DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
July 8, 2024

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:16 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 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. *Vice Chairman Sherman M. Saunders attended the meeting via zoom (call in).*

City/County staff members attending were: City Manager Ken Larking, Interim County Administrator Vincent Shorter, 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, 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, Linda Green from IALR, John Crane, Register & Bee, and Adam Thompson and Frank Hopkins from Strata Solar.

Chairman William V. Ingram presided.

Authority Attorney Michael Guanzon noted that because the Vice Chairman was attending by phone and not in person, for purposes of the meeting, he was absent and Dr. Miller, the alternate, will be allowed to vote. Mr. Saunders will be able to participate but not able to make motions or vote. Mr. Saunders noted his understanding.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE JUNE 10, 2024, REGULAR MEETING

Upon **Motion** by Mr. Vogler and **second** by Mr. Tucker, Minutes of the June 10, 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 2024-07-08-5A APPOINTING VINCENT E. SHORTER AS THE COUNTY ADMINISTRATOR OFFICER

Mr. Guanzon explained that Dave Arnold's term as Acting County Administrator ended as of July 1st; by the terms of the by-laws the Board had to appoint his successor, and the successor named by the County was Vincent Shorter.

Mr. Tucker **moved** for adoption of Resolution 2024-07-08-5A, *Appointing Vincent E. Shorter, as the County Administrator Officer of the Authority.*

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

Mr. Ingram noted that Mr. Shorter was the County Treasurer, and at the last Board meeting, the Supervisors voted for him to serve as the Interim County Administrator.

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

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

5B. CONSIDERATION OF RESOLUTION 2024-07-08-5B AUTHORIZING A GROUND LEASE WITH TUPELO STORAGE AN AFFILIATE OF STRATA SOLAR AT THE SVM

Pittsylvania County Director of Economic Development, Matt Rowe, stated that Strata Solar wished to enter into a ground lease agreement for a battery storage facility on eighty-five acres on Lot 6 at the Southern Virginia Megasite; it was next to the Apco substation that was just completed and energized. Mr. Rowe reviewed the terms of the lease and rent and noted any funds in addition to this generated from the County siting agreement with Strata Solar which was scheduled to come before the Board of Supervisors in August, would be shared with RIFA as part of the shared revenues agreement per the recently amended by-laws. Mr. Rowe noted Adam Thompson and Frank Hopkins from Strata were present to answer any questions regarding the proposed facility.

Mr. Guanzon noted the revision mentioned was to the cost and revenue sharing agreement between the City and the County; while there was a reference to the by-laws to that agreement, it was the agreement between the City and the County.

Mr. Vogler **moved** for adoption of *Resolution 2024-07-08-5B, a resolution authorizing the negotiation, execution and delivery of a Ground Lease with Tupelo Storage, LLC, a North Carolina Limited Liability Company, an affiliate of Strata Solar, LLC, a North Carolina Limited Liability Company, for a portion of that certain real property containing approximately 2,089.93 acres (GPIN 1367-30-1931), commonly known as Lot 6, in the Authority's Southern Virginia Megasite at Berry Hill Project, located in the Pittsylvania County, Virginia, under which the Lessee, at its expense, would cause the construction, installation and operation of an Energy Storage System on approximately 85 acres; the Ground Lease term will consist of a development term of up to five (5) years, a subsequent construction term of up to two (2) years, and thereafter an initial operations term of thirty (30) years with lessee having the option to extend the initial operations term for two (2) additional successive five- (5-) year terms; the ground lease shall be for the use collection, storage, transmission and sale of electricity and such incidental uses acceptable to the Authority; annual rent during the development term shall be $5,000.00; annual rent during the construction term shall be $1,800.00 per acre of buildable land and $500.00 per acre of setback land; and annual rent during the initial operations term and any applicable extension terms shall be $1,800.00 per acre of buildable land and $500.00 per acre of setback land subject to annual escalation starting on the fifth (5th) anniversary of initial operations term*.

The Motion was **seconded** by Dr. Miller.

Mr. Vogler asked Mr. Rowe to clarify the lot being discussed, where it was situated and what that means for the Megasite as a whole. Mr. Rowe noted it was Lot 6, which was to the north of the existing Transco gas line easement and to the east of Oak Hill Road. They subdivided out about 17 acres which was where the Appalachian Power Substation was located, and this additional ground lease area would be adjacent to the substation. Having the new substation in the park and having the battery facility next to it, makes their project very competitive and attractive for the region because it allows for additional peak capacity which was needed. Mr. Vogler stated nothing with this precludes RIFA from future development and Mr. Rowe noted this was not the Megasite project, it was an ancillary component, and this land would not be suitable for the larger types of projects.

Mr. Thompson from Strata Solar thanked Mr. Rowe and Mr. Guanzon for their efforts, they have been tremendous to work with and supportive of the project.

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

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

5C. CONSIDERATION OF RESOLUTION 2024-07-08-5C AUTHORIZING DEED OF DEDICATION AND DEEDS OF EASEMENT TO WIDEN OR IMPROVE ROUTE 311

Mr. Rowe explained this item was for the new expansion of the existing Route 311 corridor. The Authority agreed to dedicate the right of way needed for that expansion from roughly Oak Hill Road back to where the new connector road connects into the existing 311 corridor. All the land required was on the north side of the existing roadway. Brian Bradner from Dewberry noted that VDOT and their team have been great to work with. Mr. Ingram questioned the relocation of the sign and Mr. Rowe stated the relocation will be completed and paid for by VDOT. There will be another two lanes added on the other side of 311 and the sign will be moved further into the property. They have received quotes from the sign contractor that were provided to the state, so they were aware of the cost to remove and relocate the sign.

Mr. Tucker **moved** for adoption of *Resolution 2024-07-08-5C a resolution authorizing the negotiation, execution and delivery of Deeds of Dedication and Deeds of Easement for public street purposes and approving related development plans, consisting of certain portions of real property located in, or in close proximity to, the Authority's Southern Virginia Megasite at Berry Hill Project located in Pittsylvania County, Virginia, in furtherance of the Virginia Department of Transportation's Project 0311-071-835 to widen or improve State Highway Route 311.*

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

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

5D. CONSIDERATION OF RESOLUTION 2024-07-08-5D APPROVING THE THIRD AMENDMENT TO THE DECLARATION OF RESTRICTIVE COVENANTS FOR THE CYBER PARK

City of Danville Director of Economic Development and Tourism, Corrie Bobe, explained at last month's meeting staff discussed the request from EIT for a nitrogen tank to be installed at the site. This item allows staff to look at existing zoning and covenants related to all parties in the park, with the understanding that the initial restrictive covenants were approved in the early 2000's; the makeup was quite different than what was anticipated when building the Cyber Park. RIFA knew this park would be dedicated to advanced technology for industries, and at the time did not realize that, especially on the manufacturing side, the technology would have transitioned so quickly. Staff felt that it was time to start reviewing the covenants as well as the zoning code to make sure that they were still protecting the aesthetics of the park, the quality of the facilities, but also remaining business friendly.

Mr. Guanzon noted at the last meeting, the nitrogen tank was approved, conditionally, depending on the location. When they looked at this with the City zoning, certain exterior tanks, such as a nitrogen tank that was not attached, there was some ambiguity as to how much it had to be covered; for an outside tank, it was not clear if the entire thing had to be enclosed. Some said it would only need suitable screening; the issue was how tall was the screening, how much had to be screened, and they wanted to make sure the covenants were clear enough that the companies who were going to be operating on the property know what they need to do and what they need to invest. This item gives more discretion to the architectural review committee which was the RIFA board.

Mr. Vogler **moved** for adoption of *Resolution 2024-07-08-5D* a *resolution authorizing the Chairman of the Authority to execute, deliver and record that Third Amendment to Declaration of Restrictive Covenants for the Cyber Park, amending the original Declaration of Protective Covenants dated September 20, 2004, and recorded in the City of Danville's Land Records as Instrument No. 05-1671 (as amended), providing for the Review Committee's discretionary review and approval related to screening of outside equipment and architectural features.*

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)

5E. FINANCIAL STATUS REPORTS AS OF JUNE 30, 2024

Authority Treasurer Michael Adkins gave the Financial Status report as of June 30, 2024, and reminded the Board that they were still adjusting entries and additional invoices that will continue to come in over the next few weeks. The $7.3M Bonds for Cane Creek had no activity for June. General Expenditures for FY 2024 showed RIFA paid legal fees to Christian & Barton of $36,754, monthly meals $501.36, monthly utilities paid to the City of Danville of $135.48, the annual insurance renewal to VRSA of $3,436, and recurring monthly maintenance from Sellars Brothers for Cane Creek and Berry Hill of $4,890.

Mr. Adkins noted last month they transferred $100,000 from the unrestricted funds to cover additional expenses; they were still short, and at the end of the report, he will be asking for another transfer for ongoing expenses they will receive in the next few weeks.

Funding Other than Bonds for Berry Hill had a payment to Dewberry of $8,675 for work completed under Amendments #32 and #37, and legal fees to Troutman Pepper Hamilton Sanders of $1,400. Lot 4 Site Development had no expenditures for June; Lots 1 and 2 at

Berry Hill had one expenditure to Smith Mountain Engineering of $10,710 for the gas gage study at Berry Hill; Water and Sewer, and Cyber Park Site Development had no expenditures for June. Rent, Interest and Other Income for this fiscal year show RIFA received the monthly rent from the Institute for the Hawkins' Building of $23,342, also, incentives that were transferred from the City and County to RIFA for disbursement for Morgan Olsen, RIFA received $26,217 from the City; RIFA had already received the County's portion. This was an incentive based on rebate of taxes paid by Morgan Olsen; those have not been expended yet. Pittsylvania County transferred the TROF grant for Morgan Olsen to RIFA; that was $770,775. Expenses included the monthly Hawkins Building Maintenance paid to the Institute of $23,342.

Mr. Adkins noted pages 116-118 were the standard annual letter from the Auditors letting the Board know that Brown, Edwards will be providing the audit services for FY 2024. In the letter, they ask the Board if they have any concerns, to voice those to them; they provide contact information in the letter.

In conjunction with accepting the Financial Report staff would ask for a motion to allow them to transfer up to $50,000 additional dollars from fund balance and Mr. Adkins stated he will come back next month and let them know if that was enough to cover those expenses. The fund balance was currently over $1.7M.

Dr. Miller **moved** to accept the Treasurer's Report, 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)

Mr. Tucker **moved** to authorize staff to move funds from unrestricted fund balance of up to $50,000, the Motion was **seconded** by Mr. Vogler and carried by the following vote:

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

6. CLOSED SESSION

At 12:39 p.m. Mr. Vogler **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)

7. RETURN TO OPEN SESSION

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

Mr. Vogler **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. Tucker and carried by the following vote:

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

8. COMMUNICATIONS

Board Members

Dr. Miller noted staff was doing a great job, and Mr. Vogler noted he was very excited about the future of the region. Mr. Tucker thanked the staff for their hard work and appreciated the direction they were heading. Mr. Dalton thanked the team for everything they do, and Mr. Ingram thanked the staff for their work. Mr. Saunders thanked everyone and appreciated the work of the staff. Mr. Tucker noted he wanted to acknowledge Mr. Shorter, the Interim County Administrator, and thanked him for being there.

Staff

Mr. Larking noted that none of what the staff does was possible without elected officials giving them the resources to make that happen; they appreciated the Board's support.

Mr. Shorter noted it was an exciting time for the region and looked forward to working with the Board and staff.

Mr. Guanzon noted he would be taking a vacation with his family next month and his associate Steve Lippmann will be covering the meeting for him.

Meeting adjourned at 1:57 p.m.

APPROVED:

s/ William V. Ingram
Chairman

s/ Susan M. DeMasi
Secretary to the Authority