

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 8, 2023

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 206, Danville, Virginia. Present were City of Danville Members Chairman J. Lee Vogler, Jr., Sherman M. Saunders, and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Vice Chairman William V. Ingram, Robert Tucker and Alternate Darrell Dalton.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, County Administrator Stuart Turille, City of Danville Chief Financial Officer Michael Adkins, City of Danville Accountant Tiffany Swanson-Jones, City of Danville Accountant Meredith Franklin, Pittsylvania County Director of Finance Kim Van Der Hyde, City of Danville Director of Economic Development Corrie Bobe, Danville Assistant Director of Economic Development Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, Legal Counsel to the Authority Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden, Brian Bradner and Carolyn Howard from Dewberry, and Linda Green from SVRA.

Chairman J. Lee Vogler, Jr., presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE MARCH 13, 2023 REGULAR MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Ingram, Minutes of the March 13, 2023 Regular Meeting, were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2023-05-08-5A APPOINTING STUART J. TURILLE, JR., AS THE COUNTY ADMINISTRATOR OFFICER

Legal Counsel to the Authority Michael Guanzon explained that the by-laws provide for the County Administrator Officer of RIFA; when that office became vacant, Vaden Hunt held it as the Interim County Administrator. The Board of Supervisors hired Mr. Turille, and under the by-laws, the Board needs to vote and appoint Mr. Turille as the RIFA County Administrator Officer.

Mr. Ingram **moved** for adoption of *Resolution No. 2023-05-08-5A, appointing Stuart J. Turille, Jr., as the County Administrator Officer of the Authority.*

The **Motion** was seconded by Mr. Tucker and carried by the following vote:

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 8, 2023

5B. CONSIDERATION OF RESOLUTION NO. 2023-05-08-5B AUTHORIZING EXECUTION OF A PERFORMANCE AGREEMENT FOR A VBRSP GRANT FROM VEDP FOR \$1,500,000

Pittsylvania County Director of Economic Development Matt Rowe noted for clarification, this would not be for Lots 1 and 2 of the Project, but for the entire industrial park. In the past, this Board authorized and approved Mr. Larking and Mr. Hunt to move forward with negotiating with the Virginia Economic Development Partnership on this particular grant agreement. With everyone's guidance, staff reached an agreeable point between RIFA and VEDP. They have an understanding on the scope, and that has been identified in the grant. At this point, staff was asking for authorization to execute. There will be additional items in today's agenda, based upon the negotiated budget, and how to actively utilize those funds. This allows RIFA to take a park from shovel ready status, where it was now, and continue to address additional due diligence items that further development.

Mr. Tucker **moved** for adoption of *Resolution 2023-05-08-5B, authorizing the Chairman of the Authority to execute a Performance Agreement for a \$1,500,000.00 VBRSP Site Development Grant from the Virginia Economic Development Partnership for the Authority's Southern Virginia Megasite at Berry Hill Lots 1 and 2 project, located in Pittsylvania County, Virginia, in furtherance of Resolution No. 2023-05-08-5C.*

The Motion was **seconded** by Mr. Ingram and carried by the following vote:

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

5C. CONSIDERATION OF RESOLUTION 2023-05-08-5C, APPROVING TROUTMAN PEPPER HAMILTON SANDERS LLP AS SPECIAL COUNSEL TO THE AUTHORITY

Mr. Guanzon stated now that the application was approved by RIFA, this Resolution was to hire as special legal counsel, the law firm of Troutman Pepper Hamilton Sanders, customarily known as Troutman Pepper. VEDP strongly recommended that RIFA engage legal counsel that specialized in this type of work, to give guidance to RIFA and to Dewberry, who prepared the draft application for the environmental permits. They were very experienced, not only in putting together and reviewing these types of applications, but they have a lot of history with the various government agencies that will be reviewing them; they have a lot of industry experience and knowledge as to what would be the most favorable presentation of the application. The budget for this work was about \$25,000, and the cost would be reimbursed from the \$1.5M grant. If approved, staff will go ahead and obtain an engagement letter with Troutman.

Mr. Saunders asked Mr. Guanzon how he felt about this and Mr. Guanzon stated he thought it was good; although he has been asked to assist in a very generalized area, this was very specialized and outside of what he and his firm focus on. This was the strong recommendation of VEDP; his role would be to work with Dewberry and RIFA staff, making sure they were keeping the law firm informed.

Dr. Miller asked if that \$25,000 was all they were charging and Mr. Guanzon noted that was what staff budgeted based on the grant and what they expected; when RIFA lands the next

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 8, 2023

recruit, they would have to re-engage them for additional services. There were about 1,100 pages of a draft application; they will look at it, and make suggestions as to how to make it look more favorable to attract someone. What was put in the application has to fit the actual company that was coming in, their layout, their purposes and questions like that. The number of steps that RIFA can get out of the way now, the better as these things happen so quickly. Mr. Rowe noted they do have a buffer for this; the actual amount budgeted in the grant was \$50,000; if additional work needed to be done based on the additional due diligence, RIFA has another \$25,000 budgeted.

Mr. Saunders **moved** for adoption of *Resolution No. 2023-05-08-5C, approving the selection of Troutman Pepper Hamilton Sanders LLP as special counsel to the Authority regarding the Authority's environmental permit application for the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, where such fees paid to special counsel will be reimbursed from Virginia Economic Development Partnership Virginia Business Ready Sites Program grant funds.*

The Motion was **seconded** by Mr. Ingram and carried by the following vote:

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

5D. CONSIDERATION OF RESOLUTION 2023-05-08-5D, APPROVING AMENDMENT NO. 35-A, DATED MAY 1, 2023, WITH DEWBERRY ENGINEERS INC.,

Brian Bradner from Dewberry Engineers explained this was a revision to the Amendment that RIFA approved in February; the approval in February was subject to the finalization of the performance agreement as associated with the grant. In the packet was a red-lined copy with final additions that were made to the Amendment; those additions were a coordination Dewberry will be doing with Troutman Pepper. In addition, there were some updates that needed to be made to the draft wetland application; that was also covered in the grant. Mr. Guanzon noted in the February version, which was Amendment No. 35, this was 35-A, because of the grant, there were additional services, and the total amount from the February to today's was a difference of \$27,000; that difference would be covered by the \$1.5M grant.

Mr. Ingram **moved** for adoption of *Resolution No. 2023-05-08-5D, approving Amendment No. 35-A, dated May 1, 2023, with Dewberry Engineers Inc., a New York corporation, for engineering services related to the Mega Park Master Plan Southern Virginia Megasite at Berry Hill, to provide due diligence services for the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, at a lump sum aggregate fee of \$732,000.00.*

The Motion was **seconded** by Mr. Tucker and carried by the following vote:

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 8, 2023

5E. CONSIDERATION OF RESOLUTION NO. 2023-05-08-5E, APPROVING AMENDMENT NO. 36, DATED MAY 1, 2023, WITH DEWBERRY ENGINEERS INC.,

Mr. Bradner noted the Williams Transco Natural Gas Line crosses through the Megasite; this item was to create an easement plat that accurately depicts the location of where that easement went through the park. Mr. Rowe noted this was not covered by the grant, it was covered by proceeds of income from logging.

Mr. Saunders **moved** for adoption of *Resolution No. 2023-05-08-5E, approving Amendment No. 36, dated May 1, 2023, with Dewberry Engineers Inc., a New York corporation, for engineering services related to the Mega Park Master Plan Southern Virginia Megasite at Berry Hill, to provide an easement plat and legal description showing the Transco easement for Tax Parcel Nos. 1367-30-1931 and 1356-75-0037, owned by the Authority and located in Pittsylvania County, Virginia, at a lump sum fee of \$7,500.00.*

The Motion was **seconded** by Mr. Ingram and carried by the following vote:

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

5F. FINANCIAL STATUS REPORT AS OF APRIL 30, 2023

Authority Treasurer Michael Adkins gave the Financial Status report as of April 30, 2023, noting since RIFA did not have a meeting last month, he will include any significant expenditures for both months in the comments. The \$7.3M Bonds for Cane Creek had no activity for March or April. Under General Expenditures for this fiscal year, RIFA paid \$29,128 to Christian & Barton for legal services, a total for March and April of \$693.00 to the Institute for meals, and for March and April, a total of \$332 to the City for utilities. Under Funding Other than Bonds for Berry Hill, for March, RIFA expended \$68,700 to Dewberry for work under Amendment #33, and the ALTA Survey. Lot 4 Site Development had no activity for March and April. Lots 1 and 2, RIFA expended a total of \$18,750 to Dewberry Engineers for work done under Amendment #30, and to Jimmy Lynch & Sons, there were three large expenditures for pay applications No. 9, 10 and 11; all three totaled \$1,288,830. Water and Sewer at Berry Hill had no expenditures for March or April, and Cyber Park Site Development for work related to Lot 7B, RIFA paid Dewberry \$9,600, and to Sellars Brothers, their payment application No. 6 was \$110,560. Rent, Interest and Other Income show RIFA received the monthly rent for March and April from the Institute for the Hawkins' Building of \$24,352, and the monthly payment of \$1,500 for storage rent from AEP. Mr. Adkins stated he mentioned at the last meeting that staff re-activated RIFA's money market account because interest rates were favorable now. For the month of March, that account earned just under \$4,600 in interest, and for April, the interest was about \$8,800. In addition, timber sales for the month of March, RIFA received three payments from Hopkins' Lumber for \$71,399, and in April received four payments totaling \$97,532. RIFA also made payments to the Institute for the Hawkins' Building maintenance of \$24,352.

Mr. Saunders **moved** to accept the Financial Report as presented; the Motion was **seconded** by Mr. Ingram and carried by the following vote:

VOTE: 4-0

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 8, 2023

AYE: Ingram, Tucker, Saunders, Vogler (4)

NAY: None (0)

5G. PRESENTATION OF AUDIT OF THE AUTHORITY'S FINANCIAL STATEMENTS FOR YEAR ENDING JUNE 30, 2022.

Mr. Adkins noted normally someone from Brown, Edwards would be here to present the Audit, but this was about four months later than usual, and they didn't want to delay it any longer. There were three reports that make up the audit report; the first one titled, Financial Report, contained all the financial statements. The most important thing was on the first page, second paragraph which was their opinion; it was clean, with no issues. The next document was the Required Communications from the Auditor to the Governing Board; this was where they would report any difficulties they had, or any findings; there were no significant audit findings, and they had no difficulty completing the audit. There was one item that was immaterial, it was \$66,000 of grant revenue which staff recognized in FY 2022, it could have been recognized in FY 2021. RIFA grants were reimbursement based, so as soon as RIFA spends money that qualifies under a grant, they can show that as income. The last report was the Annual Report of Internal Controls, and there was nothing new there. RIFA has very limited staff between the City and County, they segregate duties as much as possible, and feel like they have them segregated enough, but they always point that out as a concern.

Mr. Saunders **moved** to accept the Audit Report as presented; the Motion was **seconded** by Mr. Ingram and carried by the following vote:

VOTE: 4-0

AYE: Ingram, Tucker, Saunders, Vogler (4)

NAY: None (0)

5H. CONSIDERATION OF RESOLUTION NO. 2023-05-08-5H, APPROVING ONSITE STREAM AND WETLAND MITIGATION SOLUTION PROPOSAL WITH HGS, LLC

Mr. Bradner noted they talked earlier about the draft of the wetland permit application, staff being as ready as they can, and checking as many boxes; this item was important in terms of having a wetland application ready. HGS, which he refers to as RES, was a very large turnkey provider for large scale mitigation solutions. This was an important component for any private submission that RIFA will have in the future for wetland permit applications. They have very strong inside knowledge of the regulatory environment in terms of speed in getting approval. What was included in this proposal was two parts: one was an onsite portion and then an offsite portion. For the onsite portion, they would be utilizing areas of the Megasite that normally would be undeveloped, for purposes of mitigation. For certain projects there was a strong contention that RIFA will also need off site credits and that was where RES comes in for turnkey solutions. This has also been reviewed by VEDP and was funded by the grant.

Mr. Larking stated this was for design work only, it was not to build anything and Mr. Bradner noted that was correct; it was design work to get what was required for submission of a future wetland. Mr. Larking stated there was a scope for the first part, the \$183,000, which was inside the park, but they do not have a scope for the \$300,000 that was coming forward later, which he believed would have to be separately approved if RIFA was to spend any of that \$300,000. Mr. Guanzon noted the way the resolution was written, it would be voluntary to bring it back to the board, it was not necessary. If the City Manager and County Administrator

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 8, 2023

wanted to come back before spending, they could. Mr. Bradner noted the onsite areas that they will utilize were areas that had never been envisioned in terms of developing. One way to look at that was by taking this approach, RIFA was maximizing the use of resources they currently have, for a very necessary purpose. Mr. Guanzon stated they weren't being used because of topography or other reasons; if RIFA wasn't going to be using it for development, they can maximize it.

Mr. Vogler noted as it relates to this grant, one of the earlier things they talked about, the cost was \$25K, they budgeted up to \$50K; this one was budgeted up to \$483,000; if some of these things RIFA has budgeted for come in under budget, what happens to the carryover money. Mr. Rowe stated they have to renegotiate that with VEDP; with conversations staff has had with them, they have been blunt on how they want these funds to be utilized on site.

Mr. Ingram **moved** for adoption of *Resolution No. 2023-05-08-5H, approving Onsite Stream and Wetland Mitigation Solution Proposal with HGS, LLC, a wholly-owned subsidiary of Resource Environmental Solutions, LLC, a Louisiana limited liability company, for onsite and offsite stream and wetland mitigation solutions services for the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania County, Virginia, at a fee not to exceed \$483,000.00.*

The Motion was **seconded** by Mr. Tucker and carried by the following vote:

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

6. CLOSED SESSION

At 12:46 p.m. Mr. Tucker **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]

- A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects, located in Pittsylvania County, Virginia, and/or Danville, Virginia; and
- B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 8, 2023

under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Southern Virginia Megasite at Berry Hill project, Cyber Park project and/or Cane Creek Centre project, where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2- 3705.1(8) (appraisals and cost estimates of real property in one or more of the Authority's projects subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and

- C. As permitted by Virginia Code § 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and
- D. As permitted by Virginia Code § 2.2-3711(A)(8) for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel; and
- E. As permitted by Virginia Code § 2.2-3711(A)(29) for discussion of the award of a public contract involving the expenditures of public funds where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

The Motion was **seconded** by Mr. Ingram and carried by the following vote:

VOTE: 4-0
AYE: Ingram, Tucker, Saunders, Vogler (4)
NAY: None (0)

RETURN TO OPEN SESSION

On **Motion** by Mr. Saunders and **second** by Mr. Tucker and by unanimous vote at 1:50 p.m., the Authority returned to open meeting.

Mr. Ingram **moved** for adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 8, 2023

The Motion was **seconded** by Mr. Tucker and carried by the following vote:

VOTE: 4-0

AYE: Ingram, Tucker, Saunders, Vogler (4)

NAY: None (0)

7. COMMUNICATIONS

Mr. Ingram noted it was a good meeting, this Board has a good relationship. There were some things they could do better to strengthen the City and County relationship; that was a continuing, ongoing process. He was very grateful to be part of it.

Mr. Tucker noted he was excited about the direction of RIFA, about all of the projects and excited about the future.

Mr. Saunders noted his agreement with what has been said and was glad to be here.

Mr. Dalton thanked everyone for all they do.

Mr. Vogler noted his agreement, it was a great meeting, it was an exciting time for this region. The people in this room were a great team, and he enjoyed working with him.

Meeting adjourned at 2:04 p.m.

APPROVED:

s/ J. Lee Vogler, Jr.
Chairman

s/ Susan M. DeMasi
Secretary to the Authority