INDUSTRIAL DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

4TH FLOOR CONFERENCE ROOM

July 11, 2023

10:30 AM

A. CALL TO ORDER

B. ELECTION OF OFFICERS FOR THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA

C. ROLL CALL

D. MEETING MINUTES

1. Meeting Minutes for June 13, 2023

E. FINANCIAL REPORT

F. STAFF UPDATES

1. Review of Schoolfield Master Plan Recommendations

G. RESOLUTIONS

1. Lease Agreement between Danville Industrial Development Authority and Mind Body Wellnes Pilates LLC
2. Request approval to make deck repairs to 310 Main Street

3. Repairs to 620 North Main Street

4. Authorization of Access to Covered Bridge

5. An Agreement of Purchase and Sale between the Danville Industrial Development Authority and Cross Stage LLC

6. Request approval to renew outstanding loan with American National Bank for property located at 1000 Lockett Drive, Danville, Virginia.

7. Loan Renewal Approval with American National Bank

8. Loan Renewal for 500 Cane Creek Parkway

H. CLOSED MEETING

As Permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion or consideration of the acquisition of real property or of the disposition of publicly held real property; and

As Permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion concerning a prospective business or industry related to economic development.

As Permitted by Subsection (A)(7) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for consultation with legal counsel concerning actual litigation and briefings by staff regarding specific legal matters requiring legal advice.

A. Motion to Convene in Closed Meeting
B. Motion to Reconvene in Open Meeting
C. Motion to Certify Closed Meeting

I. CONSIDER AND TAKE ACTION UPON ANY AND ALL BUSINESS THAT MAY BE LAWFULLY ENACTED

J. ADJOURN

MINUTES OF MEETING
TUESDAY, JUNE 13, 2023

Pursuant to a Written Notice, a copy of which is attached hereto, a Regular Meeting of the Board of Directors of the Industrial Development Authority of Danville, Virginia (IDA) was held in the Fourth Floor Conference Room of the Municipal Building on Tuesday, June 13, 2023,at 10:30 a.m.

THE FOLLOWING MEMBERS WERE PRESENT AND ABSENT:

PRESENT:	T. Neal Morris, Chairman John Laramore, Secretary/Treasurer Philip Hall Robert Woodall
ABSENT:	Russell Reynolds, Vice Chairman Kristen Barker Dave Cumbo
ALSO PRESENT:	Alan B. Spencer, Deputy City Attorney Kimberly L. Gibson, Legal Assistant/Paralegal Michael Adkins, Financial Director Corrie Bobe, Economic Development Director Kelvin Perry, Economic Development Ken Larking, City Manager Councilmen Whittle

T. Neal Morris, Chairman, called the meeting to order at 10:30 a.m.

ROLL CALL

MINUTES

Copies of the minutes of the May 9, 2023, Regular Meeting were distributed to the members with their IDA Agenda Packets. Mr. Hall made a verbal motion to approve the minutes as presented. The motion was seconded by Mr. Woodall and carried with the members present voting as follows:

Mr. MORRIS	- AYE
MR. REYNOLDS	- ABSENT
MR. LARAMORE	- AYE
MRS. BARKER	- ABSENT
MR. CUMBO	- ABSENT
MR. HALL	- AYE
MR. WOODALL	- AYE

FINANCES

Copies of the current financial statements of the IDA entitled "Statement of Accounts as of May 31, 2023", were distributed with their IDA Agenda Packet. Michael Adkins, the Finance Director, explained the packet in detail to the members. Mr. Laramore made a verbal motion to approve the financial statements as presented. The motion was seconded by Mr. Hall and carried with the members present voting as follows:

Mr. MORRIS	- AYE
MR. REYNOLDS	- ABSENT
MR. LARAMORE	- AYE
MRS. BARKER	- ABSENT
MR. CUMBO	- ABSENT
MR. HALL	- AYE
MR. WOODALL	- AYE

UPDATES FROM STAFF

NONE

RESOLUTIONS

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CONVEYANCE OF REAL PROPERTY IDENTIFIED AS 1540 HALIFAX ROAD, PARCEL NO. 74769 TO THE DANVILLE PUBLIC SCHOOLS AND APPROVING AND AUTHORIZING THE CHAIRMAN TO EXECUTE A DEED OF CONVEYANCE FOR SAID PROPERTY.

MOTION MADE BY: MR. HALL; SECONDED BY MR. LARAMORE

Mr. MORRIS	- AYE
MR. REYNOLDS	- ABSENT
MR. LARAMORE	- AYE
MRS. BARKER	- ABSENT
MR. CUMBO	- ABSENT
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA (IDA) APPROVING AND AUTHORIZING the sale of FURNITURE AND FIXTURES TO THE CITY OF DANVILLE.

MOTION MADE BY: MR. WOODALL; SECONDED BY: MR. HALL

Mr. MORRIS	- AYE
MR. REYNOLDS	- ABSENT
MR. LARAMORE	- AYE
MRS. BARKER	- ABSENT
MR. CUMBO	- ABSENT
MR. HALL	- AYE
MR. WOODALL	- AYE

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE CREATION OF GRANT PROGRAMS TO HELP STIMUALTE NEW CONSTRUCTION OF HOUSING WITHIN THE CITY OF DANVILLE.

MOTION MADE BY: MR. WOODALL; SECONDED BY: MR. HALL

Mr. MORRIS	- AYE
MR. REYNOLDS	- ABSENT
MR. LARAMORE	- AYE
MRS. BARKER	- ABSENT
MR. CUMBO	- ABSENT
MR. HALL	- AYE
MR. WOODALL	- AYE

MR. WOODALL MOVED THE MEETING BE RECESSED AND THE BOARD IMMEDIATELY RECONVENED IN EXECUTIVE CLOSED MEETING FOR THE PURPOSES:

1. *DISCUSSION CONCERNING A PROSPECTIVE BUSINESS OR INDUSTRY OR THE EXPANSION OF AN EXISTING BUSINESS OR INDUSTRY WHERE NO PREVIOUS*

ANNOUNCEMENT HAS BEEN MADE AS PERMITTED BY SUBSECTION (A)(5) OF SECTION 2.2-3711 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.

2. *DISCUSSION OR CONSIDERATION OF THE ACQUISITION/DISPOSITION OF REAL PROPERTY FOR A PUBLIC PURPOSE WHERE DISCUSSION IN AN OPEN MEETING WOULD ADVERSELY IMPACT THE BARGAINING POSITION OF THE AUTHORITY AS PERMITTED BY SUBSECTION (*A)(3) OF SECTION 2.2-3711 OF *THE CODE OF VIRGINIA, 1950, AS AMENDED.*

MOTION WAS MADE BY: MR. WOODALL; SECONDED BY: MR. HALL

Mr. MORRIS	- AYE
MR. REYNOLDS	- ABSENT
MR. LARAMORE	- AYE
MRS. BARKER	- ABSENT
MR. CUMBO	- ABSENT
MR. HALL	- AYE
MR. WOODALL	- AYE

MR. WOODALL MOVED THE MEETING IMMEDIATELY RECONVENE INTO AN OPEN MEETING. THE MOTION WAS SECONDED BY MRS. BARKER AND CARRIED WITH THE MEMBERS PRESENT VOTING AS FOLLOWS:

MOTION WAS MADE BY: MR. WOODALL; SECONDED BY: MR. HALL

Mr. MORRIS	- AYE
MR. REYNOLDS	- ABSENT
MR. LARAMORE	- AYE
MRS. BARKER	- ABSENT
MR. CUMBO	- ABSENT
MR. HALL	- AYE
MR. WOODALL	- AYE

UPON RECONVENING, MR. WOODALL MOVED THAT THE BOARD ADOPT A RESOLUTION CERTIFYING THAT TO THE BEST OF EACH MEMBER'S KNOWLEDGE THAT:

1. *ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER SECTION 2.2-3711; AND*

2. *ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING.*

MOTION WAS MADE BY: MR. WOODALL; SECONDED BY: MR. HALL

Mr. MORRIS	- AYE
MR. REYNOLDS	- ABSENT
MR. LARAMORE	- AYE
MRS. BARKER	- ABSENT
MR. CUMBO	- ABSENT
MR. HALL	- AYE
MR. WOODALL	- AYE

ADJOURN

Motion made by Mr. Woodal to adjourn , seconded by Mr. Hall, consensus vote of all present AYE.

By: JOHN LARAMORE
Title: SECRETARY

By: T. NEAL MORRIS
Title: CHAIRMAN

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM: Corrie Bobe, Director of Economic Development and Tourism

RE: Review of Schoolfield Master Plan Recommendations

ATTACHMENTS

None

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM: Kelvin Perry, Project Manager

RE: Lease Agreement between Danville Industrial Development Authority and Mind Body Wellnes Pilates LLC

Request approval to execute a two-year lease agreement between Danville Industrial Development Authority and Mind Body Wellness Pilates LLC at 208 N. Union Street Suite 202 for 700.00 per month.

ATTACHMENTS

1. 680 IDA 2023-11-07 RES Lease Agreement between IDA and Mind Body Wellness Pilates LLC-FINAL

PRESENTED: July 11, 2023

ADOPTED: July 11, 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A LEASE-AGREEMENT BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND MIND BODY WELLNESS PILATES, LLC FOR THE PROPERTY IDENTIFIED AS 208 N. UNION STREET SUITE 202 DANVILLE VIRGINIA.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia (IDA), that it hereby approves and authorizes a Lease-Agreement between the Industrial Development Authority of Danville, Virginia and Mind Body Wellness Pilates, LLC, in the form approved by the Department of Economic Development, the Chairman, and the City Attorney; and

BE IT FURTHER RESOLVED, by the IDA that it hereby approves and authorizes a lease term of Twenty-four (24) months at a lease rate of $700.00 per month with an option to renew; and

BE IT FINALLY RESOLVED, by IDA that it hereby directs the Chairman, or in his absence any Officer, to execute any and all other documents necessary to complete the transaction described in this resolution.

Approved:

_____
Chairman

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM: Kelvin Perry, Project Manager

RE: Request approval to make deck repairs to 310 Main Street

Request approval to make deck repairs to 310 Main Street Danville, Virginia 24541

ATTACHMENTS

1. 677 IDA RES Decl Repairs to 310 Main Street by W L Bowman Home Improvement_final
2. 310 Main Street back steps 6-27-23

PRESENTED: July 11, 2023

ADOPTED: July 11, 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO APPROVE DECK REPAIRS AT 310 MAIN STREET, DANVILLE VIRGINIA IN AN AMOUNT NOT TO EXCEED $20,000.

WHEREAS, the Industrial Development Authority of Danville, Virginia ("IDA") is the current owner of 310 Main Street; and

WHEREAS, 310 Main Street is in need of repairs to the deck to stabilize and bring it up to code.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that, based on the scope of work from W.L. Bowman Home Improvement, LLC the IDA authorizes the expenditure of an amount not to exceed Twenty Thousand Dollars ($20,000) to make the necessary deck repairs at 310 Main Street, Danville, Virginia; and

BE IT FURTHER RESOLVED, that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all documents necessary for this to complete this transaction.

Approved:

_____
Chairman

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

W. L. Bowman Home Improvement, LLC
107 Woodhaven Drive
Danville, VA 24540
434-549-1421

June 27, 2023

City of Danville
310 Main Street
Danville, VA 24540
Rear treated steps

Work to be done:

- Remove and replace all pickets and installed to code
- Replace missing railings
- Install 1 broken stringer
- Replace 2 warped 4X4 posts
- All materials to be treated

Price does not include any potential damaged wood from picket removal
Price does not include any painting

Labor and materials **$9,970.00**

Addendum #1 - work to be done

- Pressure wash rear steps
- *Note….pressure washing could cause damage to old wood. If this happens and it is desired for those to be replaced, work will be done with a change order

Labor and materials **$2,760.00**

Addendum #2 - work to be done

- Paint all of rear deck including new material to match existing color with one coat of paint on existing and 2 coats on new material

Labor and materials **$4,800.00**

Pricing is good 30 days from the date of this proposal. Thank you for the opportunity to quote this work. Please contact me with any questions or concerns.

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM: Kelvin Perry, Project Manager

RE: Repairs to 620 North Main Street

Request for approval to make necessary repairs to 620 North Main Street Danville Virginia

ATTACHMENTS

1. 684 IDA RES 2023-07-11 A V Contractors LLC Repair to 620 North Union Street stabilization and facade renovation
2. 620 North Main street Stabilization proposal

PRESENTED: July 11, 2023

ADOPTED: July 11,2023

RESOLUTION NO. 2023-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO APPROVE REPAIRS TO 620 NORTH MAIN STREET, DANVILLE VIRGINIA IN AN AMOUNT NOT TO EXCEED $150,000.00.

WHEREAS, the Industrial Development Authority of Danville, Virginia currently owns 620 North Main Street; and

WHEREAS, 620 North Main Street is in need of stabilization of the deck and façade renovations to the building.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia that the Chairman, or in his absence any Officer, be, and hereby is, approved and authorized to execute an Agreement based on the scope of work from A. V. Contractors, LLC in a form approved by the Department of Economic Development, The Chairman of the IDA, and the City Attorney in an amount not to exceed One Hundred Fifty Thousand Dollars ($150,000) to make the necessary deck repairs and façade renovations at 620 North Main Street, Danville, Virginia; and

BE IT FURTHER RESOLVED, that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all documents necessary as needed to complete this transaction.

Approved:

_____
Chairman

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

Date: June 4, 2023

From: Nathan Vaught
A V Contractors LLC
3328 NC 87
Reidsville, NC 27320
VCL# Class A 2705169981

To: Kelvin Perry
Danville EDA

Re: 620 North Main Street Stabilization and Façade Renovation Proposal

Mr. Perry,

We are pleased to present this quote to perform the work as described in the report prepared by Hauser and Creech dated August 23, 2021.

I have broken down the costs for each portion of the work area and type of work to be performed. These quotes include all labor, materials, equipment and trash removal from the project.

Rear Wall:

-Remove existing plywood wall and framing as well as existing foundation wall including the footing.
-Install new footings and foundation wall as detailed on sheet 16 of the report.
-Frame new rear wall of the building per the same detail as above including the installation of 8 new construction windows and a steel rear entry door and hardware.
-Provide and install new Cement board (similar to James Hardie) 4'x8' panel siding using batten trim at all of the seams both horizontally and vertically.
-Caulk and paint this wall once complete to the owner's colors selection.
-No trash compactor pad included in this quote

Total cost for rear wall replacement: $41,250

Interior Demolition and framing:

-Complete the work on the interior 1st and 2nd floor of the structure as detailed in the report.
-This work will include repairing the rotten floor on the lower lever and bringing it back to subfloor level.

-Complete the rest of the structural reinforcement as detailed in the plans first using the material onsite and then any additional material that will be required.
-No work on the roof area is included in this proposal.

Total cost for interior demo and framing: $37,750

Front Wall / Storefront:

-Remove existing storefront at the street level.
-Install new LVL beams and new columns above storefront as detailed in report
-Install new storefront in similar configuration as it exists. We have to integrate new posts into the existing storefront as detailed in the report.
-Repair existing metal siding above the first floor.
-Rebuild cornice at the top of the first floor.
-install 4 new Vinyl Double hung windows in existing openings on 2nd floor.
-Caulk and paint entire front wall as needed to owner selected colors.

Total cost for front wall work: $59,593

Overall total cost if you want to do the entire project would be: $138,539

Exclusions:

Temporary power and water service will be needed to perform this work.

Thank you for the opportunity to present this proposal. If you have any questions feel free to contact me.

Nathan Vaught

A V Contractors LLC

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM: Corrie Bobe, Director of Economic Development and Tourism

RE: Authorization of Access to Covered Bridge

The City of Danville, through its Parks and Recreation Department, have engaged an architectural firm to begin evaluation and design of the former Dan River Mills Pedestrian Bridge with the intention of reconnecting this bridge back to the Dan River Falls property (formerly known as the White Mill) and also incorporating it into the Riverwalk Trail system. The City will acquire this property from the IDA at a later date and, until such time, staff is requesting approval to grant the City permission to access this bridge to begin these activities. The City will provide liability insurance to ensure the IDA is protected should an incident take place during this period of time.

ATTACHMENTS

1. 682 IDA 2023-07-11 RES. AUTHORIZATION OF ACCESS TO COVERED BRIDGE
2. 682 IDA ATTACHMENT 1 - AUTHORIZATION OF ACCESS TO COVERED BRIDGE
3. Pedestrian Bridge Crossing the Dan River

PRESENTED: July 11, 2023

ADOPTED: July 11, 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA ("IDA") APPROVING AND AUTHORIZING THE CITY OF DANVILLE ACCESS TO THE PEDESTRIAN COVERED BRIDGE CROSSING THE DAN RIVER.

WHEREAS, the City of Danville ("City") is in good faith negotiating a Purchase Agreement with the Industrial Development Authority of Danville, Virginia ("IDA") to purchase a certain parcel of real property identified as Tax PIN #01110 and generally known as the "Pedestrian Covered Bridge which traverses the Dan River" Exhibit "A"; and

WHEREAS, the City wishes to perform certain testing, consulting, and improvements as outlined on the attached Exhibit "B" (the "work"); and

WHEREAS, it is necessary for this work to begin as soon as possible.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that it hereby approves and authorizes the City to have access to the covered bridge upon execution by the Chairman, or in his absence any officer, to the Access Agreement with the City, substantially in the form attached hereto and made a part hereof; and

BE IT FURTHER RESOLVED by the Industrial Development Authority of Danville, Virginia, that it hereby directs the Chairman or, in his absence any Officer, to execute any and all other documents necessary to complete the transactions described in this resolution.

Approved:

_____
Chairman

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

AUTHORIZATION OF ACCESS TO COVERED BRIDGE

WHEREAS, the City of Danville ("City") is in good faith negotiating a purchase Agreement with the Industrial Development Authority of Danville, Virginia ("IDA") to purchase a certain parcel of real property known identified as Tax PIN #01110 and generally known as the "Covered bridge which traverses the Dan River" Exhibit "A"; and

WHEREAS, under the negotiated terms of the anticipated purchase City will perform certain testing, consulting, and improvements as outlined on the attached Exhibit "B" (the "work"); and

WHEREAS, it is necessary for this work to begin as soon as possible.

NOW THEREFORE, in an effort to accommodate the needs set forth above and to complete the work in order to put the bridge back into use for pedestrian traffic, the parties of this agree as follows:

1. IDA agrees that the City shall have immediate access to the property for the sole purpose of completing the work in accordance with Exhibit "B" pending execution of the proposed access agreement.

2. City agrees that all renovations outlined in Exhibit "B" shall be done and completed in a professional and workmanlike manner.

3. City, to the extent allowable under Virginia law, agrees to save and hold harmless the IDA from any and all mechanics liens, claims, or liabilities arising and resulting from its early access to the Property including "the "Build-out" of the property.

4. City agrees to maintain a policy, or policies, of comprehensive general liability insurance with respect to the activities in the Building with the premiums thereon fully paid on or before entry, issued by and binding upon an insurance company approved by the IDA, such insurance to afford minimum protection of not less than $1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. The IDA shall be listed as an additional insured on City's policy or policies and City shall provide the IDA with current Certificates of Insurance evidencing the City's compliance with this Paragraph.

5. This Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

Witness the following signatures and seals made this ____ day of _____ 2023.

City of Danville, Virginia

_____(Seal)
By: Kenneth F. Larking
Title: City Manager

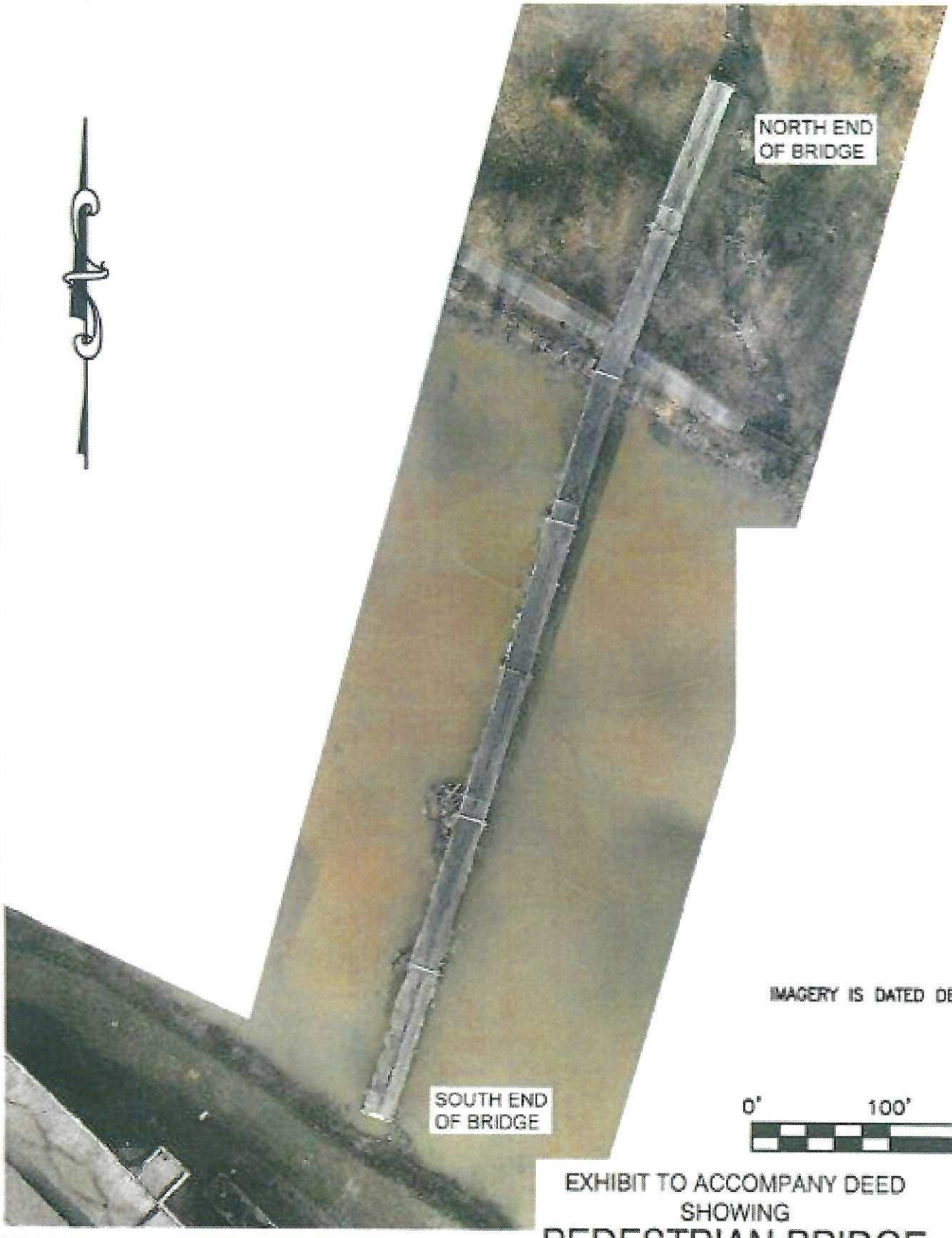
Industrial Development Authority of Danville, Virginia

_____(Seal)
By: T. Neal Morris
Title: Chairman

Exhibit A
(Aerial Photo of Covered Bridge)

Exhibit B
(Description of work)

SCHEDULE "A-2"



IMAGERY IS DATED DEC 2019.

0' 100' 200'

EXHIBIT TO ACCOMPANY DEED
SHOWING

PEDESTRIAN BRIDGE CROSSING THE DAN RIVER

CITY OF DANVILLE, VIRGINIA

Dewberry

Dewberry Engineers Inc.
951 PINEY FOREST ROAD
DANVILLE, VA 24540
PHONE: 434.797.4487
FAX: 434.797.4361

SCALE: 1" = 100'	DATE: MAY 18, 2021		SHEET NO. 1 of 1
PROJECT NO. X	DRAWN BY: WBP	PARTY CHIEF: X	FILE NO V

X:\bengtson\EXHIBIT SHOWING PEDESTRIAN BRIDGE.dwg

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM: Kelvin Perry, Project Manager

RE: An Agreement of Purchase and Sale between the Danville Industrial Development Authority and Cross Stage LLC

Request approval for an Agreement of Purchase and Sale between Danville Industrial Development Authority and CrossStage LLC on real property located at 200-204 N. Union Street Danville, Virginia.

ATTACHMENTS

1. 683 IDA RES. 2023-07-1 Resolution Execute Purchase Agreement
2. 683 IDA Attachment 1 for N Union Street Purchase Agreement by Cross Stage LLC

PRESENTED: July 11, 2023

ADOPTED: July 11, 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE AN AGREEMENT OF PURCHASE AND SALE BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY AND CROSS STAGE LLC FOR THE PROPERTY IDENTIFIED AS PARCELS NOS. 20598, 21954, AND 23112 AND COMMONLY KNOWN AS 200-204 NORTH UNION STREET.

WHEREAS, the Industrial Development Authority of Danville, Virginia ("IDA") currently owns the property identified as Parcel Nos. 20598, 21954 and 23112, commonly known as 202-204 North Union Street; and

WHEREAS, Cross Stage, LLC has requested to purchase said property in an amount not to exceed One Hundred Twenty-nine Thousand and 00/100 Dollars ($129,000.00); and

WHEREAS the IDA has agreed to sell said property to Cross Stage, LLC in an amount not to exceed One Hundred Twenty-nine Thousand and 00/100 Dollars ($129,000.00).

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia that the Chairman, or in his absence any Officer, be, and hereby is, approved and authorized to execute the attached Agreement of Purchase and Sale, in an amount not to exceed One Hundred Twenty-nine Thousand and 00/100 Dollars ($129,000.00), substantially in the form attached hereto, with Cross Stage, LLC, a Virginia Limited Liability Corporation (SC ID S7391230); and

BE IT FURTHER RESOLVED that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all documents necessary for this Purchase Agreement and any and all other documents as needed to complete this transaction.

Approved:

_____
Chairman

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is made and entered into this ____ day of _____ 2023, between Cross Stage, LLC, a Virginia limited liability company, whose address 2806 Rivermont Ave Lynchburg VA 24503 (hereinafter called "Purchaser"), and the Industrial Development Authority of Danville, Virginia whose address is City of Danville, Industrial Development Authority, C/O City Attorney's Office, P. O. Box 3300, Danville, VA 24543 (hereinafter "Seller").

W I T N E S S E T H:

WHEREAS, Seller is the owner of that certain parcel of real property identified as 200-204 N. Union Street Danville, Virginia 24541 (Parcels # 20598, 21954, and 23112) along with all improvements, in the City of Danville, Virginia, more particularly described on Exhibit "A" attached hereto and incorporated herein; and

WHEREAS, Seller desires to sell this real property to Purchaser, (and shall hereinafter be referred to collectively as the "Property") and Purchaser desires to purchase said Property from Seller, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

1. Purchase and Sale. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the Property, together with (a) all rights, easements and privileges, appurtenances belonging and appertaining thereto, including, without limitation, all easements, rights of way or other interests in, on or under any lands, highways, alleys, streets, or rights of way abutting or adjoining the Property (b) all buildings and other improvements thereon, and (c) and any fixtures attached to the Property (collectively referred to as "Premises").

2. Purchase Price.

(a) The purchase price ("Purchase Price") to be paid by Purchaser on behalf of Seller for the Property shall be One Hundred Twenty-nine Thousand 00/100 Dollars ($129,000.00), such Purchase Price to be paid to the Industrial Development Authority City of Danville, Virginia, a political subdivision municipal corporation of the Commonwealth of Virginia. It is the understanding of both parties that the entirety of the Purchase Price shall be payable to the Industrial Development Authority City of Danville, Virginia,

DRAFT

(b) At Closing, the Purchaser shall pay to the Industrial Development Authority City of Danville, Virginia, in United States Currency by cash, cashier's check or wire transfer, an amount equal to the Purchase Price; One Hundred Twenty-nine Thousand Dollars and 00/100 ($129,000.00)

3. Reserved.

4. Representations and Warranties of Seller. Seller, to induce Purchaser to enter into this Agreement and to complete Closing, makes the following representations and warranties to Purchaser, which representations and warranties are true and correct as of the Effective Date, and shall be true and correct at and as of the Closing Date in all respects as though such representations and warranties were made both at and as of the date of this Agreement, and at and as of the Closing Date:

(a) To the best of Seller's knowledge and belief, there is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against or affecting the Property, other than those by Purchaser or the City of Danville, Virginia.

(b) Seller has not received any written notice of any condemnation proceeding or other proceedings in the nature of eminent domain ("Taking") which is currently pending in connection with the Property, and to Seller's knowledge no Taking has been threatened.

(c) Seller is and, on the closing, date shall have full power and authority to enter into and perform this Agreement and all documents, instruments and contracts entered into or to be entered into by it pursuant to this Agreement and to carry out the transactions contemplated hereby. This Agreement is, and all documents to be executed by Seller and delivered to Purchaser at the Closing will be on the Closing Date, duly authorized, executed and delivered by Seller and all consents and approvals of third parties have been obtained. This Agreement is, and all documents to be executed by Seller and delivered to Purchaser at the Closing will be the legal, valid and binding obligations of Seller, enforceable in accordance with their respective terms and will not violate any provisions of any agreement, judicial order or any other thing to which Seller is a party or to or by which Seller or the Property is subject or bound.

(d) To the best of Seller's knowledge and belief, the Property is not subject to any roll back tax or any similar tax related to the discontinuance of any use to which the Property has been put.

(e) To the best of Seller's knowledge and belief, no tax appeals are currently pending with respect to the Property.

(f) Seller has not entered any presently effective contract regarding the sale, conveyance, transfer or disposition of the Property (except for this Agreement). Seller has not granted to anyone, and no one possesses any option to purchase or right of first refusal to purchase the Property. Seller has not entered into any occupancy agreement, lease, or the like

DRAFT

with respect to, and no one has any right to use or occupy, the Property except for the lease to Purchaser.

5. Representations and Warranties of Seller. Purchaser makes the following representations and warranties to Seller, which representations and warranties are true and correct as of the Effective Date, and shall be true and correct at and as of the Closing Date in all respects as though such representations and warranties were made both at and as of the Effective Date, and at and as of the Closing Date:

(a) Purchaser is a political subdivision of the Commonwealth of Virginia, Active and in Good Standing and authorized to transact business in the Commonwealth of Virginia; Purchaser has full power and authority, and is duly authorized, to execute, enter into, deliver and perform this Agreement and its obligations hereunder.

(b) Purchaser is and, on the closing, date shall have full power and authority to enter into and perform this Agreement and all documents, instruments and contracts entered into or to be entered into by it pursuant to this Agreement and to carry out the transactions contemplated hereby. This Agreement is, and all documents to be executed by Purchaser and delivered to Seller at the Closing will be on the Closing Date, duly authorized, executed and delivered by Purchaser and all consents and approvals of third parties have been obtained. This Agreement is, and all documents to be executed by Purchaser and delivered to Seller at the Closing will be the legal, valid and binding obligations of Purchaser, enforceable in accordance with their respective terms and will not violate any provisions of any agreement, judicial order or any other thing to which Purchaser is a party to or by which Purchaser or the Property is subject or bound.

(c) The person or persons executing on behalf of Purchaser has or shall have the authority to do so and upon execution by such party(s), the Agreement is valid, binding, and enforceable obligation of the Purchaser.

6. Inspections. (a) Seller and Purchaser hereby acknowledge that as of the Effective Date, Purchaser has not yet had an opportunity to fully review and evaluate this transaction. If on or before 5:00 p.m. (Eastern Standard Time) on a date which is sixty (60) days from the Date of this agreement ("Inspection Completion Date"), Purchaser determines, in its sole and absolute discretion, that Purchaser does not desire to purchase the Property, then Purchaser shall have the right to give written notice to Seller electing to terminate this Agreement, provided such notice is delivered to Seller prior to 5:00 p.m. (Eastern Standard Time) on the Inspection Completion Date. In the event such notice of termination is delivered on or before 5:00 p.m. (Eastern Standard Time) on the Inspection Completion Date, then the parties shall be released from all further obligations each to the other under this Agreement. In the event that the Purchaser does not terminate this Agreement as set forth in this Section 6, then Purchaser's right to terminate this Agreement shall be deemed waived by Purchaser.

(b) Upon reasonable prior notice to Seller, Purchaser, its agents, employees, and representatives shall have access to the Property at all reasonable times to inspect the Property and to conduct reasonable tests thereon including, but not limited to, soil and

DRAFT

groundwater borings and hazardous waste studies, and to make such other examinations with respect thereto as Purchaser, its counsel, licensed engineers, surveyors or other representative(s) may deem reasonably necessary. Seller reserves the right to be present or have its agent or representative present during Purchaser's investigations of the Property. Any tests, examinations or inspections of the Property by Purchaser and all costs and expenses in connection with Purchaser's inspection of the Property shall be at the sole cost of Purchaser and shall be performed in a manner not to unreasonably interfere with the Seller's ownership of the Property. Further, Purchaser shall be responsible for any and all damage caused by such inspections, examinations, testing and disposal of all waste produced at the Property as a result of such investigations, and shall sign, as generator, all forms necessary for such disposal. Purchaser shall immediately remove any lien of any type which attaches to the Property by virtue of any of such inspections, examinations or tests. Upon completion of any such inspection, examination or test, Purchaser shall restore any damage to the Property caused by such inspection, examination or test.

(c) The provisions of this Section shall survive any termination of this Agreement.

7. Covenants by Seller. Between the Effective Date and the Closing, Seller agrees that:

(a) Seller will maintain the Property in the same condition as it is on the date of this Agreement (reasonable wear and tear excepted);

(b) Seller will not, by reason of any action or omission of Seller, cause or permit any representation or warranty to become not true, incorrect or inaccurate.

(c) Seller shall perform any and all material obligations with respect to the Property under all easements, covenants, restrictions and contracts of record;

(d) Seller will promptly give notice to Purchaser of every threatened or actual litigation whether or not covered by insurance against or relating to the Property (including, without limitation, the sale thereof to Purchaser) or any portion thereof between the date of this Agreement and the Closing;

(e) Seller will not, without the prior written consent of Purchaser, apply for, consent to or process any applications for zoning, re-zoning, variances, site plan approvals, subdivision approvals or development with respect to the Property or any portion thereof.

(f) Seller will not, without the prior written consent of Purchaser, grant any rights or other privileges in or with respect to the Property or any portion thereof or grant, or consent to or waive the right to object to, any easements, covenants or restrictions affecting all or any portion of the Property;

DRAFT

(g) Seller will not enter into or modify any mortgages, operating agreements, ground leases, space leases or other agreements or encumbrances with respect to or affecting the Property or any portion thereof; and

(h) Seller will promptly notify Purchaser if it discovers, determines or is notified that any warranty or representation made by Seller hereunder is not (or is no longer) true.

8. Seller's Defaults; Purchaser's Remedies. In the event that Seller shall be in material default hereunder for any reason other than Purchaser's default, Purchaser may deliver a written notice to Seller stating with particularity the alleged default of Seller, the action required by Seller to cure such default, and Purchaser's intent to exercise its remedies provided below if the default is not cured. Seller shall have ten (10) business days after receipt of such notice to cure the alleged default to Purchaser's reasonable satisfaction (and the Closing Date shall be delayed, if necessary, until the end of such ten (10) business day period). In the event such default is not cured within such ten (10) business day period, then Purchaser may elect, as its sole and exclusive remedy, for such default, to terminate this Agreement by written notice to Purchaser and the Closing Agent. Purchaser hereby expressly waives its rights to seek damages in the event of Seller's default hereunder.

9. Purchaser's Default; Seller's Remedies. In the event that Purchaser shall be in default hereunder for any reason other than Seller's default, Seller may deliver a written notice to Purchaser stating with particularity the alleged default of Purchaser, the action required by Purchaser to cure such default and Seller's intent to terminate this Agreement if the default is not cured. Purchaser shall have ten (10) business days after receipt of such notice to cure the alleged default to Seller's reasonable satisfaction (and the Closing Date shall be delayed, if necessary, until the end of such ten (10) business day period). In the event such default is not cured within such ten (10) business day period, then Seller may, as Seller's sole and exclusive remedy for such default, terminate this Agreement by written notice to Purchaser and the Closing Agent. Seller hereby expressly waives its rights to seek damages in the event of Purchaser's default hereunder.

10. Reversion of Title. Purchaser shall forfeit any and all rights and ownership interests in the Property by way of reversion of title to Seller, placed in the deed, free and clear of all liens and encumbrances created after the conveyance of the Property to Purchaser if the Purchaser has not obtained a building permit for and initiated substantial construction on the renovation of the Property, in the sole discretion of the Seller, within fourteen (14) months from the date of Closing. Seller shall reacquire the property at the original price of One Hundred and Twenty-nine Thousand 00/100 Dollars ($129,000.00).

11. Closing Costs. (a) Purchaser shall be responsible for the costs of preparing the Deed (as hereinafter defined). Purchaser is not required to pay Grantor's Tax pursuant to Virginia Code Section 58.1-811(C)(4).

(b) Each party shall be responsible for payment of its own legal fees.

12. Closing. The "Closing" shall be held no later than thirty (30) days from the Inspection Completion Date. Notwithstanding the foregoing provisions of this Section 12, Purchaser shall have the right to adjourn the Initial Scheduled Closing Date for any reason one (1) time (for not more than thirty (30) days) to a date specified by Purchaser (the "Purchaser Adjourned Closing Date") by delivering notice to Seller and closing agent two (2) business days before the Initial Scheduled Closing Date. As used herein, the term "Closing Date" shall mean the Initial Scheduled Closing Date and the Purchaser Adjourned Closing Date, as applicable. It is expressly agreed by Seller and Purchaser that time is of the essence with respect to the parties' obligations to close this transaction on the Closing Date. For the avoidance of doubt, Seller and Purchaser acknowledge that any adjournment of the Closing Date pursuant to any right of adjournment granted hereunder, then time shall be of the essence with respect to Seller's and Purchaser's obligation to close this transaction on such adjourned Closing Date.

(a) At Closing, Seller shall cause to be executed and delivered to Purchaser the following documents with respect to the Property being conveyed:

(i) A general warranty deed ("Deed") subject only to the Acceptable Exceptions;

(ii) A non-foreign affidavit in a form reasonably acceptable to Purchaser;

(iii) Such other documents that the Closing Agent may reasonably require in connection with the purchase, including but not limited to, such affidavits required for deletion of the parties in possession and mechanics' lien exceptions appearing on an owner's title insurance policy; and

(c) At Closing, Seller and Purchaser shall each execute counterpart closing statements in a customary form, and such other documents required by the Closing Agent that are reasonably necessary to consummate Closing.

(d) At Closing, both parties shall pay their respective costs by wire transfer, or by cashier's check drawn on a bank reasonably acceptable to Closing Agent.

13. Brokers. Each party warrants and represents to the other that no real estate broker or agent has been involved in negotiations leading to the execution of this Agreement and that no other commission is owed to any other broker or agent as a result of the action of such party. Each party agrees to hold the other harmless from any loss, cost or charge (including reasonable attorneys' fees), arising from the assertion by any other broker or agent that any fee or commission is owed because of the acts or agreement of such party. The provisions of this Section shall survive the Closing and any cancellation or earlier termination of this Agreement.

DRAFT

14. Assignability. Neither Purchaser nor Seller shall have the right to assign this Agreement and its rights hereunder to any entity or person without the other party's prior written consent, which consent shall not be unreasonably withheld.

15. Notices. Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed given if delivered by hand, sent by recognized overnight courier (such as Federal Express), transmitted via facsimile transmission or mailed by certified or registered mail return receipt requested, in a postage pre-paid envelope, and addressed as follows:

If to Seller:
Industrial Development Authority of Danville, Virginia
C/O City Attorney's Office
P.O. Box 3300
Danville, VA 24543

With a copy to:
City Attorney's Office
P.O. Box 3300
Danville, VA 24543

If to Purchaser
Cross Stage LLC (SCC entity ID # S7391230):
2806 Rivermont Ave
Lynchburg, VA 24503

Notices personally delivered or sent by overnight courier shall be deemed given on the date of receipt, notices sent via electronic mail or facsimile transmission shall be deemed given upon transmission and notices sent via certified mail in accordance with the foregoing shall be deemed given when deposited in the U.S. Mails.

16. Eminent Domain. If, prior to Closing, the Property or any material portion thereof is taken by eminent domain, Seller shall promptly notify Purchaser and Purchaser shall have the option of either: (i) canceling this Agreement by delivery of written notice to Seller and both parties shall be relieved of all further obligations under this Agreement; or (ii) Purchaser may proceed with the Closing, whereupon Purchaser shall be entitled to and Seller shall assign to Purchaser all of Seller's interest in all condemnation payments, awards and settlements applicable to the Property.

DRAFT

17. Miscellaneous.

(a) Binding Agreement. This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, personal representative, successors, and assigns.

(b) Applicable Law Forum Selection and Consent to Jurisdiction. This Agreement shall be construed and governed in accordance with the laws of the Commonwealth of Virginia and in the event of any litigation hereunder, the venue for any such litigation, shall be the City of Danville, Virginia. All of the parties to this Agreement have participated fully in the negotiation and preparation hereof and accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.

(c) Waiver of Jury Trial. The Parties to this Agreement hereby waive their right to a trial by jury with respect to disputes arising under this agreement and the related agreements and consent to a bench trial with the appropriate judge as the finder of fact.

(d) Interpretation. In the event any interpretation of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or reconstrued as deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

(e) Attorneys' Fees and Court Costs. In the event of any litigation between the parties under this Agreement, each party shall be responsible for its own attorneys' fees and court costs through all trial and any appellate levels. The provisions of this subparagraph shall survive the Closing and any termination or cancellation of this Agreement.

(f) Gender. In construing this Agreement, the singular shall be deemed to include the plural, the plural shall be deemed to include the singular and the use of any gender shall include every other gender and all captions and paragraph headings shall be discarded.

(g) Title and Headings; References. Titles and headings to Sections and Subsections herein are inserted for the convenience of reference only, and not intended to be part of or to affect the meaning or interpretation of this Agreement. All Section and Subsection references in this Agreement are to the Sections and Subsections of this Agreement unless expressly stated to the contrary.

(h) Exhibits. All of the Exhibits to this Agreement are incorporated in and made a part of this Agreement.

(i) Entire Agreement; Modifications. This Agreement constitutes the entire agreement between the parties for sale and purchase of the Property and supersedes any other agreement or understanding of the parties with respect to the matters herein contained written or oral, between the parties hereto. This Agreement may not be changed, altered or modified except as set forth in a written instrument executed with the same formality as this Agreement.

DRAFT

(j) Effective Date. The term "Effective Date" or such other similar term, shall mean the date on which Seller and Purchaser have executed and delivered this Agreement.

(k) Time of the Essence. The parties hereby agree that time is of the essence with respect to performance of each of the parties' obligations under this Agreement. The parties agree that in the event that any date on which performance is to occur falls on a Saturday, Sunday or state or national holiday, then the time for such performance shall be extended until the next business day thereafter occurring.

(l) Severability. The invalidity, illegality, or unenforceability of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity, legality or enforceability of any other provision hereof.

(m) Waiver of Breach. The waiver by a party of a breach or violation of any provision of the Agreement shall not constitute or be deemed a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

(n) Multiple Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, all of which shall be deemed to be one and the same instrument. Facsimile transmission signatures shall be deemed original signatures.

DRAFT

[Signatures on Following Page]

WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

PURCHASER: **Cross Stage LLC**

By: _____
Name: _____
Title: _____

SELLER: **Industrial Development Authority of Danville, Virginia.**

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT "A"

DRAFT

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM: Kelvin Perry, Project Manager

RE: Request approval to renew outstanding loan with American National Bank for property located at 1000 Lockett Drive, Danville, Virginia.

Request approval to renew an outstanding loan between the Industrial Development Authority and American National Bank in amount not to exceed $995,000.

ATTACHMENTS

1. 678 IDA RES Lockett Drive _ Resolution Execute Commitment Letter with American National Bank for Loan Renewal 1000 Lockett Drive
2. Term Sheet - Danville IDA Renewal 1000 Lockett Drive $982k (003)

PRESENTED: July 11, 2023

ADOPTED: July 11, 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE THE LOAN RENEWAL DOCUMENTS WITH AMERICAN NATIONAL BANK IN AN AMOUNT NOT TO EXCEED $995,000 FOR THE RENEWAL LOAN AGAINST REAL PROPERTY LOCATED AT 1000 LOCKETT DRIVE.

WHEREAS, the existing loan with American National Bank for 1000 Lockett Drive is up for renewal; and

WHEREAS, American National Bank has sent a Summary of Proposed Terms and Conditions for the renewal of the loan existing against the property located at 1000 Lockett Drive; and

WHEREAS, the loan is also cross collateralized with the property at 527 Bridge Street.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia ("IDA") that the Chairman, or in his absence any Officer, be, and hereby is, approved and authorized to execute the required loan documents, for the renewal of an existing loan at 1000 Lockett Drive with American National Bank in an amount not to exceed Nine Hundred Ninety Five Thousand Dollars ($995,000) to renew the existing loan on the property located at 1000 Lockett Drive; and

BE IT FURTHER RESOLVED that said loan is cross collateralized with the property located at 527 Bridge Street; and

BE IT FURTHER RESOLVED that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all documents necessary for this Commitment Letter and such other documents as needed to complete this transaction in a form approved by the Department of Economic Development, the IDA Chairman, and the City Attorney.

Approved:

_____
Chairman

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

AMERICAN NATIONAL
BANK & TRUST COMPANY

628 Main Street
Danville, VA 24541

Summary of Proposed Terms and Conditions

IDA of Danville, VA

June 23, 2023

Be advised that this document is **not** a commitment to lend, but rather an indication of the terms and conditions upon which American National Bank and Trust Company ("Bank") would consider providing the IDA of Danville, VA (and/or assigns) the loan described below. The transaction being contemplated herein would be subject to Bank's standard commercial lending terms and conditions which would be more fully described in a commitment letter to the Borrower. Additionally, credit approval would be subject to receipt and satisfactory review of additional requested financial information, appraisals, surveys, and other necessary information. Terms as listed herein are subject to change based upon any final credit approval.

Borrower:	The Industrial Development Authority of Danville, VA
Amount:	Up to nine hundred eighty-two thousand four hundred thirty-two Dollars ($982,432.00) plus closing costs, not to exceed the 75% of the appraised value of the collateral property
Purpose:	Provide financing for the renewal of the existing loan on the property located at 1000 Lockett Drive, Danville, VA.
Rate and Terms:	For the life of the loan (5 years), the loan will have a fixed interest rate of 7.25%. The loan will have a term of 60 months; with monthly payments of principal and interest based on the renewed balance with the remaining amortization period of ten (10) years.
Collateral:	First priority perfected security interest in the real estate being financed. An assignment rents and leases on the subject property. Cross collateralized with the property located at 527 Bridge Street, Danville VA
Guarantors:	The loan will have a Moral Obligation of the City of Danville
Closing Costs:	The Borrower shall pay all costs (which may be financed) and expenses incurred by the Bank in connection with the proposed transaction.
Fees:	An origination fee of .50% of the loan amount shall be due at loan closing
Financial Information:	Borrower's financials to be up to date and current at time of closing. The Bank will require annual collection of complete financial statements.
Deposits:	The Borrowers will maintain its deposit relationship with the Bank.

AMERICAN NATIONAL
BANK & TRUST COMPANY

628 Main Street
Danville, VA 24541

Prepayment: None

Other Conditions: The loan closing will be contingent on the completion of the customary documentation associated with any and all real estate closings of this size.

The information contained herein is confidential, for the sole benefit of the proposed borrower and should not be shared with unrelated third parties without the consent of Bank. The proposed terms outlined above, in particular the interest rate and fees, will expire 30 business days from the date of this term sheet.

Thank you for including American National Bank and Trust Company in your search for financing on this project. We look forward to working with you on this and future projects.

Sincerely,

Ted R. Laws
Senior Vice President

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM: Kelvin Perry, Project Manager

RE: Loan Renewal Approval with American National Bank

Request approval to execute loan renewal documents between the Industrial Development Authority and American National Bank for an amount not to exceed $600,000

ATTACHMENTS

1. 679 IDA RES 2023-07-11 527 Bridge Street Resolution Execute Commitment Letter with American National Bank for 424 Memorial Drive
2. Term Sheet - Danville IDA Renewal 527 Bridge Street $569k (003)

PRESENTED: July 11, 2023

ADOPTED: July 11, 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE THE LOAN RENEWAL DOCUMENTS WITH AMERICAN NATIONAL BANK IN AN AMOUNT NOT TO EXCEED $600,000 FOR EXISTING LOAN LOCATED AT 527 BRIDGE STREET, DANVILLE, VIRGINIA.

WHEREAS, the existing loan with American National Bank for 527 Bridge Street is up for renewal; and

WHEREAS, American National Bank has sent a Summary of Proposed Terms and Conditions for the renewal of the loan existing against the property located at 527 Bridge Street; and

WHEREAS, the loan is also cross collateralized with the property at 1000 Lockett Drive.

NOW THEREFORE, BE IT RESOLVED, by the Industrial Development Authority of Danville, Virginia ("IDA") that the Chairman, or in his absence any Officer, be, and hereby is, approved and authorized to execute the required loan documents for the renewal of an existing loan at 527 Bridge Street between the Danville Industrial Development Authority and American National Bank, in an amount not to exceed Six Hundred Thousand Dollars ($600,000); and

BE IT FURTHER RESOLVED that said loan is cross collateralized with the property located at 1000 Lockett Drive; and

BE IT FURTHER RESOLVED, that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all documents necessary for this Commitment Letter and such other documents as needed to complete this transaction in a form approved by the Department of Economic Development, the IDA Chairman, and the City Attorney.

Approved:

_____
Chairman

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

AMERICAN NATIONAL
BANK & TRUST COMPANY

628 Main Street
Danville, VA 24541

Summary of Proposed Terms and Conditions

IDA of Danville, VA

June 23, 2023

Be advised that this document is **not** a commitment to lend, but rather an indication of the terms and conditions upon which American National Bank and Trust Company ("Bank") would consider providing the IDA of Danville, VA (and/or assigns) the loan described below. The transaction being contemplated herein would be subject to Bank's standard commercial lending terms and conditions which would be more fully described in a commitment letter to the Borrower. Additionally, credit approval would be subject to receipt and satisfactory review of additional requested financial information, appraisals, surveys, and other necessary information. Terms as listed herein are subject to change based upon any final credit approval.

Borrower:	The Industrial Development Authority of Danville, VA
Amount:	Up to Five hundred sixty-nine thousand seventy-two Dollars ($569,072.00) plus closing costs, not to exceed the 75% of the appraised value of the collateral property
Purpose:	Provide financing for the renewal of the existing loan on the property located at 527 Bridge Street, Danville, VA.
Rate and Terms:	For the life of the loan (5 years), the loan will have a fixed interest rate of 7.25%. The loan will have a term of 60 months; with monthly payments of principal and interest based on the renewed balance with the remaining amortization period of ten (10) years.
Collateral:	First priority perfected security interest in the real estate being financed. An assignment rents and leases on the subject property. Cross-collateralize with ANB loan on 1000 Lockett Drive, Danville VA
Guarantors:	The loan will have a Moral Obligation of the City of Danville
Closing Costs:	The Borrower shall pay all costs (which may be financed) and expenses incurred by the Bank in connection with the proposed transaction.
Fees:	An origination fee of .50% of the loan amount shall be due at loan closing
Financial Information:	Borrower's financials to be up to date and current at time of closing. The Bank will require annual collection of complete financial statements.
Deposits:	The Borrowers will maintain its deposit relationship with the Bank.

AMERICAN NATIONAL
BANK & TRUST COMPANY

628 Main Street
Danville, VA 24541

Prepayment: None

Other Conditions: The loan closing will be contingent on the completion of the customary documentation associated with any and all real estate closings of this size.

The information contained herein is confidential, for the sole benefit of the proposed borrower and should not be shared with unrelated third parties without the consent of Bank. The proposed terms outlined above, in particular the interest rate and fees, will expire 30 business days from the date of this term sheet.

Thank you for including American National Bank and Trust Company in your search for financing on this project. We look forward to working with you on this and future projects.

Sincerely,

Ted R. Laws
Senior Vice President

Industrial Development Authority

STAFF REPORT

DATE: July 11, 2023

TO: Industrial Development Authority

FROM:

RE: Loan Renewal for 500 Cane Creek Parkway

ATTACHMENTS

1. 693 IDA RES 500 Cane Creek _ Resolution Execute Commitment Letter with Virginia Community Capital for Loan Renewal
2. 693 Attachment Commitment Letter IDA of Danville Renewal

PRESENTED: July 11, 2023

ADOPTED: July 11, 2023

RESOLUTION NO. 2023-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA TO EXECUTE THE ATTACHED LOAN RENEWAL COMMITMENT LETTER WITH VIRGINIA COMMUNITY CAPITAL IN AN AMOUNT NOT TO EXCEED $1,081,766.00 FOR THE RENEWAL LOAN AGAINST REAL PROPERTY LOCATED AT 500 CANE CREEK PARKWAY.

WHEREAS, the existing loan with Virginia Community Capital for 500 Cane Creek Parkway is up for renewal; and

WHEREAS, Virginia Community Capital has sent a Financing Commitment Letter with the listed Terms and Conditions for the renewal of the loan existing against the property located at 500 Cane Creek Parkway.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Danville, Virginia ("IDA") that the Chairman, or in his absence any Officer, be, and hereby is, approved and authorized to execute the required Loan Commitment Letter for the renewal of an existing loan at 500 Cane Creek Parkway with Virginia Community Capital in an amount not to exceed One Million Eighty-one Thousand Seven Hundred Sixty-six and 00/100 Dollars ($1,081,766.00) to renew the existing loan on the property located at Cane Creek Parkway substantially in the form attached hereto and made a part hereof as if set out fully within; and

BE IT FURTHER RESOLVED that the Chairman, or in his absence any Officer, be, and hereby is, authorized to execute any and all other documents necessary for this loan renewal as needed to complete this transaction.

Approved:

_____

Chairman

Attest:

_____
Secretary

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

June 15, 2023

IDA of Danville
427 Patton St
Danville, VA, 24543

Dear Corrie Bobe:

Virginia Community Capital, or assigns, (the "Bank") is pleased to provide IDA of Danville with a financing commitment that we hope you will find acceptable. Financing will be made available to you under the following terms and conditions:

1. **Borrower**: IDA of Danville

2. **Purpose**: Refinance of loan for property located at 500 Cane Creek Parkway, Ringgold, VA 24586

3. **Loan Type and Amount:** The loan will be a term loan in an amount up to $1,081,766.00.

4. **Commitment Expiration**: This commitment will remain open for your acceptance until July 21, 2023, at which time it will expire if not accepted. If accepted, the loan must close by September 15, 2023, or the Bank's offer to make the loan on the terms and conditions stated within this letter will be deemed null and void unless extended in writing by the Bank. An extension of this commitment will require additional underwriting.

5. **Repayment Terms**: The loan will be payable in monthly payments of principal and interest based on an amortization of twenty (20) years. The loan will mature one hundred and twenty (120) months from the date of loan closing. The loan will contain a demand feature.

6. **Interest Rate**: The interest rate will be calculated five business days prior to the established loan closing date and will be equal to the Bank's 5-Year Borrowing Index + 2.75%, and this rate shall be fixed through the first five years of the loan, subject to certain provisions that may be imposed by the Bank in the event of default. If the loan closed today, the interest rate would be 7.00%. The final interest rate may be higher than the rate stated if closed today and that could reduce your loan amount. For the second 5 year period of the loan, interest will be determined at time of reset at the then 5 year US Constant Maturity Treasury plus a spread of 3.29% and this rate shall be fixed through the maturity date of the loan, subject to certain provisions that may be imposed by the lender in the event of default. The floor rate of the second 5 year period will be equal to the initial rate.

7. **Loan Fee**: A loan fee equal to 1.00% of the loan amount will be payable at loan closing. Half of the loan fee or $5,408.83 will be due at commitment acceptance and is non-refundable.

8. **Collateral**: The loan will be secured by:

    - First Deed of Trust on the property 500 Cane Creek Parkway, Ringgold, VA 24586.
    - Assignments of leases and rents

9. **Loan Documents**: The loan will be evidenced and secured by a Promissory Note, Security Agreement, and such other forms and assignments as the Bank may require. All loan documents will be on the Bank's forms or provided by outside counsel in a form and substance acceptable to the Bank. There are no unwritten agreements between the parties. This commitment letter will not survive closing and the loan will be governed by the Loan Documents.

10. **Confession of Judgment:** The Note will contain a Confession of Judgment provision.

11. **Closing Conditions:** The bank will require a moral obligation from City of Danville for the life of the loan.

12. **Title Insurance**: Borrower will provide the Bank a commitment for a policy of mortgagee title insurance on ALTA Standard Form in the amount of the loan showing that the Deed of Trust will be a first lien on the Property issued by a title insurance company acceptable to the Bank without exception for mechanic's or materialmen's liens and containing a pending disbursement clause, affirmative mechanic's lien coverage, and such other endorsements and coverage as the Bank may require. The final policy will contain only exceptions which are acceptable to the Bank.

13. **Appraisal and Environmental Requirements**: The appraisal shall be ordered and reviewed by the Bank and shall conform to the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation. Such appraisal shall also comply with all federal and state laws applicable to real estate appraisals. The loan amount will not exceed 85% of the appraised value. A Phase I Environmental Report evidencing no significant environmental issues, as determined by the Bank, may be required. Fees for the appraisal are to be determined and will be payable before the appraisal can be ordered.

14. **Flood Insurance**: A Federal Emergency Management Agency Standard Flood Hazard Determination, or similar certification, related to any of the Collateral which is real property. If such real property is in a special flood hazard area (zones containing the letters "A" or "V"), a flood insurance policy shall be required in the amount of the Loan or the maximum amount of coverage available, whichever is greater, and shall contain a standard mortgagee clause designating Bank as loss payee.

15. **Business Personal Property Insurance:** Borrower will provide evidence that it has, in effect on the date of closing, casualty insurance against physical loss and damage to the improvements of the Property with "all risks" extended coverage in the full insurance value thereof but, in no event, less than the loan amount for the term of the loan. This policy shall be in form and content acceptable to the Bank and shall show the Bank as Loss Payee.

16. **Liability Insurance**: The Borrower shall provide at the time of closing evidence of a paid comprehensive general liability insurance policy for personal injury including, without limitation, bodily injury, death or property damage liability, and blanket contractual liability on a per occurrence basis in the minimum amount of One Million Dollars ($1,000,000) with an aggregate amount up to Two Million Dollars ($2,000,000).

17. **Commercial Hazard Insurance**: The Borrower shall provide in form and with a company satisfactory to Bank an "all risk of physical loss" hazard insurance policy, which should include fire, extended coverage, vandalism, malicious mischief coverage, windstorm, and hail coverage. The hazard insurance policy is required through the term of the loan and shall be in an amount equal to the lesser of the amount of the loan, plus the amount of any additional loans secured by the same property, regardless of whether or not those loans are with Bank, or the maximum insurable value of the improvements located on the collateral property, together with evidence of payment of the premiums thereon. The policy shall contain a mortgagee clause in favor of the Bank.

18. **Costs**: Closing of this transaction shall be without cost to the Bank. Borrower shall reimburse the Bank all expenses incurred by the Bank in full, including, without limitation any Bank counsel fees, appraisals, title searches and fees, recording costs, recordation taxes, lien searches, and other expenses. All documentation must be satisfactory in form and substance to the Bank. In the event this transaction does not close, Borrower shall reimburse the Bank for all out of pocket costs and expenses incurred, including attorney fees.

19. **Financial Information**: During the term of this commitment, the following financial documents will be required:
    - Annual federal business tax return for IDA of Danville within 120 days of the fiscal year end. If an extension is granted for the business tax return, the extension document will be provided to the Bank within 120 days of the fiscal year end of the Borrower.

20. **Non-Assignability & Confidentiality:** Neither this commitment nor the loan can be modified or assigned without the written consent of the Bank. Borrower shall keep the contents of this letter confidential and shall not use it or its contents as a representation of Borrower's credit worthiness.

21. **Reservation of Rights:** We reserve the right to revoke or amend this loan commitment based upon our review of the matters described above if we believe in good faith that the condition or value of the collateral is adversely affected by any circumstance, fact or condition, if we determine the documents presented fail to satisfy our underwriting standards, or if any representation or statement made or furnished to us by you or any guarantor is untrue or misleading in any material respect.

Thank you for allowing Virginia Community Capital to be a part of your financial family. We are most proud that you have selected to involve and associate yourselves with our Bank as a financial partner. We appreciate the opportunity to serve you and feel certain that your confidence in Virginia Community Capital will continue to be well founded.

Please indicate your acceptance to the above terms and conditions by signing below and returning the original letter to the Bank.

Sincerely,

Cindy Green
Small Business Loan Officer

Agreed and accepted this _____ date of _____, 2023.

Borrower:

IDA of Danville

By: _____

Name: T. Neal Morris
Title: IDA Board Chair

Moral Obligation:

City of Danville

By: _____

Name: Ken Larking
Title: City Manager

CLOSING CHECKLIST ADDENDUM

The following items must be submitted upon commitment acceptance:

☒ Check payable to Virginia Community Capital or an ACH authorization in the amount of $5,408.83 for the partial loan fee.

☐ Organizational documents:
- ☐ Articles of Incorporation
- ☐ Bylaws
- ☐ Articles of Organization
- ☐ Operating Agreement
- ☐ EIN Verification

☒ Copy of government issued ID (front/back if applicable) for T. Neal Morris and Ken Larking

☐ Other:

The following items must be submitted within ten (10) business days prior to closing:

☒ Hazard insurance naming Virginia Community Capital, or assigns, as loss payee.

☒ General liability insurance naming Virginia Community Capital, or assigns, as loss payee.

☒ Business personal insurance naming Virginia Community Capital, or assigns, as loss payee

Virginia Community Capital, Inc.
Its successors and/or Assigns as Their Interests May Appear
7814 Carousel Lane, Suite 100, Richmond, VA 23294

This list is not all encompassing and your loan closer may have additional requests.