

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 11, 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., Sherman M. Saunders and Alternate Dr. Gary P. Miller; Pittsylvania County Members present were Vice Chairman William V. Ingram and Robert Tucker, Alternate Darrell Dalton was absent. *Mr. Ingram entered the meeting at 12:43 p.m.*

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, Pittsylvania County Director of Economic Development Matt Rowe (via zoom), Legal Counsel to the Authority Attorney Michael C. Guanzon and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry, and Linda Green (via zoom).

Chairman J. Lee Vogler, Jr., presided.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE AUGUST 14, 2023 REGULAR MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Tucker, Minutes of the August 14, 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. 2023-09-11-5A APPROVING THE SECOND AMENDMENT TO THE CONSTRUCTION MATERIALS STORAGE LEASE WITH APPALACHIAN POWER COMPANY

Authority Attorney Michael Guanzon explained this was the second amendment to the Construction Materials Storage Lease with Apco; they want to extend the lease for their supplies, at a monthly lease rate of \$1,500.00. Staff added some stipulations similar to what was in the former sod leases at the SVM, that if RIFA has a prospect to view the site, and they hear about who they were, it will be under a confidentiality agreement. Also, RIFA would give them sixty days notice if they have a prospect, then RIFA can early terminate the year; if they paid in advance, RIFA would pro rate to the end of the month and give them a refund for that.

Mr. Tucker **moved** for adoption of *Resolution 2023-09-11-5A, a Resolution approving the Negotiation, Execution and Delivery of a Second Amendment to that certain construction Materials Storage Lease Agreement with Appalachian Power Company, approved under Resolution No. 2021-10-10-5D, for an additional period of up to nine months at a lease rate of \$1,500.00 per Month, to complete certain Transmission Line and Substation Construction Activities at the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania*

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County, Virginia, Including without limitation restoring the lease premises by replacing the existing gravel with new grass and closing out Environmental Permitting.

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

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

5B. CONSIDERATION OF RESOLUTION 2023-09-11-5B APPROVING AN AMENDMENT TO A LOCAL PERFORMANCE AGREEMENT WITH MEP

Mr. Saunders **MOVED to TABLE** Resolution 2023-09-11-5B, a Resolution approving an Amendment to that certain Local Performance Agreement dated June 14, 2021, by and among the Authority, the Industrial Development Authority of Danville, Virginia, a Political Subdivision of the Commonwealth of Virginia, the City of Danville, Virginia, a Virginia Municipal Corporation, the Industrial Development Authority of Pittsylvania County, Virginia, a Political Subdivision of the Commonwealth of Virginia, the County of Pittsylvania, Virginia, a Political Subdivision of the Commonwealth of Virginia, and Making Everything Possible, LLC, a Virginia Limited Liability Company, approved under Resolution No. 2021-06-14-5D, where Making Everything Possible, LLC's performance criteria will be updated and no further incentives from the Authority will be added.

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

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

5C. FINANCIAL STATUS REPORT AS OF AUGUST 31, 2023

Authority Treasurer Michael Adkins gave the Financial Status report as of August 31, 2023, beginning with the \$7.3M Bonds for Cane Creek which had no activity for August. Under General Expenditures for Fiscal Year 2023, RIFA paid Christian and Barton for services provided for March, April, May and June in the amount of \$73,548.50. Mr. Adkins noted there was a negative unexpended/unencumbered amount; several meetings ago staff had moved funds from the Unrestricted Fund Balance to cover the overages. General Expenditures for Fiscal Year 2024 showed three items paid in August: a legal bill from Christian and Barton for services for July for \$8,936.50, meals of \$439.14 and monthly utilities of \$155.71. Funding Other than Bonds for Berry Hill had a payment to Troutman Pepper for legal assistance on the environmental permit of \$11,410.00. Lot 4 Site Development had no expenditures for August; Lots 1 and 2 showed a payment to Jimmy Lynch and Sons of \$321,111.99; Water and Sewer had no activity for August. The Cyber Park showed no activity for the month of August. Rent, Interest and Other Income for Fiscal Year 2024 showed RIFA received four payments from Hopkins Lumber for timber sales totaling \$84,493.51, and RIFA also paid the Hawkins' Building monthly maintenance of \$23,342.11.

Dr. Miller questioned if RIFA was getting a good price on the lumber sales, and Mr. Guanzon noted the amount received depended on the amount and the type of timber. RIFA has a

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consulting agreement with a timber consultant who lets staff know what was a good price, what was market, and interfaces with the company that harvests it.

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

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

6. CLOSED SESSION

At 12:20 p.m. Mr. Saunders **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

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

RETURN TO OPEN SESSION

On **Motion** by Mr. Saunders and **second** by Mr. Tucker and by unanimous vote at 1:09 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. Saunders and carried by the following vote:

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

7. COMMUNICATIONS

Staff

Authority Secretary Susan DeMasi noted the October RIFA meeting would usually be on Monday, October 9th which was Columbus Day, and a city and county holiday. Staff would normally move the meeting to Tuesday the 10th, however, City RIFA members will be returning from the VML conference that day, so staff would like to move it to Wednesday, October 11th.

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The November RIFA meeting was scheduled for Monday, November 13th, which falls on VACO's annual conference.

Ms. Green noted the Governor's groundbreaking for the RTC at the Institute will be on the 11th with both Senators and possibly the Governor and Governor's staff attending, but did not have specifics on time. Mr. Guanzon explained RIFA by-laws provide that if it was a city or county holiday, it gets pushed to the next day. Because there will not be enough members for a quorum, then the Chairman can choose which date will work for everyone. Mr. Vogler noted staff had the ability between now and then to adjust the time if they want to and Mr. Guanzon noted they just needed five days to notice the meeting, but also needed to check with the Institute to make sure they can accommodate the meeting. Mr. Vogler noted they would keep the meeting on the 11th and if the time needed to be altered around the groundbreaking they can do that. Mr. Guanzon stated if they commit to that, suggested members block the day if they can, to make sure they have a quorum; if that time was not available for one of the members, to please let the Secretary know so staff can make sure there was a quorum at the meeting.

Ms. DeMasi noted the November RIFA meeting had the same situation with VACO's annual meeting; they did not know which county members would be attending and it was up to the Chairman on whether to move the meeting from Monday the 13th to Wednesday the 15th to accommodate the county members. Mr. Vogler noted they will leave the November meeting at its original date and revisit it again at the October meeting.

Authority Board

Mr. Tucker noted he was glad to be here and kudos to the entire team for all the hard work they do, they were appreciated.

Mr. Saunders thanked the staff and team for an excellent job and thanked the Board for the work they do.

Dr. Miller noted the staff was doing a great job, and they appreciate it.

Mr. Larking noted it would not be possible for staff to do all the work without the support of the elected officials that provide the resources to make it happen; it was definitely a team effort.

Mr. Vogler thanked everyone, it was an awesome team. Mr. Vogler noted today was 9/11, twenty-two years ago were the attacks, and he would like staff to pause for a moment of silence to remember those who lost their lives twenty-two years ago.

Meeting adjourned at 1:19 p.m.

APPROVED:

s/ J. Lee Vogler, Jr.
Chairman

s/ Susan M. DeMasi
Secretary to the Authority