



City of Danville, Virginia
Industrial Development Authority of Danville

P.O. Box 3300
Danville, Virginia 24543

August 9, 2022

NOTICE OF MEETING

TO: T. Neal Morris, Board Chairman
Russel Reynolds, Board Vice Chairman
John Laramore, Board Secretary/Treasurer
Kristen Barker, Board Member
Dave Cumbo, Board Member
Philip Hall, Board Member
Robert Woodall, Board Member

A meeting of the Industrial Development Authority of Danville, Virginia has been called by the Chairman for **Tuesday, August 9, 2022 at 10:30 am, in the Fourth Floor Conference Room of the Municipal Building located at 427 Patton Street, Danville, Virginia 24541.**

This is an important meeting, and your attendance is respectfully urged. If you cannot attend, please call the City Attorney's Office at (434) 799-5122, as soon as possible to advise.

/s/ *Kimberly L. Gibson*

Kimberly L. Gibson, Legal Assistant/Paralegal
To W. Clarke Whitfield, Jr., City Attorney

**MEETING OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA
TUESDAY, AUGUST 9, 2022**

AGENDA

CALL TO ORDER

ROLL CALL

INDUSTRIAL DEVELOPMENT AUTHORITY:

1. MONTHLY FINANCIAL REPORT.

ITEMS FOR DISCUSSION

2. STAFF UPDATES FROM ECONOMIC DEVELOPMENT ON VARIOUS TOPICS.
3. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE SUMMARY OF PROPOSED TERMS AND CONDITIONS AND THE SEEKING OF A LOAN FROM FIRST NATIONAL BANK.
4. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A CHANGE ORDER FOR THE CYBER PARK SHELL BUILDING PROJECT TO ADD THREE ADDITIONAL FIRE HYDRANTS AROUND THE BUILDING AND ALSO ADDING A NEW FIRE TRUCK TURN AROUND.
5. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, THE MANAGING MEMBER OF IDA DANVILLE MANAGER LLC, APPROVING AND AUTHORIZING IDA DANVILLE MANAGER LLC, TO ENTER INTO AN OPERATING AGREEMENT WITH THE ALEXANDER COMPANY, INC., AND DAVID G. VOS FOR THE FORMATION OF 424 MEMORIAL DRIVE MANAGING MEMBER, LLC.
6. A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, APPROVING AND AUTHORIZING THE IDA TO ENTER INTO A MASTER LEASE BETWEEN WHITE MILL MT 1 LLC, AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA, A POLITICAL SUBDIVISION OF THE COMMONWEALTH OF VIRGINIA .
7. CLOSED MEETING

8. CONSIDER AND TAKE ACTION UPON ANY AND ALL BUSINESS THAT MAY BE LAWFULLY ENACTED AT A REGULAR MEETING OR DISCUSSED IN A CLOSED MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA.

ADJOURN

Executive Summary

Loan Commitment from First National Bank

Staff is requesting the approval of the attached term sheet from First National Bank to move forward with the loan applications for the amounts of \$743,600 and \$1,000,000 to purchase land for the future industrial park off the Danville Bypass and new residential housing development on Hanks Lane.

PRESENTED: August 9, 2022

ADOPTED: August 9 2022

RESOLUTION NO. 2022-____.

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE SUMMARY OF PROPOSED TERMS AND CONDITIONS AND THE SEEKING OF A LOAN FROM FIRST NATIONAL BANK PURSUANT TO THE ATTACHED TERMS SHEET.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia, that it does hereby approve and authorize the seeking of loans from First National Bank in the amounts of up to \$743,600.00 and \$1,000,000.00, plus costs, under to the terms and conditions listed on the *TERM SHEET* from First National Bank, substantially in the form attached hereto, to purchase land for a future industrial park and a new residential housing development; and

BE IT FURTHER RESOLVED, that the Industrial Development Authority of Danville, Virginia does hereby authorize its Chairman, or in his absence any officer, to execute the Summary of Proposed Terms and Conditions "term sheet", substantially in the form attached hereto.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney



Danville Industrial Development Authority
TERM SHEET
July 7, 2022
(For discussion purposes only)

- Borrower:** Danville Industrial Development Authority
- Amount:** 1. \$743,600.00
2. \$1,000,000.00
- Purpose:** 1. Provide funding for purchase of Industrial Land off the By Pass. Parcel #'s 75910, 75473, 75899, 75917, 75916, 77824 & 75506.
2. Provide funding for purchase of Residential Land. Parcel #'s 70619, 78463, & 70624.
- Loan Type:** 1. Commercial Term Loan
2. Interest Only
- Loan Term:** 1. 48 months
2. 36 months
- Repayment:** 1. Demand, otherwise monthly payments of principal and interest to fully amortize over the 48 months.
2. Demand, otherwise monthly payments of interest only.
- Collateral:** 1. 1st D/T on 137.48 acres on Tax Parcels #75910, 75473, 75899, 75917, 75916, 77824 & 75506.
2. 1st D/T on 118.23 acres of Tax Parcels #70619, 78463, & 70624.
- Interest Rate:** 1. 4.49% (Taxable) & 3.55% (Tax Exempt) fixed for 48 months.
2. 4.49% (Taxable) & 3.55% (Tax Exempt) fixed for 36 months.

Danville Industrial Development Authority.
Term Sheet
July 7, 2022

Prepayment

Penalties: N/A

Guarantors: N/A

Financial

Reporting: Borrower to provide updated financial information on an annual basis.

Other: Loan documents are to be approved by the Bank and executed properly.

Other usual and customary requirements for loans of this type.

All costs incidental to the granting of this loan shall be borne by the borrower.

Expiration: The Terms and Conditions discussed herein shall expire on July 31st, 2022

Disclaimer

This Term Sheet is presented to the above-referenced borrower in connection with a credit facility proposed by First National Bank. This Term Sheet describes some of the basic terms proposed to be included in loan documents between the Bank and the borrower. This Term Sheet is for discussion purposes only and is not a commitment, nor does it purport to summarize all of the conditions, covenants, representations, warranties, events of default or other provisions that may be contained in documents required to consummate this financing. The terms are subject to standard credit underwriting and approval and to negotiation and execution of loan documents in form and substance satisfactory to the Bank and its counsel.

This Term Sheet is confidential and may not be disclosed to third parties without prior consent of the Bank.

Executive Summary

Change order for the Cyber Park Shell Building project

As a result of the permit review process, Blair Construction has submitted a change order for the Cyber Park Shell Building project. Overall, the review comments were minor with the exception of adding three additional fire hydrants around the building and also adding a new fire truck turn around at the rear of the buildings. These additional items were requested by the Fire Marshall and total \$98,697 of additional costs for this project. As a reminder, this project is in partnership with Pittsylvania County's Industrial Development Authority who will cover 50% of this added cost. Staff is requesting the approval of \$49,348.50 for the Danville IDA's portion of this project. (See attachment)

PRESENTED: August 9, 2022

ADOPTED: August 9, 2022

RESOLUTION NO. 2022-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A CHANGE ORDER FOR THE CYBER PARK SHELL BUILDING PROJECT TO ADD THREE ADDITIONAL FIRE HYDRANTS AROUND THE BUILDING AND ALSO ADDING A NEW FIRE TRUCK TURN AROUND.

WHEREAS, the Industrial Development Authority of Danville, Virginia (IDA) in partnership with the Pittsylvania Industrial Development Authority is building a 30,000 square foot shell building in the Cyber Park; and

WHEREAS, Blair Construction has submitted a change order adding three additional fire hydrants around the building and also adding a new fire truck turn around at the rear of the building, as requested by the Fire Marshall, for a total cost of \$98,697 of which the IDA's share \$49,350.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia, that it does hereby approve and authorize the change order as submitted by Blair Construction to meet the requests of the Danville Fire Marshall; and

BE IT FURTHER RESOLVED, that the Industrial Development Authority of Danville, Virginia hereby approves the IDA's on half (1/2) share of the total cost in an amount not to exceed \$50,000; and

BE IT FINALLY RESOLVED, that the Industrial Development Authority of Danville, Virginia does hereby authorize its Chairman, or in his absence any officer, to execute any documents necessary to complete the above mentioned transaction.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney



July 20, 2022

Ms. Corrie Bobe, Director
Economic Development & Tourism
City of Danville
427 Patton Street, Suite 203
Danville, Va. 24543

**Re: Proposal for Increased Scope per
The City of Danville Permit Review**
30K Shell Building
120 Slayton Ave., Danville Va.

Ms. Bobe,

This change proposal of added scope comments during the permit review from the Fire Marshall Department within the City of Danville. The review comments were very minor with the exception to adding additional fire hydrants around the building and adding a new fire truck turn around at the rear of the building. We reached out to our subcontractors for the cost of adding these items. Below is a breakdown of the added cost.

- Additional three (3) fire hydrants. The review process was to add four (4). We moved one (1) fire hydrant already in the building scope closer to the building to comply with the review comments. **\$86,400.00**
- Added fire truck turnaround. This will be a gravel turnaround with no curb and gutter. **\$3,325.00**

The total cost from our subcontractors is \$89,725.00, with our added 10% OH&P, the total change proposal is **\$98,697.00**. The proposal excludes overtime, weekend or holidays.

The resubmitted permit drawings are in the review process now. Once we obtain the permit, we will need to be moving forward with the utilities side of the project. Please let us know if you need any further information to aid in getting this proposal added to our contract.

Respectfully,

A handwritten signature in black ink, appearing to read "Tommy R. Mills, Jr.", written in a cursive style.

Tommy R. Mills, Jr.
Project Manager

23020 US Hwy 29 S, Gretna, VA 24557
P: 434.656.6243 F: 434.656.8900
www.blairbuildsbetter.com

Executive Summary

Approval of the IDA Master Lease and the 424 Memorial Drive LLC

Staff is requesting the approval the IDA Master Lease and the 424 Memorial Drive LLC Managing Member Operating Agreement as they are pertinent to closing on both the Alexander Company and the IDA loans.

PRESENTED: August 9, 2022

ADOPTED: August 9, 2022

RESOLUTION NO. 2022-____.

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, THE MANAGING MEMBER OF IDA DANVILLE MANAGER LLC, APPROVING AND AUTHORIZING IDA DANVILLE MANAGER LLC, TO ENTER INTO AN OPERATING AGREEMENT WITH THE ALEXANDER COMPANY, INC., AND DAVID G. VOS FOR THE FORMATION OF 424 MEMORIAL DRIVE MANAGING MEMBER, LLC.

WHEREAS, IDA Danville Manager LLC, The Alexander Company, INC., and David G. Vos desire to adopt an operating agreement for the formation of 424 Memorial Drive Managing Member, LLC (Company); and

WHEREAS, the purpose of the Company shall be to (i) own a membership interest in, and act as the managing member of, the Project Owner, 424 Memorial Drive, LLC, which entity is (a) the sole member of White Mill Shell & Commercial, LLC, a Virginia limited liability company, the owner of Units 1 and 3, and (b) the sole member of White Mill Apartments, LLC, a Virginia limited liability company, the owner of Unit 2 and (ii) make a capital contribution to Project Owner which Project Owner will use to partially fund the historic rehabilitation costs for the Project; and

WHEREAS, the Industrial Development Authority of Danville, Virginia, (IDA) a Political Subdivision of the Commonwealth of Virginia is the sole and Managing Member of IDA Danville Manager LLC, a Virginia limited liability company.

NOW THEREFORE, BE IT RESOLVED, that the Industrial Development Authority of Danville, Virginia the managing member of IDA Danville Manager LLC, approves and authorizes to enter into the Operating Agreement of 424 Memorial Drive Managing Member, LLC; and

BE IT FURTHER RESOLVED, that the Chairman, or in his absence any member of the Industrial Development Authority, be, and hereby is, authorized to execute

Operating Agreement of 424 Memorial Drive Managing Member, LLC as approved by the IDA Chairman, Office of Economic Development, and the City Attorney on behalf of the Industrial Development Authority of Danville, Virginia and/or IDA Danville Manager LLC, and/or North Union Properties, LLC; and

BE IT FINALLY RESOLVED, that the Chairman, or in his absence any member of the Industrial Development Authority, be, and hereby is, authorized to execute any and all other or additional documents pertaining to the above referenced transaction on behalf of the Industrial Development Authority of Danville, Virginia and/or IDA Danville Manager LLC, and/or North Union Properties, LLC.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney

PRESENTED: August 9, 2022

ADOPTED: August 9, 2022

RESOLUTION NO. 2022-____.

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, APPROVING AND AUTHORIZING THE IDA TO ENTER INTO A MASTER LEASE BETWEEN WHITE MILL MT 1 LLC, AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA, A POLITICAL SUBDIVISION OF THE COMMONWEALTH OF VIRGINIA .

WHEREAS, White Mill Commercial LLC ("Prime Landlord"), as landlord, master leases to Landlord, White Mill MT 1 LLC the property commonly known as Units 1 and 3 of the White Mill Condominium in Danville, Virginia; and

WHEREAS, Landlord, White Mill MT 1 LLC as tenant of the Premises, desires to Lease to Tenant, the Industrial Development Authority of Danville, Virginia, Tenant desires to Lease from Landlord, the Premises on the terms set forth herein; and

WHEREAS, the Industrial Development Authority of Danville, Virginia, shall pay Landlord rent in equal monthly installments of One Hundred Seventy-Nine Thousand Six and 50/100 Dollars (\$179,006.50) due and payable on the first (1st) day of each month; and

WHEREAS, the initial term of this Lease shall be twenty (20) years commencing on the Commencement Date.

NOW THEREFORE, BE IT RESOLVED, that the Industrial Development Authority of Danville, Virginia, approves and authorizes entering into the Master Lease between White Mill MT 1 LLC and the Industrial Development Authority of Danville, Virginia, sustainably in the form attached hereto; and

BE IT FURTHER RESOLVED, that the Chairman, or in his absence any member of the Industrial Development Authority, be, and hereby is, authorized to execute the Master Lease sustainably in the form attached hereto, and as approved by the IDA

Chairman, Office of Economic Development, the attorney for the IDA, and the City Attorney on behalf of the Industrial Development Authority of Danville, Virginia; and

BE IT FINALLY RESOLVED, that the Chairman, or in his absence any member of the Industrial Development Authority, be, and hereby is, authorized to execute any and all other or additional documents pertaining to the above referenced transaction on behalf of the Industrial Development Authority of Danville, Virginia.

APPROVED:

Chairman

ATTEST:

Secretary

Approved as to
Form and Legal Sufficiency:

City Attorney