

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 13, 2024

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 Vice Chairman Sherman M. Saunders, J. Lee Vogler, Jr. and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Chairman William V. Ingram, Robert Tucker and Alternate Darrell Dalton.

City/County staff members attending were: City Manager Ken Larking, Interim County Administrator Dave Arnold, Pittsylvania County Director of Finance Kim Van Der Hyde, Authority Treasurer Michael Adkins, City of Danville Accountants Meredith Franklin and Jaime Pritchett, City of Danville Director of Economic Development Corrie Bobe, 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 Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner, Shawn Harden and Joseph Snead from Dewberry, and Linda Green.

Chairman William V. Ingram presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE APRIL 8, 2024, REGULAR MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Tucker, Minutes of the April 8, 2024, Regular Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION 2024-05-13-5A REVISING THE AUTHORITY BY-LAWS

Legal Counsel to the Authority Michael Guanzon explained this item was for proposed amendments to the by-laws. Two years ago, the Board set up the positions of City Manager Officer and County Administrator Officer; that was supposed to help with items that were more routine. Staff recommends that the Board empower the City Manager Officer and the County Administrator Officer, jointly, to sign certain contracts on behalf of RIFA; the RIFA Treasurer would have to make sure there was money available, and it would need to have legal approval from the Legal Counsel.

Mr. Vogler **moved** for adoption of Resolution 2024-05-13-5A, *a Resolution further revising the Amended and Restated Bylaws of the Authority adopted August 13, 2007, and last revised December 12, 2022, by adding Paragraph 6(d) of Article IV ("Officers"), granting the City Manager Officer and the County Administrator Officer of the Authority to execute certain administrative contracts between the Authority and the member localities in the ordinary course of business in support of and/or in accordance with resolutions of the Authority's Board of Directors.*

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The Motion was **seconded** by Mr. Tucker.

Mr. Ingram noted that the Authority had given the two officers the authority to go up to \$100,000. Mr. Adkins noted it was \$100,000 for the month, and Mr. Larking noted no more than \$50,000 per one expenditure. Mr. Guanzon stated the RIFA Treasurer would have to make sure funds were available, it would take both officers jointly together to act and they would have to report at the next regular RIFA meeting to inform the Board.

The **Motion** was carried by the following vote:

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

5B. CONSIDERATION OF RESOLUTION 2024-05-13-5B APPROVING CHANGE ORDER NO. 1 WITH THE VEDP AT THE SOUTHERN VIRGINIA MEGASITE

Pittsylvania County Director of Economic Development Matt Rowe explained this item was for the new gas interceptor station, an estimate for that. Mr. Larking had provided updates in the past looking at the continued infrastructure improvements at the site; staff has been looking at how to reduce the financial impacts to RIFA. One of the things they have been able to do was to negotiate with VEDP to take cost savings from the grading of the Lot 1 pad and apply that towards this initial study cost, which will then determine what that final estimated construction cost will be. They have a VBRSP, a Virginia Business Ready Sites Program grant for Fiscal Year 2022 in the queue that they were able to work with staff to release about \$30,000 from.

Brian Bradner from Dewberry noted Fifth Mountain was a consultant that specialized in this type of work; Southwestern Virginia Gas was the service provider for the site. Staff was working and collaborating directly with Fifth Mountain and providing information they needed; right now, they were on schedule to have this finished in about two weeks. Mr. Larking noted his appreciation of the team, Ms. Bobe and Mr. Rowe, and those involved to this step; it was something everyone had been concerned about, keeping progress going forward to getting that infrastructure on the ground. It was an innovative way to keep things going.

Mr. Tucker **moved** to adopt *Resolution 2024-05-13-5B a Resolution approving Change Order No. 1, dated May 1, 2024, with the Virginia Economic Development Partnership, for completing a planning study to determine the estimated cost and timeline for a new Gas Interceptor Station to serve the Authority's Southern Virginia Megasite at Berry Hill Lots 1 and 2 Project, located in Pittsylvania County, Virginia, in furtherance of Resolution No. 2023-05-08-5B, to be completed by Fifth Mountain Engineering, PLLC, a consultant of Southwestern Virginia Gas Company, for a lump sum fee of \$30,000.00.*

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)

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5C. CONSIDERATION OF RESOLUTION 2024-05-13-5C APPROVING DAVE ARNOLD AS THE INTERIM COUNTY ADMINISTRATOR OFFICER

Mr. Guanzon noted with the resignation of Mr. Turille, the position of County Administrator Officer, for the purposes of RIFA, needed to be filled. Under the terms of the by-laws, the Board either has to have the successor county administrator, deputy or someone who has the highest executive position at the County; that would be Dave Arnold.

Mr. Saunders **moved** for adoption of *Resolution 2024-05-13-5C a Resolution Appointing Dave Arnold as the Interim 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)

5D. FINANCIAL STATUS REPORTS AS OF APRIL 30, 2024.

Authority Treasurer Michael Adkins gave the Financial Status report as of April 30, 2024, beginning with the \$7.3M Bonds for Cane Creek, which had no activity for April. General Expenditures for the current fiscal year showed RIFA paid legal fees to Christian & Barton of \$16,364, the last payment for the annual audit of \$17,400 to Brown, Edwards, meals at the Institute of \$457.08, monthly utilities for the lighting of the Berry Hill sign of \$135.07, and monthly maintenance from Sellars Brothers for Cane Creek and Berry Hill of \$4,890. Funding Other than Bonds for Berry Hill had a payment to Dewberry for work under Amendment #38 of \$2,987.50, \$217,875 to HBS for work at the Megasite, and Troutman Pepper Hamilton Sanders for legal fees of \$7,420. Lot 4 Site Development, Lots 1 and 2, Water and Sewer, and Cyber Park Site Development had no expenditures for the month of April. Rent, Interest and Other Income for April show RIFA received monthly rent from AEP of \$1,500, rent from the Institute for the Hawkins' Building of \$23,342, RIFA renewed the lease with the Osborne Company and received both the 2023 and 2024 lease payments totaling \$2,000, interest on the money market account of \$8,770, and timber sales from Hopkins Lumber was \$24,685. The expense for April was a payment to the Institute for Hawkins Building Maintenance in the amount of \$23,342.

Mr. Vogler **moved** to accept the Financial Report as presented; 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 12:28 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:

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[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, Saunders, Vogler (4)
NAY: None (0)

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7. RETURN TO OPEN SESSION

On **Motion** by Mr. Saunders and **second** by Mr. Tucker and by unanimous vote at 1:22 p.m., the Authority returned to open meeting.

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

That the Authority certify that, to the best of each Member's knowledge:

(i) only public business matters lawfully exempted from 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 Authority.

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

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

8. COMMUNICATIONS

Board Members

Mr. Dalton thanked the staff for the great job everyone was doing, encouraged them to keep up the good work, and welcomed Mr. Ingram back. Mr. Tucker expressed his gratitude to the entire team for not only their hard work but also being able to get the Board to the point where they were excited about things that may be coming to fruition. Mr. Tucker welcomed Mr. Arnold and thanked him for stepping in to assist the County and RIFA, and it was good to see Mr. Ingram back.

Mr. Vogler noted his appreciation for everyone on the team and wouldn't trade it for any other; what they do collaboratively was the envy of Virginia and other places. Dr. Miller welcomed Mr. Ingram back, and welcomed Mr. Arnold. Mr. Saunders welcomed Mr. Ingram back and welcomed Mr. Arnold, noted he felt good about where RIFA was headed and thanked the staff for all they were doing.

Mr. Ingram noted it was exciting to see what was going to happen, and it was an honor to work with the Board and the staff. Mr. Ingram thanked everyone for their thoughts and prayers, it was great to be back.

Staff

Regional Economic Development Plan

Mr. Larking stated RIFA has been talking about this for a long time, staff had multiple versions of scope reviewed and discussed, but did not like the price; this would have been paid for by the City, the County and DRF, a third each. About two months ago, he, Mr. Turille and Mr.

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Casteel met and discussed a reduction of the scope, shared it with the consultant, and the consultant noted they took out pretty much everything they would do. Mr. Larking had a discussion with Ms. Bobe about the possibility of resurrecting it in some form, it was at \$353,800 right now, and to see if RIFA would pay 2/3, what the City and County would be responsible for paying and DRF paying 1/3; that was an option for the Board to consider. There were competing projects for the funds available from RIFA, but there was enough to cover this cost. Mr. Larking stated they would not be able to do this without an action by RIFA later; if the answer was to not bother to do this, he will stop discussions with the consultant. He does need feedback from the Board. Mr. Larking explained this was for an update to the Regional Economic Development Plan; a lot has changed since the 2019 Plan was developed; Mr. Rowe noted this was for the regional portion of the plan. After further discussion, Mr. Larking noted it sounded like there may need to be some discussion at the staff level as to what all this looks like.

In response to Mr. Tucker, Mr. Larking noted the cost was \$353,800 with DRF paying a third, the City would pay a third and the County a third. One idea was for RIFA to pay the 2/3 thirds on behalf of the City and the County. That was the question right now, would the Board be open to exploring that; it would have to come back to the Board for approval. Mr. Ingram asked Mr. Larking to nail down some of the particulars and bring it back to the Board and Mr. Larking noted his agreement. Mr. Vogler stated once he did that, to bring it back to the Board and walk them through it.

2. Regional Bus Service

Mr. Larking explained, based on a desire among prospects that RIFA has encountered especially for Megasite projects, there has been a request about regional bus service to serve that site and whether or not that can be done. In order for Danville Transit to do that, there needs to be a feasibility study, which would be the first part of making that happen. The cost of those studies was likely \$100,000 to \$150,000; he has authorized his staff to go ahead and put out an RFP and they should be getting information back Thursday on the responses they received. Some of the prospects like to know whether or not regional bus services would be available to the Megasite; that helps them in their decision-making on whether or not they think they can get the employees there. They also have existing industries that would benefit from a regional bus transit system. This project was instigated by the Megasite, and he was asking that RIFA pay for the cost of the feasibility study; he does not know what it would cost, but it would exceed his authority and the County Administrator Officer's authority to make that decision. It would have to be voted on by the Board in the future. Ms. Bobe noted their transportation department was proposing this to evaluate the route from Lynchburg, Martinsville down into Greensboro; they think that was the most impactful area.

Mr. Tucker questioned if there was a model they could look at that had been doing this such as Raleigh Durham, the Research Triangle, was there some type regional plan there. Mr. Rowe noted it might be of interest to see what some of those communities with large car plants were doing like Georgetown, Kentucky or New Smyrna NC, those people were drawing from sixty plus counties, and he was assuming they have some kind of similar service. Mr. Rowe questioned the expected timing, were there certain restraints they were working on and Mr. Larking explained in order to get the information to whoever needs it, they have to start now in order to apply for further studies that happen in January. This was the first step in the process and typically they have to follow these processes because they receive a significant amount of funding from state and federal sources to actually operate these services. Once it

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was in operation, then hopefully a lot of the costs were mitigated through other grant programs. Also, the companies that would benefit from it, he would want to know that they were going to sign up and actually want to use it. The Board noted they agreed to have Mr. Larking proceed. Ms. Bobe noted the one time constraint that they were working against was the time to get a bus; once it was studied and funding secured, placing the order and actually receiving it, that was about a sixteen month window of time. It will take time for a prospect to grade their lot and construct a facility, but to continue to delay this type of report, that furthers the delay to place an order to get a bus to serve them.

Mr. Dalton asked if any companies have asked for that type of service and Ms. Bobe noted through the prospects that were going after Department of Energy funding, this has been a component where the Transportation Department has had to write a letter of support. They have had multiple meetings with existing industry regarding regional bus transportation and believed some have been active in that request in the City. Caesars was going to have a need, EBI has asked about it, so there were existing industries that could also benefit.

Meeting adjourned at 1:45 p.m.

APPROVED:

s/ William V. Ingram
Chairman

s/ Susan M. DeMasi
Secretary to the Authority