

PITTSYLVANIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

WEDNESDAY, MAY 19, 2021; 6:00 P.M.; ELECTIONS AND TRAINING CENTER; 18 DEPOT STREET,
CHATHAM, VA 24531

MEETING MINUTES

I. CALL TO ORDER

Faucette called Meeting to Order at 6:00 PM.

II. ROLL CALL

IDA Members present: Faucette, Daniel, Nuckols, Merricks and Reynolds. IDA members absent: Haymore and Lovelace. County Staff present: Rowe, Hunt, and Smitherman.

III. REVISIONS TO AGENDA

Faucette requested to add a Closed Session item (IX) to the agenda after *Matters from IDA Members*. There was no objection from other IDA Members present.

IV. APPROVAL OF AGENDA

On Motion by Daniel, second by Merricks, the revised Agenda was unanimously approved by IDA Members present.

V. APPROVAL OF CONSENT AGENDA

- A. April IDA Meeting Minutes Approval**
- B. IDA Financials Approval**

On Motion by Nuckols, second by Daniel, the Consent Agenda was unanimously approved by IDA Members present.

VI. NEW BUSINESS

A. J&J Truck Sales Local Performance Agreement Approval

Rowe went over the Company and Board of Supervisors approval Local Performance Agreement for the J&J Truck Sales project that was announced by the Governor in March. The project results in the creation of 27 new jobs and an investment of \$5.2M for the construction of a new 45,000 sq. ft. facility at the Company's Chatham location.

Merricks and Reynolds informed members that they had a conflict of interest due to them being involved in various aspects of the project and would need to abstain from voting on the item.

On motion by Daniel, second by Nuckols, the J&J Truck Sales Local Performance Agreement was approved. Merricks and Reynolds abstained from the vote.

B. Staunton River Plastics, LLC Subdivision Plat Approval

Rowe informed the IDA members that he was presenting this item to the IDA as a courtesy since they would ultimately be purchasing the property from the Staunton River Regional Industrial Facility Authority for the Staunton River Plastics, LLC project. He detailed the payment provisions and the amount of funds expended by the IDA via the Company's upfront commencement rent. Rowe explained that all closing costs would be paid for via these funds.

On Motion by Reynolds, second by Nuckols, the Staunton River Plastics, LLC Subdivision Plat was unanimously approved by IDA Members present.

C. Loan Agreement Packet for Closing on American National Bank Loan for SRP, LLC Project Approval

Rowe presented and went over the 9 documents that comprised the loan agreement packet for closing on the American National Bank loan for the Staunton River Plastics, LLC project. He explained that the documents were typical and customary for the transaction and that IDA's counsel was reviewing the documents to ensure they met agreed upon business points. Rowe pointed out that the Company had proactively signed all applicable documents in good faith and that the Board of Supervisors had approved the Moral Obligation.

Reynolds questioned the bank solicitation process.

Rowe responded and explained that the County utilized its on-call financial firm to compile a RFI document to solicit bids for the project and then shared the document with several well suited banks. American National Bank was the only firm that responded favorably, due to the impact of COVID to the financial and construction markets.

On Motion by Daniel, second by Merricks, the loan agreement packet for closing on American National Bank loan for the Staunton River Plastics, LLC project was unanimously approved by IDA Members present.

D. Purchase and Sale Agreement Between County IDA and SR RIFA for SRP, LLC Land Tract Approval

Rowe shared the Purchase and Sale Agreement that had been drafted by their counsel and had been approved to in form by all participating parties. He again detailed the payment provisions and the amount of funds expended by the IDA via the Company's upfront commencement rent. He described the purchase process and notified the IDA that the agreement would also need to be approved by the Staunton River Regional Industrial Facility Authority, and that the matter would be heard at the Authority's upcoming May 25, 2021 meeting.

On Motion by Reynolds, second by Nuckols, the Purchase and Sale Agreement between the IDA and the Staunton River Regional Industrial Facility Authority for the Staunton River Plastics, LLC project was unanimously approved by IDA Members present.

E. Second Amendment to Local Performance Agreement for SRP, LLC Project

Rowe detailed the need for the Second Amendment to the Local Performance Agreement for the Staunton River Plastics, LLC project based upon the requirements from the lender, American

National Bank. He stated that the Company had already signed the document, and that it had also already been approved by the Board of Supervisors, City of Danville, and Town of Hurt. The agreement would also be under consideration for approval at the upcoming meeting for the Staunton River Regional Industrial Facility Authority. He informed the IDA that another key change was specifically identifying the exact amount of Company upfront commencement rent, which further strengthened the IDA's position.

On Motion by Nuckols, second by Daniels, the Second Amendment to the Local Performance Agreement for the Staunton River Plastics, LLC project was unanimously approved by IDA Members present.

VII. ECONOMIC DEVELOPMENT UPDATE

Rowe shared with the IDA that prospect activity remained strong and that the County was receiving 1 to 2 visits from Companies per week. He highlighted the recent AeroFarms groundbreaking in Cane Creek Centre, and shared that the Company viewed the event as a huge success and thanked the community for hosting. Finally, he informed the IDA that the County had successfully found an outstanding applicant for the vacant Economic Development Project Manager position – Ms. Kattie Saunders was offered and accepted the position and will begin June 14, 2021. He stated that he looked forward to working with her and introducing her to the full IDA at their June meeting.

VIII. MATTERS FROM IDA MEMBERS

Faucette told the IDA that he attended and represented them at the AeroFarms groundbreaking event. At the event, he saw and spoke with T. Neal Morris, Chairman of the Danville IDA about the joint shell building in the Cyber Park. Faucette then shared a response letter from the Danville IDA that provided documentation requested by the County IDA. He directed staff to write a confirmation letter addressed to Mr. Morris stating the IDA had received the letter and associated documents. He also directed staff to provide recommendations on the key shell building provisions at the IDA's upcoming June meeting – all other IDA members agreed through consensus.

Merricks asked Faucette how time sensitive was the IDA's decision process on the Cyber Park shell building. Faucette responded that the possible time sensitivity could be due to an active Tobacco Commission grant the City has and that there is a question whether it could be extended beyond the end of December 2021.

Nuckols wanted confirmation that the joint venture was 50/50 between the City and County IDAs, and Faucette confirmed that was the case.

Faucette followed up on the IDA's April meeting with the Olde Dominion Agricultural Foundation and requested that staff arrange for a joint vision meeting between the Foundation and the IDA. It was agreed that a key consideration for focus should be in addressing ongoing water limitations at the Olde Dominion Agricultural Complex.

Faucette directed staff to send out a doodle poll to determine a date and time where IDA members could visit sites with staff for an overview. All IDA members agreed through consensus with this approach.

IDA members shared the need for County IT to work with them on needed County email account(s) activation and possible email forwarding assistance, since the IDA was utilizing official County email accounts.

IX. 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 7:01 p.m., Nuckols motioned that the meeting of the IDA 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;

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, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

A second was made Daniel and unanimously approved by IDA Members present.

RETURN TO OPEN SESSION

C. Confirmation of Motion and Vote to Reconvene in Open Meeting

On Motion by Nuckols, second by Daniels, and by unanimous vote at 7:29 p.m., the IDA returned to open meeting.

D. Motion to Certify Closed Meeting

On motion by Nuckols, second by Merricks, the IDA unanimously 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.

X. ADJOURNMENT

With a motion by Nuckols and second by Merricks, Faucette adjourned the Meeting at 7:31 PM.