount of such requested appropriation to the amount requested from the Authority and reported to the County by the County Administrator for the County’s next fiscal year.

6. The Board of Supervisors hereby undertakes a non-binding moral obligation to appropriate such amounts as may be requested from time to time pursuant to paragraphs 3, 4 and 5 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards of Supervisors do likewise.

7. For and in consideration of VSBFA making the Loan to the Authority, and to further secure the repayment of the Note and the Loan, the Authority hereby assigns, grants and conveys to VSBFA all of its right, title and interest, now existing or hereafter arising, in and to all moneys received from the County pursuant to the provisions of this Agreement. The Authority and the County shall make, execute and deliver any papers, instruments and documents that may

be required by VSBFA to effectuate the purpose intended by this assignment. The Authority waives any right, legal or equitable, now existing or hereafter arising, to offset against, attach, levy upon, enjoin or otherwise delay the payment of such moneys hereby assigned on account of any claim or obligation between the Authority and the County.

8. If any clause, provision, or paragraph of this Agreement shall be held illegal or invalid by a court, the illegality or invalidity of such clause, provision, or paragraph shall not affect any of the remaining clauses, provisions, or paragraphs hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision, or paragraph had not been contained herein. In case any question should arise as to whether any provision contained herein shall be in violation of law, then such provision shall be construed to the agreement of the parties hereto to the fullest extent permitted by law.

9. The County shall provide the VSBFA with the County's audited annual financial statements when available.

10. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to the Authority or to any other person or entity, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board of Supervisors to appropriate funds for the purposes described herein.

11. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to County Administrator's Office, 1 Center Street, Post Office Box 426, Chatham, Virginia 24531 (i) if to the Authority, to 1 Center Street, Post Office Box 426, Chatham, Virginia 24531 Attention: Chairman. Any party may designate any other address for notices or requests by giving notice.

12. It is the intent of the parties hereto that this Agreement shall be governed by the laws of the Commonwealth of Virginia. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

[Signature page to follow]

IN WITNESS WHEREOF, the County and the Authority have caused this Agreement to be executed in their names and on their behalves as of the date first above written.

**BOARD OF SUPERVISORS,
COUNTY OF PITTSYLVANIA, VIRGINIA**

By: _____
Chairman

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA**

By: _____
Chairman

Attest:

Secretary, Economic Development Authority
of Pittsylvania County, Virginia

The undersigned authorized representative of VSBFA has executed this Agreement on its behalf as of the date first written above for the sole purpose of accepting the assignment to it made therein.

**VIRGINIA SMALL BUSINESS
FINANCING AUTHORITY**

By: _____
Howard F. Pisons
Executive Director

REMOTE PARTICIPATION IN AUTHORITY MEETING.

As authorized by § 2.2-3708.2, Code of Virginia, 1950, as amended, the Authority shall allow the participation of Authority Members in a Meeting through electronic communication means from a remote location that is not open to the public subject to complying with all parts of the following written policy:

1. On or before the day of a Meeting, the Authority shall notify the Authority Chairman that the Authority Member is unable to attend the meeting due a personal matter, and the Authority Member shall identify with specificity the nature of the personal matter, or the Authority Member shall notify the Authority Chairman that the Authority Member is unable to attend a meeting due to a temporary or permanent disability or other medical condition that prevents the Authority Member's physical attendance. The Authority shall record the specific nature of the personal matter or fact of temporary or permanent disability, and the remote location from which the absent Authority Member participated in its minutes.
2. If the absent Authority Member's remote participation is disapproved, because such participation would violate the strict and uniform application of this written policy, such disapproval shall be recorded in the Authority's Minutes.
3. Such participation by the absent Authority Member shall be limited in each calendar year to two (2) meetings.
4. A quorum of the Authority shall be physically assembled at the primary or central meeting location.
5. The Authority shall arrange for the voice of the absent Authority Member to be heard by all persons in attendance at the primary or central meeting location.