

## **IDA P&P Committee Virtual Meeting Friday April 30, 2021**

**Mr. Jeremy Satterfield** [00:00:45] all right. We call the meeting to war, determination of a quorum. We have to do roll call for everything, correct?

**Mrs. Kristy Johnson** [00:00:52] Yes, sir. OK, give me just one second.

**Mr. Jeremy Satterfield** [00:00:56] Take your time.

**Mrs. Kristy Johnson** [00:00:57] Mr. Satterfield

**Mr. Jeremy Satterfield** [00:01:06] Here

**Mrs. Kristy Johnson** [00:01:06] Mr. Catron

**Mr. Jeremy Catron** [00:01:07] Here

**Mrs. Kristy Johnson** [00:01:08] Dr. Nettie Simon-Owens

**Dr. Nettie Simon-Owens** [00:01:10] Here.

**Mrs. Kristy Johnson** [00:01:10] Thank you. You have a quorum.

**Dr. Nettie Simon-Owens** [00:01:14] We need to note to where I am.

**Mrs. Kristy Johnson** [00:01:20] Yes, ma'am.

**Dr. Nettie Simon-Owens** [00:01:22] I'm located in my office at Virginia High Higher Education Center and 820 Bruce Street in South Boston Virginia

**Mrs. Kristy Johnson** [00:01:32] For the purposes of covid. Correct?

**Dr. Nettie Simon-Owens** [00:01:37] Yes, that is correct. Thank you.

**Mrs. Kristy Johnson** [00:01:38] Thank you.

**Mrs. Kristy Johnson** [00:01:43] Dr. Nettie, we also have Scott Simpson with us. I don't know if you can see him. He's on the far-right corner there. And then Mike Davidson is here as well.

[00:01:54] Good morning.

**Dr. Nettie Simon-Owens** [00:01:55] Good morning.

**Mr. Jeremy Satterfield** [00:01:57] All right. We'll also need to get approval of the agenda. Gentlemen, I have one in front of us. Dr. Simon-Owens, I assume you have one in front of you. Well, I did.

**Mrs. Kristy Johnson** [00:02:09] OK, Mr. Chair, I'll make one comment. I added item H, which is public comment should have been included from the beginning, which is a requirement of virtual meetings. So that's the only amendment.

**Mr. Jeremy Satterfield** [00:02:22] which we may not have.

**Mrs. Kristy Johnson** [00:02:24] Correct.

**Mr. Jeremy Satterfield** [00:02:25] OK. All right. With that one edition of item H for the Agenda, we need approval for that provision that we presented with the added correction. OK. So then, OK, we do have the roll call vote on that.

[00:02:45] Yes.

**Mr. Jeremy Catron** [00:02:49] second.

**Mrs. Kristy Johnson** [00:02:53] Mr. Satterfield.

[00:02:55] Yes,

[00:02:56] Mr. Catron.

[00:02:57] Yes.

[00:02:57] Dr. Nettie Simon-Owens.

**Dr. Nettie Simon-Owens** [00:03:00] Yes.

**Mr. Jeremy Satterfield** [00:03:01] All right. That moves us down to item number three, the approval of the minutes. Needless to say, the minutes that we have in front of us are quite dated. That the last meeting was October 2nd of twenty twenty, meaning from excuse me, the former committee. So, I assume everybody's had a chance to look over those minutes.

[00:03:35] Excuse me I have a question.

**Mr. Jeremy Satterfield** [00:03:36] Yes, ma'am.

**Dr. Nettie Simon-Owens** [00:03:38] I don't know, I was not on the committee at that time, correct?

**Mr. Jeremy Satterfield** [00:03:42] Yes, that's correct, yes.

**Dr. Nettie Simon-Owens** [00:03:44] Is it appropriate they consider the minutes acceptable?

**Mr. Jeremy Satterfield** [00:03:48] That's what we can do is we can just take it back to the full board at our next board meeting and have those members, which would be Rick Harrell and Nancy Pool, and then we can vote on it there. OK, we'll table the approval of the old minutes from October second. All right. So, we can move on to closed.

**Mr. Jeremy Catron** [00:04:31] So regarding her closed, I move that this Body go into closed meeting pursuant to Virginia Code Section 2.2-3711 That the purposes which are to be the subject of said executive or closed meeting shall be as follows: To discuss 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 facilities in the community, pursuant to Virginia Code Section 2.2-3711.A.5. To discuss real estate matters, pursuant to Virginia Code Section 2.2-3711.A.3. To discuss the award of a public contract involving the expenditure of public funds, including interviews of bidder or offerors, and discussion of the terms or scope of such contract, where discussion in open session would adversely affect the bargaining position or negotiating strategy of the Board pursuant to Section 2.2-3711 A. 29. of the Code of Virginia (1950), as amended.

**Mrs. Kristy Johnson** [00:05:32] Do we need a second,

**Mr. Jeremy Satterfield** [00:05:33] Do you second? Can you second that for me?

**Dr. Nettie Simon-Owens** [00:05:36] Yes.

**Mrs. Kristy Johnson** [00:05:38] Thank you, Mr. Satterfield.

**Mrs. Kristy Johnson** [00:05:40] Yes.

**Mrs. Kristy Johnson** [00:05:41] Mr. Catron.

**Mr. Jeremy Catron** [00:05:43] Yes.

**Mrs. Kristy Johnson** [00:05:43] Dr. Nettie Simon-Owens.

**Dr. Nettie Simon-Owens** [00:05:44] Yes.

**Mrs. Kristy Johnson** [00:05:45] OK, give me just a second.

CLOSED SESSION

**Mr. Jeremy Catron** [00:00:01] I make a motion to come out of closed session.

**Dr. Nettie Simon Owens** [00:00:01] Second.

**Mrs. Kristy Johnson** [00:00:01] Thank you. I'll do a roll call first to come out of closed session and then we'll move on to the next. Mr. Satterfield.

**Mr. Jeremy Satterfield** [00:00:13] So certified.

**Mrs. Kristy Johnson** [00:00:13] Next.

**Mr. Jeremy Satterfield** [00:00:14] Oh, sorry. I know. I'm sorry. Yes.

**Mrs. Kristy Johnson** [00:00:16] Mr. Catron.

**Mr. Jeremy Catron** [00:00:17] Yes.

**Mrs. Kristy Johnson** [00:00:18] Dr. Nettie Simon-Owens.

**Dr. Nettie Simon Owens** [00:00:20] Yes.

**Mrs. Kristy Johnson** [00:00:21] OK, now certify.

**Mr. Jeremy Catron** [00:00:35] I'm making this motion to the chair?

**Mrs. Kristy Johnson** [00:00:35] Yes. To certify that you've we've only discussed what we said we were going to talk about in closed session.

**Mr. Jeremy Catron** [00:00:42] But I'm making the motion to the Chair.

**Mrs. Kristy Johnson** [00:00:46] Yes.

**Mr. Jeremy Catron** [00:00:47] I move that the Board of Directors take a roll call certifying that to the best of the member's knowledge (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) 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 meeting by the public body.

**Mr. Jeremy Satterfield** [00:01:07] Thank you. And can you second, please?

**Dr. Nettie Simon Owens** [00:01:12] Second.

**Mr. Jeremy Satterfield** [00:01:12] Thank you, ma'am.

**Mrs. Kristy Johnson** [00:01:13] Mr. Satterfield.

**Mr. Jeremy Satterfield** So, certified.

**Mrs. Kristy Johnson** Mr. Catron.

**Mr. Jeremy Catron** [00:01:17] Yes.

**Mrs. Kristy Johnson** [00:01:18] Dr. Nettie Simon Owens.

**Dr. Nettie Simon Owens** [00:01:21] So certified.

**Mrs. Kristy Johnson** [00:01:22] Thank you.

**Mr. Jeremy Satterfield** [00:01:24] We are now in open session. We should be at item E action taken items discussed in a closed session. We don't have any action, but we can move to old business if we have any old business. I don't think we do.

**Dr. Nettie Simon Owens** [00:01:45] Now I have a question.

**Mr. Jeremy Satterfield** [00:01:47] Yes, ma'am.

**Dr. Nettie Simon Owens** [00:01:47] The question is, what is our relationship with Clover Yarns or does the IDA have a relationship with Clover Yarn property?

**Mr. Mike Davidson** [00:01:57] We really don't. It's a privately owned property. I've met with the gentleman about a month or so ago. He just wanted to make sure we were still working to try to help him move the property. So, it's listed on our website as an available

property. Any time we've got a prospect that's looking for something that meets the parameters of that building, we'll certainly make sure they are aware of it. But it is a privately owned building, not an IDA owned building. So, we just helped the gentleman market it the building for him.

**Mr. Jeremy Catron** [00:02:33] Thank you.

[00:02:34] It's similar to a couple other pieces that we helped out with Connie Days and some of those other ones.

**Mrs. Kristy Johnson** [00:02:41] Any any privately owned industrial commercial building can be listed like this.

**Mr. Jeremy Satterfield** [00:02:48] We don't do a whole lot of ambulance chasing on that. But if the entity or the organization or the individual comes to us, you know that we will help out. But, you know, we got enough in the asset pool right now. We don't have to help with anything else.

**Dr. Nettie Simon Owens** [00:03:06] Thank you.

**Mr. Jeremy Satterfield** [00:03:07] Yes, ma'am. Anything else in old business? I will jump, I hate doing that Interim title. We will jump to Mike.

**Mr. Mike Davidson** [00:03:21] Thank you, Mr. Chairman. Maybe I should have mentioned this when you were doing the agenda. I would like to add a couple of things to my director's report, talk a little bit about the shell building on some items and then maybe talk about the committee's desire to set up a structured meeting day. So, the first item, Southside Virginia Community College Truck Driver Training School, actually have two things I would like to talk about on that. And with Dr. Nettie's permission, I'd like to kind of talk about some maintenance issues on that building first. So, the building is at leased to Southside Virginia Community College, at least. Southside Virginia Community College is required to pay for all of the maintenance as well as utilities and everything that's necessary to keep that facility running the deck. So, it's a modular office building, modular classroom building, that setting on site. And the IDA owns that building. And there's a wooden deck structure with a handicap ramp to meet ADA requirements there. And that wooden structure needs to be refloored. Southside Virginia Community College came to me and said, hey, we've got a problem with that. What we would like to do, it would be possible, is that you guys administer the work, and we'll pay for it. So, we've done the idea has done that in the past, and those things are told to ensure that we are in the process of soliciting quotes to refloor. And there might be a couple other repair type things that are needed on that wooden structure. We do have to pour concrete pad, one end of it only on the handicapped ramp is actually just boards laying on the ground. And that doesn't meet the requirements that we have poured concrete pad to meet ADA requirements to get a wheelchair up that particular ramp. So, it will be a little bit of an upgrade. But again, about Southside Virginia Community College will fund and pay all of the expenses with that. We've also been notified by them that the air conditioning in that facility has got problems. And so, I'm going to have some conversations with some folks and get them to go out and check that air conditioner and try to find out the maintenance people from the Southside Community college, have been there. And they said that the compressor on their unit is bad. So, if the compressor is bad. It may be that we just need to do a replacement, but try to put a compressor in it, because I don't know how old that system is, but we'll get somebody to come in and check it out and kind of give us an idea of, you know, whether

we need a whole new unit or whether that particular unit will be repaired or whatever. And again, they will fund all of that costs. And we just got to get it done. We'll pay the vendor and then invoice Southside Virginia Community College and would get reimbursed for it. As long as yall don't have any problem with those, I'll keep moving on that.

**Mr. Jeremy Satterfield** [00:06:27] As long as holding up their end. I mean, on the lease and they're taking care of all the everything.

**Mr. Mike Davidson** [00:06:32] OK, so the second part of the Southside Virginia Community College Truck Driver Training School was involving really the lease and Dr. Nettie contacted me and wanted me to. Well, actually, the last Board meeting she said she wanted some more information on that. So, I provided you a bullet point sheet, the kind of outlines where we are, what the lease kind of says, kind of what the responsibilities are, how long the school's been in operation, the number of of students that have gone through that particular school, and some of the data that the instructor at the school was able to provide to me just help you all understand everything. So, it's a very favorable lease. They have a lease rate of a dollar per year. They originally lease started but actually the truck driver school at Southside Virginia Community College started in nineteen ninety-nine. But the lease for the South Boston facility occurred in the year 2000. So, from May of 2000 to 2005 was the first lease and the amendment was done to that lease.

**Mr. Mike Davidson** [00:00:00] Lease amendment expired in June 19, 2000 thousand, they still have a renewal clause in there that gives them the ability to renew on an annual basis until either party terminates the lease. So, they're still legally leasing the property from us again as a little a little bit earlier. I think they pay all that. I may not have Southside Virginia Community College, pays all the maintenance and utility costs, so it's no cost to the IDA for that property. Now, I did provide you a map. One of the things that I found out about the property when I started looking into it. We did the IDA, got a permit from the Department of Waste Management to create a structured fill on that property. I don't know the details and the files are pretty sketchy. The fly ash that came from that came from some power plant, but I don't think that power plant was in Halifax County. I'm not sure where it was and haven't been able to find that out yet. But there was fly ash and bottom ash from a power plant that was disposed of. It could very well have been that that site was pretty topography challenged and there was somebody looking to waste some of this fill which meets the standards to do a structure structure filled with by the department waste management, all you have to do is get a permit. So, the IDA got a permit to level that a lot out using that structure and use that flash for a structured fill. At first, I was concerned because I didn't think that Fly ash would be very good from the point of supporting buildings, but I found that quite the opposite, that fly ash, if it gets saturated, turns into a concrete material. So the problem with it would be if you're trying to dig footers and you get into that and it has been wet, you're going to run into a whole lot more difficulty trying to dig your footer because you got concrete type material have to break up now versus just being dark to dig, to be able to put a footer so that has the ability to impact what you can and cannot do with that property is not that you can't build anything you want to. It's just it's going to make it more expensive because folks are going to get it and they have to do a whole lot more work than just digging out dirt in order to be able to pore footers for us for help for a building. I don't know what else to be able to tell you about the building provided you all the information that was able to find out from the files that we had. I do think that with Dollar General being here, with RO Harrell being here and all of the the industries that are here rely on truck driving, the ability to be able to train and keep an active workforce for truck driving is very, very important to the industries in Halifax County. So, my belief in assumption is while I haven't gone back and tried to research the board meeting minutes

from 1999 through the twenty twenty one to see if there was any discussion, my take would be is that it was done to ensure that there would be a good sustainable workforce to be able to take care of folks like Dollar General, RO Harrell and all of the other industries around that require trucking to be had. So that's the information that I have available that we will be reporting back out again to the full board meeting on May twenty one. I'll be happy to try and obtain any additional information that you want. But so, from that point, we'll just open it up for your discussion.

**Dr. Nettie Simon-Owens** [00:03:45] I would like to say thank you for the information and I don't have any other questions about the content and not about the content. I don't think I know, what would it take, how much time does it take to get the paperwork ready to renew the lease. To get it current, basically it is going on anyway. Because of that clause renewal clause.

**Mr. Mike Davidson** [00:04:09] Yeah

**Dr. Nettie Simon-Owens** [00:04:09] But we know we have to a lease agreement that is outdated.

**Mr. Mike Davidson** [00:04:12] Right. So, you know, these things always amaze me. You want to think that in a week you could do something like this and have the you know, it would just be another amendment. So you'd go back to the last amendment, to the lease and you just updated it somewhat and moving forward. But it always takes two to three months to run by everybody's attorney and get everything done. So my best guess is it would be somewhere between, you know, at the outside three months to be able to get the lease in the form that everybody's attorneys on both sides say everything is OK and then and have it executed.

**Dr. Nettie Simon-Owens** [00:04:52] You want to get started on that, and I know we have a different president at the community college. Some of the folks at the truck driver training school have changed. Well, you're absolutely right, in having to go through the entire process.

**Mr. Mike Davidson** [00:05:08] I'll be more than happy to do that. I think that, you know, the year 2000 was a turbulent year for the idea that just fell between the cracks. And so, picking it up now, I think would be something that would be more than happy to do.

**Mr. Jeremy Satterfield** [00:05:22] Are we looking at another five years? I mean, it's good. I mean, can we just ask you, like, what do you want? I mean, they're going to run this in the foreseeable future. Why can't we just make it a longer term?

**Mrs. Kristy Johnson** [00:05:32] five year with a five-year renewable?

**Mr. Jeremy Satterfield** [00:05:34] I mean, or 10 years?

**Mr. Mike Davidson** [00:05:37] I mean, you can have two five-year terms.

**Mr. Jeremy Satterfield** [00:05:41] I don't I mean, unless and until and unless, you know, something different from from Jerry C. And I, I don't I don't SVCC ever letting that go. I mean, this is just way too productive.

**Dr. Nettie Simon-Owens** [00:05:56] No, it is one of their high a revenue generator. They are not going to let that go. And with the concept of free community college and all of the rev money available now and able to pay for training

**Mr. Jeremy Satterfield** [00:06:15] Glad to hear that.

**Mr. Scott Simpson** [00:06:17] Is that is that a piece of land that there was an existing industry that needed to expand and that was better suited for warehousing of somebody in that same area? It's easy to move the truck driving school because you just have a modular, you can get a new modular and then you have a lot. So, we could fabricate that somewhere else.

**Mr. Jeremy Satterfield** [00:06:45] Well, we've looked at I know we've looked at this a couple of times,

**Mr. Scott Simpson** [00:06:48] like, for instance, the daystrom site that has an entire parking lot.

**Mr. Jeremy Satterfield** [00:06:53] Well, I think, you know, for SVCC, I mean, I don't I don't really know how much they care about where they are, but this particular one, because the fly ash that seen correct me about anything on this Mike, but the fly ash that was built up for this pad, there's a pretty significant amount of fall just beyond that. So, there's nothing in there. And there's wetlands mitigation that you can have in and around that site. So, it says eight point three nine eight or eight point three acres. It's not a whole lot of actual.

**Mrs. Kristy Johnson** [00:07:29] It's eight acres on an island.

**Mr. Scott Simpson** [00:07:31] Yeah, yeah. It's probably a there's looking at the plat is probably a three and a half before a lot. Yeah. That's buildable. But you know, if if. If an industry is looking for warehousing space and they want to build maybe three acres is one hundred twenty-seven thousand square feet. So, somebody wanted to build a 50 or eighty thousand square foot building solely for the purpose of hauling the materials and unloaded them and haul them back out. This is a site that is close to a lot of industry in that area. And I just think I have no problem with extending the lease and doing all that. I want maybe to consider some type to opt out that if if there was a prospect or a need for that facility, that the IDA would obviously foot the bill and relocate the school to a different site. And that could be any site. The IDA has when you take one of the lots right out front here and do it. And if that gets sold or built on land hop them to another place.

**Mr. Jeremy Satterfield** [00:08:46] Didn't we have been didn't B&B look at that for us.

**Mrs. Kristy Johnson** [00:08:53] They looked at Detra Carrs a lot, which is kind of right next to it.

**Mr. Jeremy Satterfield** [00:08:59] OK, yeah, I know we've had a look, but I understand where you come from.

**Mr. Jeremy Catron** [00:09:03] I think Scott's point is for the price of this lease. We ought to have some language that allows us to have alternatives. And I didn't like I wouldn't be the first to say I'm a big advocate of the school because right now, load to truck ratio is almost 100 to one trying to find trucking right now is a huge problem it is one of our biggest

obstacles. But just as Scott's point is, I think there needs to be some language in the place that will allow us to flex out of this.

**Mrs. Kristy Johnson** [00:09:40] Almost all IDA leases have a termination clause.

**Mr. Jeremy Satterfield** [00:09:43] Let's dig up that over the years and see what this says. And then we can structure language to include that in

**Mr. Scott Simpson** [00:09:49] For a dollar year, you're basically giving them free space to have them and maintain it. And that is a huge benefit to the school in which it really doesn't cost the IDA anything. So that's great. But you would want to have that flexibility.

**Mr. Jeremy Catron** [00:10:07] And I'm sure there's enough goodwill between two organizations that would work itself out in the future.

**Mrs. Kristy Johnson** [00:10:15] I'm pretty sure it already exists.

**Mr. Mike Davidson** [00:10:23] I know there's a termination agreement in the lease. The side can invoke it any time, and it's probably ninety to a hundred and twenty days, I don't think there's anything in the lease that talks about a relocation agreement. But we can we can look at those.

**Mr. Jeremy Catron** [00:10:37] And I'm not saying that has to be in there. I think termination clause needs to be and there's enough goodwill for you.

**Mrs. Kristy Johnson** [00:10:44] If it's not included, I'd be surprised.

**Mr. Mike Davidson** [00:10:47] I'm positive. I just don't remember all of the specifics of it. But there's the termination clause for each party to be able to terminate the lease.

**Mr. Jeremy Catron** [00:10:58] And I just like to at that lease price for a five-year term that you can't get out.

**Mr. Mike Davidson** [00:11:13] Alright, ready to move to the next item.

**Mr. Jeremy Satterfield** [00:11:15] I don't have anything else.

**Mr. Mike Davidson** [00:11:18] So I want to talk about the shell building, and this is something I bring before the property committee and then will bring before the board at the next meeting for a motion to be able to approve. So, we at the process right now where I'm being asked to close out, the construction project is finished and it's time to do it. But I'm in a very uncomfortable position because I have nothing to do whatsoever with any of the projects. I mean, the project was a pretty long, drawn out project with at least two directors looking over at the punch list was done before I got here, when I walked through the building and see things and say, why wasn't that done? And I've gotten the contract information and I know now why it wasn't done, because it was said in the contract that it wasn't supposed to be done. I can't believe they didn't seal the cracks in the cement floors or the joint the expansion joints, but they aren't sealed. That's in the contract. So, one of the things that I did was that while we've got all this documentation in the files anyway, I asked Samet to send me all of their information so I can look at what they had compared to what we had and make sure it was the same and we were all fine. And so, I've got a better feeling on the the building somewhat now than before, but after looking at theirs,

because I know what Samet has seen. So, I had a conversation with the gentleman from Samet that says, you know, I explained to him that I was having some difficulty with this because right now what they're asking us to do is release the performance bond that we've got on the building of the building. They still got the E&S bond is out there with the county that potentially will have to do final inspections. We have and the county will be the one that will release the E& bond, and that's fine. But I told the gentleman, I said, you know, I'm being asked to do something that I don't know anything about, a little uncomfortable. The IDA that we made a conscious decision not to hire an engineering firm to provide construction management. Dewberry was the engineer for Samet that designed the building, so I asked the gentleman from Samet and I said, look, are you comfortable? Will you allow me to have a conversation with your engineer that you hired to do the project? If he will send me a letter. Put his seal on the line that the building was built substantially and the reason that you're not going to get anything more concrete than a verbiage of substantially built according to plan and according to code, that I feel much more comfortable that, you know, we're OK to close this thing out. Samet told me I didn't have they didn't have any problem with that. So, I got in touch with Brian Bradner, then with Dewberry. And I have not gotten that letter yet, but I'm sure Brian is working on it. There are all kinds I mean; he that seal is on the line. So, there's a lot of legal issues. They're having to look at it. He sends me that letter and then it turns out something's horribly wrong that we found out later. You know, his seal is on the line as a PE and an architect. So, but I think that that helps a whole lot. And being able to give me satisfaction and comfort that we're okay. I think it would protect the IDA in the long term. So, I will be bringing it out before the board at the May twenty one meeting and requesting the full board to approve that plan to move forward with the close out. Once we do the close release, the bond will have to make the final payment to them, which is the retainage that we've been holding. And then from there I did make sure that Samet was aware that there were silt fences up there that needed to be removed and they've actually come in this week and took them down. So, I was very, very glad of that because we didn't have anybody around here to go in and try to pull stakes and get that silk fence down. So, I'm glad that that was taken, down.

**Mrs. Kristy Johnson** [00:15:27] Have they indicated what the final bill will be?

**Mr. Mike Davidson** [00:15:29] No, no, those verbiage in the contract, so the contract price was not to exceed price.

**Mrs. Kristy Johnson** [00:15:37] So they've indicated that it will be less.

**Mr. Jeremy Satterfield** [00:15:45] So we still owe the final bills?

**Mrs. Kristy Johnson** [00:15:51] Yes.

**Mr. Jeremy Catron** [00:15:51] What is the value of that?

**Mrs. Kristy Johnson** [00:15:51] One Forty-seven is the max that they can bill us. That's the max allowed to get us to the, not to exceed 100.

**Mr. Jeremy Catron** [00:15:57] One hundred and forty-seven thousand.

**Mrs. Kristy Johnson** [00:16:00] Yes, and that'll come out of the operating. But they have indicated that they think it would be less than that. The last time I inquired about the timing

of the final payment, they indicated that it would be less than that. So, what it is, I don't know. But it won't be more than one hundred and forty-seven thousand.

**Mr. Jeremy Catron** [00:16:17] And what is the performance bond? I'm sorry I am not familiar.

**Mr. Mike Davidson** [00:16:20] So whenever you put an RFP on the street for contract construction project like this, the well it all of the RFP's, somebody has to submit a performance bond. So, the performance, Bond says, and we're going to build you a building for X number of dollars and we guarantee this, that the other, if they don't perform, they've got either an insurance policy or cash bond or something somewhere that you go after. And the IDA can if they didn't do something right, you use that money to make it right. So that's what the performance bonds do, just guaranteed they do what they said they're going to do in the contract. And if they don't do that, then you go after the bond and you pull the money and you hire somebody else to do what was supposed to be done and fix.

**Mr. Jeremy Catron** [00:17:10] On a the time of closing this out where we on what you would expect. Are we passed the due date?

**Mr. Mike Davidson** [00:17:17] Yeah, well

**Mr. Jeremy Catron** [00:17:20] I can understand your reluctance and what your position with all of this. My Reluctance is being new to the board wanting to make sure I'm doing my due diligence and I am not trying to do your job, but I would like to know that before we close it out that that building is in a good state for where we want to be as a shell building. Right. So, I'll give you four instances when I'm driving that right now. I see those missing windows with the netting that's there. But that's only good for so long, right? Things are going to go downhill fast and because that thing as a big, bold statement to the county and the community right now before we would close it out. I would almost and again, not trying to do your job. I would almost want to take a walk-through look at a few of the punch list items and say, yes, we can live with these things. Or no we can't.

**Mr. Mike Davidson** [00:18:15] Brian Brown signed off on that punch list that you cannot go back and revisit it.

**Mr. Jeremy Catron** [00:18:20] Brian signed off on it?

**Mr. Mike Davidson** [00:18:20] Yes.

**Mr. Jeremy Catron** [00:18:20] Well, and I'm OK with that. That means we own it. No problem. I just want to know that I have an understanding of it. So that I can help push this to be a good outcome.

**Mr. Scott Simpson** [00:18:36] Yeah.

**Mr. Scott Simpson** [00:18:37] I think my concern is the same one that had about three or four months ago is. Look at certain things in there that are done, and you say, well, that should be part of it. I mean, that should be something that ought to be done. And you build any kind of structure. You have certain things that you just a part of it, but then come to find out that it was either excluded or designed out of the project or something along the way. And so, from a conceptual standpoint, you go through and you have an expectation

of what really there's less than what you expected. So, you have a concern signing off on accepting the final acceptance of the building and releasing all the leverage that we have. And then the more Mike digs into it, you find out. Well, they were supposed to seal the deal, the cracks in the floor of the sawcut joints. And but that is, I agree with you, I asked about the why are there nets? And we have to get the windows up there. Well, technically, they're not screening for future exhaust fans if they are needed. And then if they're not, they're going to put skylights in or something. And that it just looks incomplete. But that's what was contracted for.

**Mr. Jeremy Catron** [00:19:57] I get that that's I understand some of those things will be where we're at with that. And we have to accept that may require us to pick up the ball and finish out some things and make sure we keep this right.

**Mr. Scott Simpson** [00:20:12] And that's why when he's negotiating with prospects for the use of that building, the the upfit cost to get that prospect into there probably higher than expected because there are certain things like that that still have yet to be completed. It's not like there's office buildings and bathrooms and everything are in. There is all that has to be constructed.

**Mrs. Kristy Johnson** [00:20:37] Yeah, it's a true shell.

**Mr. Scott Simpson** [00:20:39] Yeah, that's a true shell. Well, so it's just a. From a construction standpoint, it's hard to say because once you sign off and release their bond, you have no leverage at all for anything and Mike is just being overly cautious to make sure that everybody agrees that the building is, and we have gotten the value we were supposed to have gotten out of it.

[00:21:03] So but, you know, and not all that at the same time, you can't postpone giving that bond back for so long because they met all the requirements that are called for in the contract.

**Mr. Jeremy Catron** [00:21:12] Don't take me wrong. I'm not, I understand things are in writing. What I want to make sure is because that's what you're going to do, is you're going to bring this before us to say we're going to close this out. Right? I can't do that until I feel like I can see that situation from your eyes. And I'm not saying that yet.

**Mr. Mike Davidson** [00:21:33] So let's get together some time to let you walk through the building and anybody else who wants to come in as well. So, we've got to figure out how to work this so that outside of this many different meetings, I have to with all of the IDA the board members, but I don't want any more than two members of the team to go there because it is too much trouble. Have to establish a public meeting at three to get in that building at the same time. And Lord knows how they're trying to figure out a virtual meeting with touring a shell building. So, but I mean, if I need to set up six separate meetings so that we get everybody there one on one or no more than two at a time, I'll be happy to walk the board members through the building so that they can take a look at it.

**Mr. Jeremy Catron** [00:22:13] Well, I think the committee should, you know, like two members of the committee can do that. Right. And I would feel confident enough to want to explain it to the board that I'm at least I feel like I'm going to get comfortable with that. I probably can convince a lot of people on the Board to be comfortable with it.

**Dr. Nettie Simon-Owens** [00:22:32] The are things that are that we are not being awarded a contract, we anticipate that those will be additional cost we are going to have to incur as the IDA to get them to where they need to be because they were not included.

**Mr. Mike Davidson** [00:22:47] Yes, but you got to remember, though, the concept of a shell building this this building is finished out by far more than most shell buildings are. But the concept of a shell building is that you build just the basic framework because you never know what the prospects want. So, the reason those openings are in that building, you've got to provide for some type of ventilation. If the next client goes in and says, hey, I want to say fully air conditioned so that people in my manufacturing section have air conditioned, you put in a totally different system. And then if someone comes in and says, no, just air conditioning the offices, the only thing I want the manufacturing section is ventilation so that we pull air through, keep temperatures down to a moderate level because air is moving through, will keep humidity down to some level of humidity is a real issue. You got to put the air conditioning in building. So, if you set that building up to be air conditioning, somebody didn't want you to probably spend three quarter million dollars. That would have been no value to them. So that's the concept of a shell buildings. Just finish it out just enough to where everybody can see it. But then the final finish out, you finish out to the tenants needs to.

**Mr. Jeremy Catron** [00:24:11] Completely understand that and everything. I think the thing that I would like to be assured of is that when you go to the prospect building, you don't say pigeon poop everywhere. You don't see rooms and taken.

**Mr. Mike Davidson** [00:24:25] So, yeah, from a bird perspective, that screening takes care of that. My concern is blowing rain puts a little bit of water in there. So far, every time I've been back to blowing rain, it's only been minimal. It's not a problem. See, that's one of these things for blown rain comes in the end. That water runs in those cracks and it freezes. You're going to have some cracking in that concrete.

**Mr. Jeremy Catron** [00:24:46] It wouldn't have been that much money to put a UV resistant material that they put it out and said, yeah, and that is the kind of punch list, things that I am talking about. And I do believe we are going to want to spend a little bit of money listening to you talk. And I'm OK with that just and it's going to be what it's going to be, but I want to be able to sell it.

**Mr. Mike Davidson** [00:25:05] Yeah. So, we've done enough site prospects now. I think when I first got here, I was led to believe that million bucks would finish that building up and the well, it's going to be two million dollars minimum to finish that building out, to be able to put a tenant in it. And that doesn't include any special things they need. As an example, the last client that we came through that we're still waiting to hear back from,

**Mrs. Kristy Johnson** [00:25:27] remember, you're in open session, going to be transcribed.

**Mr. Mike Davidson** [00:25:29] OK, so if a client were to come to that building and said, hey, I've got to have crane rails because I've got stuff that's got to be picked up and moved, the floor is not set up to be able to handle crane rails. So, what you've got to do not only is the floor, the metal stanchions are not set up, so you'll put new metal stanchions in, you put metal crane rails into the cranes to run, but you had to go in and cut out the concrete and put it much heavier than six-inch concrete to be able to hold those crane rails.

**Mr. Jeremy Catron** [00:26:02] And end to your point, I guess we have all of that engineering information, right? And we know what pounds per square foot. So, at that point about the engineering information,

**Mr. Mike Davidson** [00:26:14] I know based upon what I've been told that it is a six-inch reinforced concrete floor. I have not seen any documentation as to what the weight load would be, but the engineer should be able to have that be able to provide it for us when asked for it.

**Mr. Jeremy Catron** [00:26:29] Yeah, and I think that the PE stamp that you're talking about is where that comes in, comes into play. We get that approval that that building was built with that amount of work in mind. Basically, we're living in a structural mode.

[00:26:47] I think going forward, there should be a great lesson. And hopefully everyone remembers that when building buildings, we need to hire an independent construction manager to handle all inspections. Every time we get a pay app, they should take that pay app and walk around the building and make sure these people are doing exactly what they're supposed to do, completely separate from the contractor. And it typically is a requirement even of the procurement methods, so.

**Mr. Mike Davidson** [00:27:22] So not to muddy this up too much more. I got two other points I need to talk about on the shell building, so we know how much money we've got in the show building. But there's been a tremendous amount of engineering and design money that's been spent on the building because of redesigns and moving locations and stuff like that. And while you've spent it, I mean, you spent about one hundred and eighty thousand bucks to Samet to do the design to expand that out for at least one hundred thousand square foot for a project that never happened. That money's gone. It has no value whatsoever to the existing building. That's one hundred eighty thousand.

**Mr. Jeremy Catron** [00:28:02] And was that the engineering that was intended, that was engineering design fees.

**Mr. Mike Davidson** [00:28:07] To expand that twenty thousand square foot building, that's one hundred thousand square foot. And then that was a subsequent contract for one point three million dollars that was signed to extend the building. And that contract got canceled. You still paid the design fee.

**Mr. Scott Simpson** [00:28:23] So you should have plans for your future use back out of your design. You own the idea of design. If you paid if we're paying for it, then we own the design plans and should be able to independently bid it out next year if we feel like.

[00:28:43] OK,

**Mr. Jeremy Catron** [00:28:45] this is where I would just, just to my point earlier about trying to just help you think about capturing all the pieces before we close this thing out and close it out. Let's move on.

**Mr. Mike Davidson** [00:28:55] Well, I think what I'm trying to get at on trying to figure out the determination, the value, it's got nothing to do with the close out. We've got to close it out. But I think that one of the hardest things I've had to do is trying to negotiate with prospects is to figure out what really is the value, what should be asking for the building.

Right now, what I'm trying to do is recover the money that you've got to pay, and that may or may not be the fair market value of the building.

**Mrs. Kristy Johnson** [00:29:22] So we're hinging on affecting our negotiating ability by discussing this in open session and then a meeting that will be transcribed. So, let's consider our negotiating strategy.

**Mr. Mike Davidson** [00:29:42] So rather than talk about what the value may be, I think, though, one avenue of determining what the value would be to hire someone that is an industrial commercial appraiser to look at the building. I've done this before. When I was a building is always difficult because Fair Market value is always based upon. Is there any other building on the market like this? What does sales for buildings on the market like this? And that's how you determine what they call fair market value. I think we're going to run into some difficulty trying to find other buildings that are like this building because there are not so many concrete buildings right now. The vast majority of industrial properties, there are really metal sided buildings, not concrete built up. But I do think that we've got to find out what that building is worth and then reconcile the cost that the IDA has got in it and then come up with what will be the IDA except for this building. And until we really know that I'm handicapped, tried to negotiate with prospects because I don't know what the IDA wants for the building. I don't know what fair market value is for that building, but it's going to cost you between five and six thousand dollars to get an appraisal. Now, the appraisal can do another wonderful thing for us, too. If you remember, part of that was part of that building was funded by the tobacco commission money. And whenever we sell that building, if it's ever sold, a proportional amount of the sale price has got to go back to the back of commission. So, if they've got 40 percent into the building when we sell it, we've got to give them 40 percent of whether we sell it for. And not only that, they have the ability to determine if the sales price is right or not and they have veto power over the sales price. So, the only way that we can justify to the tobacco commission what the building's value is, is if we go in and show them an industrial appraisal. How can they say, no, that building is worth more than that? The appraisal is the appraisal. So, what I would like to get a consensus from the committee for is if y'all are OK with us moving forward and trying to get a commercial appraisal, an industrial appraisal of the building, not not commercial and industrial. Got to get somebody certified that does industrial work because there are people around. They've got commercial appraisal licenses, but commercial property loss of property are two different animals. And the people that appraise commercial property may not be the best, most appropriate or qualified people to do it.

**Mr. Jeremy Catron** [00:32:38] Great point. Just ballpark an estimate of the price for some service like that.

**Mr. Mike Davidson** [00:32:48] I've gotten a quote from a person that I know from the Lynchburg area that is a certified industrial appraisal, and they're the only ones in Lynchburg that are certified industrial. They're probably other certified industrial people, but they're not going to be in the area. Could probably find them in Richmond. You can probably find them in the gigantic metropolitan areas. But in this particular area, those are very limited. There are tons of people that have got commercial appraisal licenses. But again, that's probably going to be a mistake. To get a commercial appraisal of the building, you really need to get an industrial appraisal on the building. Five thousand is the estimate I got back.

**Mr. Jeremy Satterfield** [00:33:26] Well, I would like to think that our max cost is going to be below that enough because we already planned for that.

**Mrs. Kristy Johnson** [00:33:34] Maybe. Possibly,

**Mr. Jeremy Satterfield** [00:33:35] Yeah. So, I mean, I'd like to think that we're going to be under that at least about five. So, we want a plan from 147 to 140 to that. It's a wash.

**Mrs. Kristy Johnson** [00:33:44] Yeah, we could work pretty well with that.

**Mr. Jeremy Catron** [00:33:46] But I'd want to know what the content of that appraisal is going to be. I think that's a great idea. I like if it helps us understand and the reason, I say that is 5000 dollars. You know, we've got all of this information that we spend the time and monitor to know what we spent to put the building there.

[00:34:08] But you've got to remember just because that's what it costs to construct it, that's still not out their market value.

**Mr. Jeremy Catron** [00:34:15] And I understand that. But obviously, we're going to have a point where we're going to say yes or no either way. Yeah. So, you know, I thought that if you were going to tell me, \$2500, I mean, no big deal.

**Mrs. Kristy Johnson** [00:34:31] We all have our limits.

**Mr. Mike Davidson** [00:34:36] And so the last thing I'd like to mention that relates to the Shell building, but it also relates to every parcel inside of this park southside Virginia Technology Park.

**Mrs. Kristy Johnson** [00:34:45] Southern Virginia Technology Park

**Mr. Jeremy Catron** [00:34:48] Before we leave the shell building, OK, for me, that means that the shell building goes to the A list. I want to build a folder and of information on that building. You make a great point Mike you would like to make something happen with a building, but there's a void of information that you have right now that makes it really hard for that.

**Mr. Jeremy Satterfield** [00:35:08] Well, one of the starting block pieces is to get that industrial commercial appraisal completed. We've got to start somewhere. I mean, we can't do anything until we get sign off from the tobacco commission. Maybe there's no, number. We can float out there, let somebody just magically appears on our doorstep and says he will give us twelve million dollars for the building. We know that's not going to happen. So, we've got to start there and understand where you're coming from. As far as what encompassing from that appraisal.

**Mr. Jeremy Catron** [00:35:39] Yeah, so not I didn't mean to interrupt your earlier, but if you're about to leave that building, let's talk about what our action items are discussed. If you are moving on to another topic.

**Mr. Mike Davidson** [00:35:48] So let me give you one other piece of information as it relates to the tobacco commission, not with the executive director, but I've had communications with the management staff and I've tried to get them to tell me what is acceptable, to try to figure out what the value of that building is. And they can assess what you've got to do is come up with a proposal and give that number to the executive director and the executive director. According to what I've been told, I don't know this is quite true.

But according to what I've been told, the executive director has the discretion to be able to say yes or no on the sales price. To the best of my knowledge, he doesn't have to take it to the full commission and have the full commission vote on it. I think the commission has authorized the executive director of the Tobacco Commission to be able to say yes or no on sales price. Well, so what happens if we negotiate with a project? Let's just call them Project Ajax and we say Ajax. We got the. This building for four million and we get down there and the executive director says, nope, not going to do that, you can't do that. I got to know now what he's got to accept for a price before I negotiate with a client. And in trying to make a determination of how do you do that? The appraisal is the only thing you can do. And besides getting your quotation on what the appraisal costs would be, I got a quotation of what is your hourly rate to go with me to Richmond to meet with the executive director of the Tobacco Commission. That this is the right price.

**Mrs. Kristy Johnson** [00:37:24] Oh no. Time out. Don't do anything.

**Mr. Mike Davidson** [00:37:26] We lost something.

**Mrs. Kristy Johnson** [00:37:27] Yeah. Just everybody stay calm. Me included. Nettie, are you there?

**Dr. Nettie Simon-Owens** [00:37:38] Yes, I'm still here.

**Mrs. Kristy Johnson** [00:37:39] Did you black out too?

**Dr. Nettie Simon-Owens** [00:37:42] No, but it says you are not recording?

**Mrs. Kristy Johnson** [00:37:44] It says I'm recording, hold tight.

**Dr. Nettie Simon-Owens** [00:37:48] It indicates that you're not recording now the whole time.

**Mrs. Kristy Johnson** [00:37:58] Yeah, can you see if.

**Dr. Nettie Simon-Owens** [00:38:04] I see you.

**Mr. Jeremy Catron** [00:38:07] somebody

**Dr. Nettie Simon-Owens** [00:38:08] to say, that's the way

**Mrs. Kristy Johnson** [00:38:13] I keep disconnecting?

**Mr. Jeremy Catron** [00:38:17] it is now?

**Mrs. Kristy Johnson** [00:38:19] I'm still doing my sound recordings. Either way, we're OK there. I just want to make sure that we're actually transmitting to the world.

**Mr. Jeremy Satterfield** [00:38:42] I've got a I got a 10 30 that I pushed back a little while, but I can't push back.

**Mr. Scott Simpson** [00:39:59] OK, I think we're OK. OK, I think so. I mean, I am not ok. OK, I'm sorry.

**Mr. Jeremy Catron** [00:40:10] So you were talking about getting a rate to go talk to the back commission.

**Mr. Mike Davidson** [00:40:17] Yeah. I don't think I would try to get in there by myself. I would have to have the next you know, the expert, the the the licensed appraiser.

**Mr. Jeremy Catron** [00:40:27] Your experience is a really good picture of the appraisal for me.

[00:40:33] Can we negotiate that into the appraisal? Just one true kid negotiated that into the appraisal again. So, you said, you know them pretty well. Yeah. I mean, just a I mean, just to say, hey, look, you know, on top of the appraisal, you know, I'm going I'm going to be you know.

[00:40:49] This isn't a complicated appraisal because it's a shell building. It's the it's the surrounding things it's going to compare to.

**Mr. Mike Davidson** [00:40:55] So the complicated part of that is finding comparable sales and being able to put the value on it based upon the comparable sales.

**Mr. Scott Simpson** [00:41:09] So, Jeremy, you were talking about action items today. So, I guess the action item is. The maybe setting up some previews or previews the views of the building individually or collectively to by two or whatever,

**Mr. Jeremy Catron** [00:41:30] It seems like the Property Prospects Committee; two members of that committee would accompany Mike to the property to have interest and then have some discussion about a bunch of stuff. And they would come back.

**Mr. Scott Simpson** [00:41:44] So that and the appraisal are two kind of action items to gather info give back to the people. Sounds like to me.

**Mr. Jeremy Satterfield** [00:41:54] We could extend it. I mean, I think are start with P&P, but I also extend it to the rest of the board to see if they will do it. Mike already indicated that he's willing to take any more members through, you know, in aa ark style scenario of two by two. So, we can do that in that way, gives opportunity for everybody to see.

**Mrs. Kristy Johnson** [00:42:16] And I will caution you that even if it's two members of the P&P committee, whether they're just two or three, it still would be considered a committee meeting. So, you would probably just need to go separately or go with noncommitted members.

**Mr. Jeremy Satterfield** [00:42:30] That's fine. And we can make it easy to do it just carve out a timeframe that will work. or whatever, and then we can just, you know, you stay put and we'll just cycle through and make sure there's no overlap.

**Mr. Scott Simpson** [00:42:49] So to your knowledge, is there any point in the last six or eight months as the IDA Board been through that building?

**Mrs. Kristy Johnson** [00:43:04] Rick has been through the building.

**Mr. Mike Davidson** [00:43:06] Rick has been.

**Mrs. Kristy Johnson** [00:43:07] and Rylan has been through it.

**Mr. Mike Davidson** [00:43:08] They are the only two since I've been here.

**Mr. Scott Simpson** [00:43:10] I think that it would be good for the board to see it anyway because it is one of the Boards assets.

**Mrs. Kristy Johnson** [00:43:14] You could do a full board field trip on May 21 and make it a part of your meeting. I don't know how I can do that virtually, though,

**Mr. Jeremy Satterfield** [00:43:23] that'll have to be an extracurricular activity after at the end.

**Mrs. Kristy Johnson** [00:43:26] of the board and invite the press. Yes. That's an option. Yeah.

**Mr. Mike Davidson** [00:43:33] And Dr. Nettie, I'd be happy to meet with you just individually so that we don't have the issues associated with covid, if you so desire.

**Dr. Nettie Simon-Owens** [00:43:43] I think that would be great.

**Mr. Jeremy Satterfield** [00:43:48] All right, so we'll we'll take action on those two points of, further information on the appraisal, the commercial industrial appraisal of appraisal of that, as well as a site visit, a rotating site visit from all members to get through there.

[00:44:05] With the purpose somehow or another, the purpose has got to be able to tell them to close that close out to the bond.

**Mr. Jeremy Satterfield** [00:44:16] A combination of both.

**Mr. Mike Davidson** [00:44:20] To the last point I just wanted to mention and be very briefly, that impacts the shell building and helps explain why the shell bill is concrete up and what the shell building is such a valuable building. There are deed restrictions on this park. So, we could not bring the truck driving school over here.

**Mrs. Kristy Johnson** [00:44:38] There's that there's a covenants and park regulations.

**Mr. Mike Davidson** [00:44:41] Now still own the park, I think at some point time in the future. And certainly, you've got more on your plate to deal with right now. And it's not urgent or life threatening at the moment. But at some point, in time, this committee needs to talk about those covenants and restrictions and determine if you still want them to be in place or if you want to change them. You still own all of the properties so you can change them. If you sell any of the property, then whoever owns the property has got to be approved on those two. But I think that one of your future meetings before too long will need to the property committee, look at review the covenants and restrictions and determine if that's still what you want to if you want to ease them a bit and do something a little bit different. But right now, you cannot build a metal sided building on this park.

**Mr. Jeremy Satterfield** [00:45:32] Well, and that was one of the reasons why we did that, you know, for full purpose.

**Mrs. Kristy Johnson** [00:45:35] So you could address it on a case-by-case basis.

**Mr. Jeremy Satterfield** [00:45:39] But we didn't want somebody to come up front and put about metal building in 75 yards away from a sign that reads the Southern Virginia Technology park, at least until the concrete looks like a concrete building. So good point, though Mike.

**Mr. Mike Davidson** [00:45:56] So the only other thing I wanted to mention, you know,

**Mr. Jeremy Catron** [00:45:58] It sounds like you're making a recommendation for an action item.

**Mr. Mike Davidson** [00:46:03] At a future, at the future meeting. I think that and that kind of leads into I don't know if y'all have thought about, but you need to think about the, um. So, I'm going to be very, very honest. Um, having three different committees and trying to have three committee meetings plus a board meeting in the month, you're going to have your staff doing so much. We're not going to have to see prospects. Just forget about us and prospects. Forget about this marketing. We, your staff, is not going to be able to handle that number of meetings per month. So, but you do need to think about what type of a regular schedule does a property committee want to meet every other month, which I think would be reasonable. Then would you meet with the executive committee at a different meeting, you know, again, or other committees out there? And the staff doesn't have but so much capacity and so much time to be able to do things. And every time we're in a meeting and preparing for a meeting for one of your committees, we're not doing prospects. We're not doing something to help the businesses here. So, you know, there's a give and take and we'll be happy to do what you want. You determine you decide what you want. But just remember, when we're in meetings for committees.

**Mr. Jeremy Satterfield** [00:47:18] We have finance, we have executive, we have the P&P. I mean, I have no issues with meeting quarterly. So that way you have a full board, one committee, but full board one committee for one committee. Start that process over. But once again, that's a recommendation. That's that's a discussion point that we need to have with the full board on the twenty first. I'm sorry, Jeremy.

**Mr. Jeremy Catron** [00:47:46] I was just going to say I" probably kick myself for this, but if there are some activities that I can do as a board member or other board members can do. I realize.

**Mrs. Kristy Johnson** [00:48:00] You want to transcribe the meeting?

**Mr. Jeremy Catron** [00:48:05] you know, to try and help us. But I don't want to go along in three months. And I got like idea of 60 days right now because I like to have things moving along. These discussions and action items we've talked about, but at the same time, I understand your point and the role that you and Kristy are serving right now are invaluable from my perspective. And certainly, I don't want to think about, you know, either one of you not being here at the moment. Can get this organization back on its feet? Don't hesitate to let me know how to work some of that. My recommendation right now, would be that we get back together in 60 days go every other month.

**Mrs. Kristy Johnson** [00:49:00] We used to have a schedule where the board met every other month and on the off month, you had all three committee meetings.

**Mr. Jeremy Catron** [00:49:07] The reason it feels overwhelming to me right now is we don't really have a tight agenda with some action items we're working on. And I think you make a great point earlier. We can't throw every property into this meeting. But if we can hammer out just what we would call five or six on most important topics on the project close out being a big one. Let's put something behind us then we will pick something else up.

**Mrs. Kristy Johnson** [00:49:33] So there simply is not, I cannot physically do four meetings a month, the time to to set up a meeting, create a meeting, meet the legal requirements for after the meeting and notice of the meeting and transcribing the meeting and all these things. I mean, we're talking days. It's going to take me days to do this.

**Mr. Jeremy Catron** [00:49:53] How often does Finance meet?

**Mrs. Kristy Johnson** [00:49:55] It hasn't met in a while, but it's about to have to meet a couple times because of budget season. But it hasn't. We did we were doing mini meetings where we weren't doing necessarily committee meetings, but we were meeting two on two.

**Mr. Jeremy Catron** [00:50:09] But if we alternated it, it would be two meetings a month.

**Mrs. Kristy Johnson** [00:50:11] Tomorrow, yes, I could do two meetings a month. I cannot physically do four.

**Mr. Jeremy Catron** [00:50:16] We don't want to hit the same month that they are going to hit.

**Mr. Mike Davidson** [00:50:18] Right.

**Mr. Jeremy Catron** [00:50:19] If they'll go on if they decide they're going, don't do that or whatever.

**Mrs. Kristy Johnson** [00:50:24] Know, so they're going to be more heavily like this time of year because of our budget.

**Mr. Jeremy Satterfield** [00:50:29] Because the budget review process and executive in years past as executive met as often as that? I Haven't always been on Executive.

**Mrs. Kristy Johnson** [00:50:38] It probably meets. So, it depends on the need, I would say, but it probably meets more regularly than any other committee. And finance is mostly a seasonal budget season sort of thing. Unless there's something specific that needs finance attention. We'd been handling it kind of not as a committee meeting, but with every member of the board individually.

**Mr. Jeremy Catron** [00:51:05] If we want every three months and some time, I get so sad, I can do some individual work then.

**Mrs. Kristy Johnson** [00:51:12] For sure. Individual work is way easier. Even informal groups of two is way easier. But I think there's even one more item sorry, we got did you want to do that?

**Mr. Mike Davidson** [00:51:32] Oh, yeah. Yeah, I'm sorry. We need to talk a little bit about the Daystrom building Southern Virginia Advanced manufacturing center, and just kind of an update on our environmental due diligence that's occurring. So, we did meet virtually with Draper in the DEQ on April sixth. We determine the scope and plan of how to move forward with the Virginia Brownfield grant that we've got, which were soil samples from the retention pond assessment and remediation of the staining in Section B, which is the most urgent there in the building. We did do some work to help determine the next steps for the voluntary remediation program enrollment in some of the cost. The full board did approve by consensus moving that building into the voluntary remediation program as soon as we can. But we didn't put really a timeline on it because we wanted to get through this first, this next round of the Virginia grant before we really started moving into the remediation program. But the remediation program is going to be where costs start getting pretty good. So just to enroll in the program cost nine thousand five hundred dollars for your application. And then there's a annual maintenance fee of four thousand five hundred dollars. So, 10 grand plus or minus just to get enrolled in the program, then you're locked in for forty-five hundred dollars per year on fees for just maintenance. That's just enrolling into the program. That doesn't do anything for a remediation or anything else. That's just fees you pay to be a part of the program. We do know that there are some site characterization, risk assessments that continue to need to be done. And we figure based upon some information we've gotten from Dewberry, that's going to run somewhere between 50 and 100 thousand dollars.

**Mrs. Kristy Johnson** [00:53:36] from Draper Aden.

**Mr. Jeremy Catron** [00:53:37] And I'm sorry, what piece Mike?

**Mr. Mike Davidson** [00:53:42] Site characterization and risk assessment teams, there's still more work to determine the remediation plan that well. So, this next study hopefully will get us to where we will have a remediation plan. And that site characterization or risk assessment

**Mrs. Kristy Johnson** [00:53:57] That'll be a part of the remediation plan.

**Mr. Jeremy Satterfield** [00:54:01] How much does it cost?

**Mr. Mike Davidson** [00:54:02] It's going to run somewhere between 50 and 100 grand. We still got underground storage tanks that need to be removed and hopefully there won't be gigantic environmental issues with. So, when they come out. But the tanks that are on the ground that need to be removed and that's going to be eighty-five thousand plus to get those tanks out of the ground and fresh fill put back in. And we will hope they're not going to find a lot of contaminated soil underneath those things that they have to dig out, which could have an impact on potential driving those costs up. So, the end goal of the voluntary mediation program is that they certify a satisfactory completion of the site development and repurpose. And the repurposing has got to be more specific it must identify specific uses. So right now, most all of the environmental work that's been done on the site has been done based upon that building being used as an industrial site for industrial purposes. So, as we move forward into the volunteer remediation plan, if we do anything other than industrial purposes, we have to file before we enroll in that program. What those purposes are going to be and then there will be extra environmental work that will be necessary if we identify any use other than industrial use

**Mrs. Kristy Johnson** [00:55:26] Industrial and commercial

**Mr. Mike Davidson** [00:55:28] Industrial and commercial. So, all of the other activities would be eliminated because it will not be part of the voluntarily action plan, so they couldn't happen. So going forward, the IDA will need to limit the facility uses only commercial industrial uses, and that's the highest and best use for that building. So, in discussing the potential uses of the EPA fund, we need to think about this if we get the grants so we have we've been awarded the state grant, we've applied for a federal EPA grant, and should we be successful with the EPA? Brownville Coalition grant could be used to cover a portion of the voluntary remediation program at the state. So that could help offset some of those several hundred thousand dollars of costs that we identified a little bit early in the presentation.

**Mrs. Kristy Johnson** [00:56:27] So that's a six hundred-thousand-dollar grant. It would be at the second brownfields grant we were awarded, but it's not site specific, so it cannot be used solely for this site. However, it can pay for the application, it can pay for the enrollment, it can pay for annual maintenance, and it can pay for the site characterization and risk assessment if we are awarded this grant that we didn't expect to get it the first time, but because we were awarded the first time, they fully expect us to get at the second time, we'd have to have done very poorly the first time not to score well the second time. And our our first brownfields program was wildly successful and which is got us most of the way to where we are today on the Dayton building. So really of the cost that we've discussed, only a small portion of that wouldn't be able to be included. But we have to be careful to balance out those coalition funds across all three localities involved. So, the county and both towns.

**Mr. Jeremy Satterfield** [00:57:19] But I think we we've got to do it. I mean, otherwise we have no use for section B. I mean, as it currently is, we can't market the building.

**Mrs. Kristy Johnson** [00:57:40] The Virginia grant should be able to determine what needs to be done to section B for the weird staining thing that should hopefully get us to where we at least know the next steps and what works and what didn't work. The only unknown of the the Virginia brownfields grant is going to be the results of the sampling. As Mike said, that's going to be the soil sampling and the retention pond. Primarily, that's going to be the one that may throw all of this into a tizzy. But for what we know today, we're pretty well positioned if we get this EPA grant to cover most of the cost of this. And there's no reason why, if we don't get this grant, we can't immediately apply again next year. It just delays the process. But some of these things are going to require IDA money.

**Mr. Jeremy Catron** [00:58:24] And what sampling was done when this project started at Daystrom.

**Mrs. Kristy Johnson** [00:58:27] So there was a phase one done before we purchased the property. There was a phase two done before we purchased or at about the same time that those things were done. This is above and beyond that. So, we've done an additional phase two most recently with Draper Aden with the last round of EPA grant dollars. And just a couple of weeks ago, they were able to go down into the the retention pond that's kind of behind that gate right there on the right-hand side of the building. They went down in there and we're taking soil samples. So that's the most immediate focus of soil issues there or potential for issues there.

**Mr. Jeremy Catron** [00:59:03] I'm just trying to understand the ballpark that, how money is being spent on trying to understand this whole situation from day one.

[00:59:11] Yeah, IDA dollars not a lot.

**Mrs. Kristy Johnson** [00:59:14] Correct. I could I could come up with that number for you pretty easily. The initial environmental work that was done, the IDA paid for. But all of the most recent work has been primarily paid for through either EPA brownfields dollars or Virginia Brownfield dollars. The first round of environmental is the IDA paid for. The rest of it has been grant money. We are going to probably have to come up with, I would say probably one hundred thousand one based on what we know today. And that's worst-case scenario.

**Mr. Jeremy Catron** [00:59:46] A site like this didn't like Superfund make it a superfund.

**Mrs. Kristy Johnson** [00:59:49] No, it's not bad enough.

**Mr. Jeremy Catron** [00:59:54] We don't have any evidence of any leaching into the groundwater wells.

**Mrs. Kristy Johnson** [01:00:01] We've done well research. Draper Aden did that. We've done some well research. We don't think there's any involvement there. The sampling of the retention pond is going to be where we really understand the potential there because everything would go that way.

**Mr. Jeremy Catron** [01:00:15] So all of it is associated with things that were considered heavy metals, basically.

**Mrs. Kristy Johnson** [01:00:20] and oils.

**Mr. Jeremy Satterfield** [01:00:21] Yeah, and with the tanks.

**Mrs. Kristy Johnson** [01:00:26] So there's some unknowns. The soil sampling will be very telling and then they're going to do some potential borings of the slab and section B to try and understand the staining. But there is a path forward for the majority of these costs. To be covered.

**Mr. Jeremy Catron** [01:00:42] In the end What is our gut feel for what's going to happen to that, I don't know what that section is what is the square footage in that section.

**Mrs. Kristy Johnson** [01:00:51] Essentially, it's about one hundred thousand acres. And I think that.

**Mr. Jeremy Catron** [01:00:55] Is our gut feel that it's going to be demod.

**Mrs. Kristy Johnson** [01:00:56] No, no, no. I think that there is a clear path forward in the work with DEQ and they feel confident that we will be provided a certificate of satisfactory completion for industrial and commercial use for that future for the entire property. I don't I have not heard of anybody say anything otherwise. And we've had lots of conversations about this. It's just a matter of doing the work to prove that.

**Mr. Jeremy Satterfield** [01:01:20] We got to get there, and we've got to get that Rubber-Stamp first.

**Mrs. Kristy Johnson** [01:01:24] But just those those two uses are the two definitions of uses are the only uses. We're evaluating.

**Mr. Jeremy Satterfield** [01:01:31] The commercial and industrial.

**Mr. Jeremy Catron** [01:01:32] And my questions of just how much money are just going to keep pouring into it.

**Mr. Scott Simpson** [01:01:37] The problem is, if you tear the building down, it's still the ground water or the ground problems.

**Mr. Jeremy Satterfield** [01:01:42] So you still got to take care of that, at some point.

**Mr. Scott Simpson** [01:01:48] It is not like a derelict house next door you just tear down.

**Mrs. Kristy Johnson** [01:01:50] And you absolutely cannot tear it down without tobacco commission approval.

**Mr. Scott Simpson** [01:01:53] Right. Right.

**Mr. Jeremy Satterfield** [01:01:55] We're going to have to go back and get another another price tag.

**Mr. Scott Simpson** [01:01:58] But the structure isn't the issue it is the slab.

**Mr. Jeremy Catron** [01:02:05] But again, not knowing what we spent since day one. What would you cut that all off and say? I don't have any idea.

**Mrs. Kristy Johnson** [01:02:17] I can get some of those answers for you and I'm happy to answer those questions.

**Mr. Scott Simpson** [01:02:24] You said the three localities, I assume, must have both Town of South Boston, Halifax, and the IDA.

**Mrs. Kristy Johnson** [01:02:33] Yes. And the IDA is a county representative for the Brownfield's coalition.

**Mr. Scott Simpson** [01:02:37] So all of the funds and the grant can be used solely for IDA facilities. That's one of those few meetings we had.

**Mrs. Kristy Johnson** [01:02:46] And it can be used in IDA owned facilities as long as they are within each of the localities. Each of the localities has to have money spent on a property within the locality to create a coalition coalition for EPA is three localities. But you're right, that's what this meeting.

**Mr. Scott Simpson** [01:03:03] Those roundtable meetings was. Is it?

**Mrs. Kristy Johnson** [01:03:07] Yeah. Should we get awarded that one to be the next step? And but you should you should be notified of an award very soon. And its usually springtime and then but money doesn't flow till October. But once the money starts flowing it, I mean, once you've executed the agreement, it's like next day.

**Mr. Scott Simpson** [01:03:25] I know in the past we've had meetings. I guess Tom, Carl, myself, you, Lori and Sri that's where we brainstormed on different properties. We may want to explore some. Yes. That will kind of occur again as we know if we have more money to spend.

**Mrs. Kristy Johnson** [01:03:47] Yes, there was an inventory done, our brownfields property inventory and each of the localities put forth properties that they wanted to see included in the brownfields program. And then we collectively prioritized them. And the EPA's brownfield money is typically used for assessment or potential redevelopment dollars for design or something of a project that's already been done. But usually, it pays for a phase one or phase two or some sort of environmental study on a brownfields property. And it doesn't have to be industrial, can be commercial. We've even done in the town of South Boston, we did the Wasky dry cleaners. We did the fire department in South Boston prior to their expansion there. We did the Napa building. There was a lot for the town in South Boston that they were wanting to sell to Napa, but they needed to evaluate it to make sure there wasn't an underground storage tank there because it used to be a gas station. We use the money to pay for that phase one, which then cleared South Boston to sell the property. We did a couple of properties in Halifax. We did the old elementary school. It just is supposed to clear a hurdle or potential hurdle or perceived hurdle of selling or redeveloping a property. It's supposed to help kind of clear the air.

**Mr. Jeremy Satterfield** [01:05:08] Maybe just to help me wrap my head around it. Kristy, I'm not trying to find fault or blame or anything like that, but. How did we move forward on the front half of the property?

**Mrs. Kristy Johnson** [01:05:22] of Daystrom?

**Mr. Jeremy Satterfield** [01:05:29] The renovations we completed up front on the roof and all that stuff between done? And we not have any awareness of this environmental issue in the back part.

**Mrs. Kristy Johnson** [01:05:40] And let me say, we don't know that it is an environmental issue. It's the perception of an environmental issue. So, at this point, I would say we are being proactive. And so, the idea I chose to purchase the property, understanding that there were environmental issues or the perception of environmental issues and that the site had been enrolled and then taken out of the voluntary remediation program previously. The IDA made that choice. And I'll say it again, because it bears repeating, we don't know that there actually is an issue,

**Mr. Jeremy Satterfield** [01:06:16] I guess, but certainly we had some awareness that type of valuation would need.

**Mrs. Kristy Johnson** [01:06:20] to be done and it had been done. It just stopped. If you went, like, halfway and went to the point where it was like, OK, it's not a super fund we can move forward. It was never the as far as I understand, it was never understood that the environmental work was completed, just that there was a general understanding that the building could be used and redeveloped. There were no hurdles that prevented redevelopment.

**Mr. Jeremy Catron** [01:06:49] Thanks.

**Mrs. Kristy Johnson** [01:06:49] You're welcome.

**Mr. Jeremy Satterfield** [01:06:52] I've got to meeting I've got to get to.

**Mrs. Kristy Johnson** [01:06:53] Yeah, I know

**Mr. Jeremy Satterfield** [01:06:54] I pushed back as far as I could go back. I'm good. So, action items that we know we're going to do for the task and we're going to look at all May twenty one meeting. The next Board meeting o that we can take care of the action items that we have from given and we can incorporate those into the May twenty one meeting. At least discuss it at the May twenty one meeting. I'm sorry, everyone good with that?

**Mrs. Kristy Johnson** [01:07:23] Yes, sir. We do have to offer a public comment period.

**Mr. Jeremy Satterfield** [01:07:27] Yes. All right. So, everything else from Mike's concluded executive director reports anything else. But if not, we will jump to public comment.

**Mrs. Kristy Johnson** [01:07:40] Mr. Chair, I received no public comment prior to the meeting, and I'll check to see if there are any participants that would like to. And I see none.

**Mr. Jeremy Satterfield** [01:07:50] OK. All right. So, there's no further comment to be had, whether personally or in person, so we can entertain a motion for adjournment? Do we have to do that roll call style?

[01:08:00] We do.

**Mrs. Kristy Johnson** [01:08:02] We do. So, I need a motion and a second.

**Mr. Jeremy Catron** [01:08:05] Just one thing, the next meeting date?

**Mr. Jeremy Satterfield** [01:08:11] Let's look at it.

**Mr. Jeremy Catron** [01:08:14] If it needs to be three months I understand.

**Mr. Jeremy Satterfield** [01:08:17] let's let's let's look at and we can decide.

**Mr. Jeremy Satterfield** [00:00:00] So let's look, at June, if if the Finance Committee meets to meet in May and June in preparation of a budget cycle, then maybe we can push through. We can have smaller non-committee-based meetings.

**Mrs. Kristy Johnson** [00:00:18] They were happy to meet one on one at any time.

**Dr. Nettie Simon-Owens** [00:00:21] OK. And I would like to request that we consider the and the restrictions review at our meeting.

**Mr. Jeremy Satterfield** [00:00:30] I'm sorry to hear you what did you say.

**Dr. Nettie Simon-Owens** [00:00:33] I would recommend that we consider looking at the covenants and deed restrictions.

**Mr. Jeremy Satterfield** [00:00:39] Oh, I mentioned earlier for Southern Virginia Technology Park for that.

**Mrs. Kristy Johnson** [00:00:46] That's going to be a huge issue. We're going to have to prioritize. You know, if we're looking at property and building inventory deeds and covenants, we can certainly go ahead and share that now for you all to be thinking on it.

**Mr. Jeremy Satterfield** [00:00:57] OK, yeah,

**Dr. Nettie Simon-Owens** [00:00:58] That's what I'm thinking about. Thank you.

**Mr. Jeremy Satterfield** [00:01:00] All right. OK,

**Mr. Jeremy Catron** [00:01:07] Motion we adjourned.

**Dr. Nettie Simon-Owens** [00:01:10] Second.

**Mrs. Kristy Johnson** [00:01:11] Mr. Satterfield.

**Mr. Jeremy Satterfield** [00:01:13] Yes.

**Mrs. Kristy Johnson** [00:01:14] Mr. Catron

**Mr. Jeremy Catron** [00:01:15] Yes

**Mrs. Kristy Johnson** [00:01:15] Dr. Nettie Simon-Owen.

**Dr. Nettie Simon-Owens** [00:01:16] And yes.

[00:01:18] Thank you.