



**ECONOMIC DEVELOPMENT COMMITTEE  
MEETING**

**Tuesday, April 20, 2021 – 3:00 PM**

**Elections and Training Center  
18 Depot Street,  
Chatham, Virginia 24531**

**AGENDA**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. AGENDA ITEMS TO BE ADDED**
- 4. APPROVAL OF AGENDA**
- 5. NEW BUSINESS**
  - a. Staunton River Plastics, LLC Financing Update (Staff Contact: Matthew D. Rowe)
  - b. Danville IDA-Pittsylvania IDA Shell Building Update (Staff Contact: Matthew D. Rowe)
- 6. MATTERS FROM COMMITTEE MEMBERS**
- 7. CLOSED SESSION**
  - a. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community. (Staff Contact: Matthew D. Rowe)
    - (1) Legal Authority: Virginia Code § 2.2-3711(A)(5)  
Subject Matters: Projects Matterhorn, FX, Solomon, Aurora, Darwin, Thin Foil, Foam, Installation, and Map  
Purpose: Economic Development Updates on Unannounced Industries/Prospective Businesses
- 8. RETURN TO OPEN SESSION AND CLOSED SESSION CERTIFICATION**
  - a. Closed Session Certification

**9. ADJOURNMENT**



## Economic Development Committee

### EXECUTIVE SUMMARY

#### INFORMATION ITEM

<b>Agenda Title:</b>	Staunton River Plastics, LLC Financing Update (Staff Contact: Matthew D. Rowe)		
<b>Staff Contact(s):</b>	Matthew D. Rowe		
<b>Agenda Date:</b>	April 20, 2021	<b>Item Number:</b>	5.a
<b>Attachment(s):</b>			
<b>Reviewed By:</b>			

#### **SUMMARY:**

On April 15, 2021, the Pittsylvania County Industrial Development Authority (“IDA”) approved a construction contract and package with ARCO Design-Build for the construction of a 150,000 sq. ft. turn-key manufacturing facility for a price of \$9,732,406 or \$65.77/sq. ft. (County Economic Development Staff and Staunton River Plastics, LLP (“Company”), vetted and received estimates from three (3) developers and four (4) builders (note: ARCO’s per square foot price was more than \$5/sq. ft. cheaper than the nearest competitor). The scope not only includes a move-in ready concrete tilt-up building, but also improvements to the rail sideline, construction of parking areas, and drainage improvements. Moreover, due to ARCO’s size and relationship with steel sources, the Project was not impacted by the rise of steel prices.

During its April 15, 2021, Meeting, the IDA approved “Bank Term Sheet Option #2” with American National Bank for a construction loan up to \$8,592,280, amortized on a twenty-five (25)-year schedule with a seven (7)-year balloon at 3.55% (a formal solicitation process was conducted by the County’s financial consultant). Also at the Meeting, the IDA approved a Facility Lease (already signed by the Company) and Facility Lease Amendment (a one (1)-page amendment document reflecting final bank terms) that results in the Company paying the IDA a lease rate equal to or more than the monthly mortgage, plus \$1,500 per month financing fee, in addition to the Company making an up-front rental payment of \$1,504,012.65.

All stormwater and land disturbance permits are in hand, and once financial closing occurs, ground will immediately be broken. The construction period is roughly ten (10) to twelve (12) months. The Board will need to approve a Moral Obligation at its April 2021 Business Meeting to stay on the current track of financial closing in early May 2021. American National Bank has ordered an expedited appraisal and is proactively conducting its title due diligence and work. For the Board’s review, attached are the following: (1) Bank Term Sheet Option #2; (2) Facility Lease; (3) Facility Lease Amendment; (4) Construction Contract; and (5) Moral Obligation Agreement.

**FINANCIAL IMPACT AND FUNDING SOURCE:**

In addition to the equity injected into the Project from the Company, the Board has agreed to provide a Moral Obligation for financial backing of the IDA's loan.

**RECOMMENDATION:**

None currently. For informational purposes only.

**MOTION:**

None currently. For informational purposes only.



## Economic Development Committee

### EXECUTIVE SUMMARY

#### INFORMATION ITEM

<b>Agenda Title:</b>	Danville IDA-Pittsylvania IDA Shell Building Update (Staff Contact: Matthew D. Rowe)		
<b>Staff Contact(s):</b>	Matthew D. Rowe		
<b>Agenda Date:</b>	April 20, 2021	<b>Item Number:</b>	5.b
<b>Attachment(s):</b>			
<b>Reviewed By:</b>			

#### **SUMMARY:**

At its April 15, 2021, Meeting, the Pittsylvania County Industrial Development Authority (“IDA”) tabled their consideration of the Blairs Construction (“Contractor”) Contract for a 30,000 square foot shell building in the Cyber Park. In doing so, the IDA directed County Staff to do the following:

- (1) Work with the City IDA and Contractor to develop an itemized budget, more clear scope of construction, and design-build specifics;
- (2) Establish/finalize financing terms/specifics;
- (3) Create a Memorandum of Understanding between the County IDA and City IDA regarding financing and revenue details; and
- (4) Finalize the final approved location of the Facility (dependent on RIFA’s final approval); and
- (5) Transmit a letter to City IDA Staff outlining all the above.

Once the information is received, the IDA is willing to have a Special Called Meeting to expedite the Project.

For reference, the County and City IDAs agreed earlier this year to jointly develop and finance the 30,000 sq. ft. shell building on a lot in the Cyber Park. County Staff is working with several potential end tenants and there is a high likelihood that the project will morph into a build-to-suit facility.

#### **FINANCIAL IMPACT AND FUNDING SOURCE:**

At this time, the County’s Finance Director has not identified a source of IDA funds for this Project. Also, this project is not reflected in the County or County’s IDA Budget. Finally, it is likely that the County Board will be required to issue a Moral Obligation (in conjunction with City Council) towards backing any IDA Project related financing.

**RECOMMENDATION:**

None currently. For informational purposes only.

**MOTION:**

None currently. For informational purposes only.



## Economic Development Committee

### EXECUTIVE SUMMARY

#### INFORMATION ITEM

<b>Agenda Title:</b>	Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community. (Staff Contact: Matthew D. Rowe)		
<b>Staff Contact(s):</b>	Matthew D. Rowe		
<b>Agenda Date:</b>	April 20, 2021	<b>Item Number:</b>	7.a
<b>Attachment(s):</b>			
<b>Reviewed By:</b>	VH		

- (1)    Legal Authority:    Virginia Code § 2.2-3711(A)(5)  
        Subject Matters:    Projects Matterhorn, FX, Solomon, Aurora, Darwin,  
    Thin Foil, Foam, Installation, and Map  
        Purpose:                Economic Development Updates on Unannounced  
    Industries/Prospective Businesses



## Economic Development Committee

### EXECUTIVE SUMMARY

#### INFORMATION ITEM

<b>Agenda Title:</b>	Closed Session Certification		
<b>Staff Contact(s):</b>	J. Vaden Hunt, Esq.		
<b>Agenda Date:</b>	April 20, 2021	<b>Item Number:</b>	8.a
<b>Attachment(s):</b>			
<b>Reviewed By:</b>			

### PITTSYLVANIA COUNTY BOARD OF SUPERVISORS' CLOSED MEETING CERTIFICATION

**BE IT RESOLVED** that at the Pittsylvania County Board of Supervisors' Economic Development Committee ("Committee") Meeting on April 20, 2021, the Committee hereby certifies by a recorded vote that to the best of each Committee Member's knowledge only public business matters lawfully exempted from the Open Meeting requirements of the Virginia Freedom of Information Act ("Act") and identified in the Motion authorizing the Closed Meeting were heard, discussed, or considered in the Closed Meeting. If any Committee Member believes that there was a departure from the requirements of the Act, he shall so state prior to the vote indicating the substance of the departure. The Statement shall be recorded in the Committee's Minutes.

	<u>Vote</u>
Ronald S. Scearce	Yes/No
Tim W. Dudley	Yes/No
Robert ("Bob") W. Warren	Yes/No