DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
June 12, 2023

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:14 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., and Alternate Dr. Gary P. Miller (arrived at 12:16 p.m.). Sherman M. Saunders was absent. 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 and Authority Treasurer Michael Adkins, City of Danville Accountants Meredith Franklin and Jaime Pritchett, 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. Secretary to the Authority Susan DeMasi was absent. Also present were Shawn Harden and Carolyn Howard from Dewberry, Linda Green from SVRA, Council Member Madison Whittle and Delegate Danny Marshall.

Chairman J. Lee Vogler, Jr., presided.

Mr. Vogler noted as the Authority Secretary was absent, under paragraph 5 of Article VI of the By-Laws, he directed Authority Treasurer Michael Adkins to fill in as Secretary.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE MAY 8, 2023 REGULAR MEETING

Upon **Motion** by Mr. Ingram and **second** by Mr. Tucker, Minutes of the May 8, 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. 2023-06-12-5A APPROVING GRANTING TO THE CITY OF A UTILITY EASEMENT AT 211 SLAYTON AVENUE

Legal Counsel to the Authority Michael Guanzon explained the City of Danville already has a general utilities easement for the part of the Center for Manufacturing Advancement at the Cyber Park. This was to grant a more specific easement to service that building and other areas of the Cyber Park.

Mr. Tucker **moved** for adoption of *Resolution 2023-06-12-5A, approving the Grant to the City of Danville, Virginia, of a Non-Exclusive, Permanent 10-Foot Wide Electrical Utility Easement to serve that Certain Real Property Owned by the Authority (Tax Parcel ID 78567, 211 Slayton Avenue), and the building commonly known as the Center for Manufacturing Advancement, located in the Authority's Cyber Park Project in Danville, Virginia.*

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

VOTE:	3-0
AYE:	Ingram, Tucker, Vogler (3)
NAY:	None (0)

5B. CONSIDERATION OF RESOLUTION NO. 2023-06-12-5B APPROVING AN OPTION AND GROUND LEASE AGREEMENT WITH CROWN CASTLE TOWERS

Pittsylvania County Director of Economic Development Matt Rowe explained this was for an option and ground lease agreement with Crown Castle Towers. Staff provided the Board with their proposed ground lease arrangement and the Board directed it to be reviewed by Legal Counsel; they were ready to go back with their proposed changes and revisions. Overall, they would say what was presented was mostly reasonable with some additional revisions, and dealing with the indemnification component. What was proposed was about a 2,000 square foot ground lease area on Lot 7; it was not within the development footprint. This was an advantageous area for Crown and for RIFA; it was some of the higher ground in the park. There would be an option period of 24 months with an option fee of $1,000. This was RIFA saying yes, they want to enter into this ground lease pending final review and negotiation from their counsel, with Crown. Part of that negotiation for the County team was looking at a provision for potential co-location of equipment on the tower. There has been a need for some additional emergency response components in that area; all that will be taken into consideration as part of this process.

Mr. Guanzon noted the $1,000 was just for them to take a look at that to make sure it serves their needs; that area does need a cell tower. The annual rent, if they choose to proceed, was $21,000 per year for a period of five years; they were trying to negotiate a better escalator clause so that annually, it will increase the rent. They want a 2% increase and staff did some research on what this company does with other localities, and feels they can increase that amount of the escalator clause. There were a few more business things but there were no deal killers; the other terms seem to be acceptable to staff, it was just a matter of going through the negotiations.

Mr. Ingram questioned if there was anything that would inhibit RIFA from taking control, when the times comes, where they could put antennas on that tower for emergency services. Mr. Guanzon noted this was going to be a ground lease, the company will own the tower, RIFA will own the land underneath. There were nine renewals of five years each, it was a long term item. RIFA can terminate the lease with one year's notice, that could be part of the negotiations. Mr. Larking questioned if RIFA can require them to reserve the space for emergency communications and Mr. Guanzon explained it was difficult because it depended on the size it would take, the location on the tower and whether they have any other type of arrangements to put other things on the tower.

Mr. Rowe noted that was typically done through the zoning process, so they will have to get a special use permit for the height and that was where they could add on those conditional requirements. For example, a lot of these towers may have three of four co-locator spaces and it could be designated that they have to reserve one for emergency purposes.

Mr. Vogler noted in terms of the location, none of this will inhibit in any kind of way what RIFA was trying to do and Mr. Rowe noted it would not.

Mr. Tucker **moved** for adoption of *Resolution 2023-06-12-5B, approving the negotiation, execution and delivery of an option and ground lease agreement with Crown Castle Towers 06-2 LLC, a Delaware limited liability company, for the construction and operation of a communications facility on a portion of that certain real property containing approximately 2,000 square feet (part of GPIN 1356-75-0037) in the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, with an option period of 24 months and option fee equal to $1,000.00.*

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

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

<u>5C. CONSIDERATION OF RESOLUTION 2023-06-12-5C, APPROVING THE FISCAL YEAR 2024 GENERAL EXPENDITURES BUDGET</u>

Authority Treasurer Michael Adkins noted each year the board approves an administrative expense budget, and the only two changes were the funding. In the past several fiscal years, the County and the City have both budgeted $75,000 each towards these expenses. For Fiscal Year 2024, it was increased to $100,000 for each locality; staff has budgeted out $200,000. They did add a line for marketing; RIFA has been reimbursing the County and City for various marketing expenses, primarily at Berry Hill, so they have budgeted $40,000 as a starting place for next fiscal year. There was also a page included that explained what each line item was used for. Mr. Adkins noted typically, the more activity they have, the more legal fees, the more marketing etc., so they were pulling money from the unrestricted fund balance to cover administrative expenses through the year. The amounts were higher, but RIFA has spent it in the past and was budgeting for it. Mr. Guanzon stated when RIFA does have a potential recruit, those were what the additional marketing expenses come up at the last minute for.

Mr. Tucker **moved** for adoption of *Resolution No. 2023-06-12-5C, approving the Fiscal Year 2024 General Expenditures Budget. (No written resolution).*

The Motion was **seconded** by Dr. Miller and carried by the following vote:

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

<u>5D. FINANCIAL STATUS REPORT AS OF MAY 31, 2023</u>

Mr. Adkins introduced Meredith Franklin who recently joined the Finance Department at the City as one of the accountants, and also Jaime Pritchett, she was a new accountant and will eventually transition into handling all the accounting for RIFA.

Authority Treasurer Michael Adkins gave the Financial Status report as of May 31, 2023, noting the $7.3M Bonds for Cane Creek had no activity for May. Under General Expenditures for Fiscal Year 2023, RIFA issued a check to Brown, Edwards for the final payment for Fiscal Year 2022 Audit in the amount of $16,025, and paid the monthly utilities to the City of Danville of $190.28. Mr. Adkins noted the right column shows RIFA has overspent the budget, which happens every year, with marketing and legal fees related activity. In conjunction with approving the Financial Report he would like the Board to make a motion to allow staff to pull from unrestricted fund balance to cover whatever that amount was at the end of June. Staff will be closing out and paying Fiscal Year 2023 invoices through August or the first of September. They would like to have a blanket motion in place to cover any overages, from unrestricted fund balance. Under Funding Other than Bonds for Berry Hill, RIFA had a payment to Dewberry for work under Amendments #32 and #34 with a total payment of $32,835; also to Stantec Consulting for an asbestos survey for $2,400. Lot 4 Site Development had no activity for May. Under Lots 1 and 2, RIFA had a payment of $6,250 to Dewberry Engineers for work done under Amendment #30. Staff was able to start drawing down on their Tobacco Commission Grant, they did their second draw and received $631,000 from that grant for reimbursement of expenses related to Lots 1 and 2. Water and Sewer at Berry Hill and Cyber Park Site Development had no expenditures for May. Rent, Interest and Other Income show RIFA received the monthly rent for May from the Institute for the Hawkins' Building of $24,352.44, and the monthly storage rent of $1,500 from AEP. The money market account earned $6,878.53 in interest for April, RIFA received five payments from Hopkins' Lumber for timber sales for the month of May of just under $69,000. Under Expenses was the Hawkins' Building Maintenance Fee paid to the Institute for $24,352.44. Mr. Adkins noted the Unrestricted Fund Balance shows a recent increase because timber sales were almost up to $1.17M.

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

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

Mr. Guanzon explained if the chairman, Mr. Vogler, could call for a motion to authorize the pulling of funds from the unrestricted funding sheet to pay for the expenses which have exceeded the budget for those particular items.

Mr. Vogler called for that motion; Dr. Miller **moved** that the Board authorize the pulling of funds from the unrestricted funding sheet to pay for the expenses which have exceeded the budget for those particular items; the Motion was **seconded** by Mr. Ingram and carried by the following vote:

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

6. CLOSED SESSION

At 12:30 p.m. Mr. Ingram **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 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. Tucker and carried by the following vote:

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

<u>RETURN TO OPEN SESSION</u>

On **Motion** by Mr. Ingram and **second** by Mr. Tucker and by unanimous vote at 1:51 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.

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

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

7. COMMUNICATIONS

Staff

Mr. Larking noted staff has talked about updating the strategic plan. (Mr. Larking distributed a handout to the Board). A lot has happened in the last five years and they want to have a plan that covers the points outlined but also others as well. Staff believed it was time to do an update as many factors have changed since the last time. However, what staff learned from the last time, while they like some parts of the plan, there were other parts that were not done well. Five years ago, RIFA went through an RFP process; when that happens, usually a consultant team puts a group together with the lead consultant and several subconsultants that produce the report together. What staff would like to do was to be able to create their own team, select a lead consultant and direct them to work with certain other consultants that staff feels were the best to work with, that would produce the kind of report they were looking for. Mr. Larking noted he was asking for the Board to not use a traditional RFP process to select a vendor but to assemble a team. Once they did that they would have to negotiate terms and come back to the Board for approval of the budget. What was listed was part of the scope; they were writing some other things that would be included as well, as it was discussed with staff. The Board noted their approval of staff assembling their own consulting team.

Board Members

Mr. Ingram noted he was grateful for the volume of good work that the staff does.

Mr. Tucker thanked staff for their hard work and opportunities they present to the Board.

Mr. Dalton thanked everyone, the whole team and encouraged them to keep up the good work.

Dr. Miller thanked the staff for continuing their hard work.

Mr. Vogler noted he would not trade this team for any other one; it was a great group of people, working together. It was a wonderful thing, not always common in other places and he was thankful for that.

Meeting adjourned at 1:57 p.m.

APPROVED:

s/ J. Lee Vogler, Jr.
Chairman

s/ Susan M. DeMasi
Secretary to the Authority