

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 9, 2024

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:17 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 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 C. Guanzon, Esq., and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner and Shawn Harden from Dewberry, and Pittsylvania County Supervisor Ken Bowman.

Chairman William V. Ingram presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE AUGUST 12, 2024, REGULAR MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Tucker, Minutes of the August 12, 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 2024-09-09-5A AUTHORIZING A LICENSE AGREEMENT WITH STRATA SOLAR

Pittsylvania County Director of Economic Development Matt Rowe explained this was a ground lease being paid by Strata Solar to RIFA for \$1,500 per month. It was for one year with the ability to be extended for one additional year, and it was only for the purposes of construction.

Mr. Tucker **moved** for adoption of Resolution 2024-09-09-5A, *a Resolution authorizing the negotiation, execution and delivery of a License Agreement with Strata Solar, LLC, a North Carolina Limited Liability Company, or its affiliates, for Licensee's non-exclusive access to an existing electrical easement on a portion of the Authority's real property, commonly known as Tract AB, containing approximately 520.003 acres, in the Authority's Southern Virginia Megasite at Berry Hill Project, located in the Pittsylvania County, Virginia, whereby Licensee will construct and operate electrical lines and appurtenant facilities for the transmission and distribution of electricity related to Licensee's adjacent solar facility; the License Agreement will be for a term of one (1) year, which the Authority may extend the term for one (1) additional year; and Licensee will pay a monthly fee equal to \$1,500.00.*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 9, 2024

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)

5B. CONSIDERATION OF RESOLUTION 2024-09-09-5B AUTHORIZING THE CONTRACT OF SALE FOR THE HAIRSTON PROPERTY

Mr. Rowe explained this was the roughly 290-acre parcel that was owned by Waller Hairston, across from the Megasite on the south side of the road. At the direction of the RIFA board, staff has been negotiating with the property owner and family, and they have signed a Purchase and Sale Agreement for the property. If RIFA approves the Purchase and Sale Agreement for the total price of \$1.895M for the 290 acres, a \$50,000 payment will be paid at the initial signature of the agreements for the first ninety days. There were two additional, thirty-day extensions that can be received for \$16,500 each. The County, through their Brownfields Grant, have already repurposed \$75,000 of the grant towards due diligence in the event RIFA does move forward with that purchase. Staff will be looking to borrow funds from the Virginia Small Business Financing Authority for this; they have already made contact with them, put together a pre-application and had a pre-application review meeting with the loan officer. With direction from the RIFA board, staff would submit that this afternoon and their meeting for approval would be on October 8th.

Legal Counsel for the Authority Michael Guanzon clarified that the motion today was for the expenditure of the \$50,000, plus up to the two extensions of \$16,500 for each extension, so that the staff would have up to one hundred and twenty days to do all the due diligence investigation on the property. Under RIFA bylaws, RIFA cannot spend anything that they do not have the funds secured for yet. When the staff has done their due diligence, they will come back to the Board and ask for the approval of not only the loan but to close; staff was not asking for the \$1.895M today. Mr. Ingram noted the \$50,000 was non-refundable and Mr. Guanzon noted it was not refundable but these amounts, should RIFA close, get applied as a credit towards the purchase price.

Mr. Bowman questioned how the balance of the cost of the property was going to be paid, would the County and the City be splitting that difference. Mr. Guanzon explained the ownership of the property will be RIFA; as far as any contributions, if there were going to be any, that would be requested of both the City and the County to be deposited to RIFA's account. There wouldn't be any direct payment from the County or the City for payment of this. If there was a loan, there might be a request for a moral obligation agreement from the City and the County.

Mr. Bowman questioned, in October, after due diligence was done, will this come back before each body, the City and the County to vote on and Mr. Guanzon noted it would not. This purchase was by RIFA, not by the City and County; the only thing that the City and County would have to approve was if the VSBFA requires a moral obligation from the Board of Supervisors or City Council. Mr. Rowe noted that there will be a requirement for a moral obligation from both the City and the County, and in response to Dr. Miller, stated the price of the property was fixed and cannot be changed. If RIFA backed out of the agreement, they would lose \$50,000 and the \$16,500 if they needed the extensions.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 9, 2024

Mr. Saunders **moved** for adoption of Resolution 2024-09-09-5B, a Resolution authorizing the execution and delivery of that certain Contract of Sale between the Authority, as Buyer, and Waller S. Hairston, William Hunt Hairston, Allen Waller Hairston, Anne Bartlett Hairston-Strang, and Sallie Hairston Miller, collectively as Sellers, for the Authority's Purchase of certain real property located in Pittsylvania County, Virginia, consisting of approximately 289.47 acres (GPIN 1366-12-5834), commonly known as Berry Hill Rd/863 Dan River-Oak Hill Tr., provided however that the Authority shall only be authorized to deliver a non-refundable deposit equal to \$50,000.00 allowing the Authority to initiate a review period in order to conduct due diligence on property for a period of 90 Days, and where the Authority has the option to extend the review period for two consecutive extensions of 30 days each subject to an Extension Fee of \$16,500.00 per extension.

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)

5C. CONSIDERATION OF RESOLUTION 2024-09-09-5C APPROVING A LOCAL PERFORMANCE AGREEMENT WITH RBW SPORTS & CLASSICS

Mr. Rowe noted this item was to approve the Local Performance Agreement for RBW Cars which was announced a few weeks ago. The discretionary incentive was a 50% tax rebate for five consecutive years and a one time, after the fact, per job payment of \$500. The company did sign this before the announcement.

Mr. Vogler **moved** for adoption of Resolution 2024-09-09-5C, a Resolution approving that certain Local Performance Agreement with RBW Sports & Classics, Inc. (the "Company"), a Delaware Corporation and an affiliate of RBW Classic Cars Ltd., a United Kingdom Private Limited Company, under which the Company will establish and operate an electric car manufacturing facility at 1350 Barker Road, Ringgold, Virginia, at the Authority's Cane Creek Centre Industrial Park, under a lease with the Industrial Development Authority of Danville, Virginia, including without limitation an option to purchase, and the City of Danville, Virginia, and the County of Pittsylvania, Virginia, would provide certain tax rebates and the waiver of certain permit fees and connection fees, in exchange for, among other things, the creation by the Company of 144 new jobs with an average annual wage of at least \$53,514.67, excluding standard fringe benefits, and certain minimum capital investment of \$7,951,000.00, over a performance period of 5 years.

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 AUGUST 31, 2024

Authority Treasurer Michael Adkins gave the Financial Status report as of August 31, 2024, beginning with the \$7.3M Bonds for Cane Creek which had no activity for August. Mr. Adkins noted the last debt service payment on these bonds will be made this week; that debt will be

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 9, 2024

paid off in full. Staff has processed all outstanding invoices related to General Expenditures for the past Fiscal Year 24; staff transferred just under \$33,000 of the amount that was allotted by the Board to cover those expenses, and will not have to ask for anymore. RIFA paid one last legal expense to Christian & Barton for \$32,798 which finished out the fiscal year. General Expenditures for the current fiscal year, Fiscal Year 2025 show RIFA paid a wire fee of \$15; staff was looking to get that refunded, meals expense for last month's meeting was \$501.36 paid to the Institute, monthly utilities were \$129 and the recurring monthly maintenance paid to Sellars Brothers for Cane Creek and Berry Hill was \$4,890. Funding at Berry Hill Other than Bonds had two expenditures, one to Dewberry for \$16,400 for work completed under Amendment #37 and also a legal bill to Troutman Pepper for \$5,880. Lot 4 Site Development had no expenditures for August, Lots 1 and 2 had two expenditures, one a progress billing from Fifth Mountain Engineering of \$17,010, and to Jimmy Lynch & Sons, staff made a final payment, #16, for \$39,262. Water and Sewer at Berry Hill and Cyber Park Site Development had no expenditures for August. Rent Interest and Other Income show RIFA received their \$1,500 per month lease payment from AEP, and monthly rent from the Institute for the Hawkins' building of \$23,342. Miscellaneous Income items included a few payments from Hopkins Lumber for timber sales totaling \$43,537, and income from Microporous of \$10,333. Pittsylvania County sent in the COF Incentive for Tyson, it has not been disbursed yet; RIFA received \$217,308 from Pittsylvania County to hold until they pay that out to Tyson. Expenses included the Hawkins' Building maintenance paid to the Institute of \$23,342.

Mr. Vogler **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, Saunders, Vogler (4)
NAY: None (0)

6. CLOSED SESSION

At 12:34 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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 9, 2024

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)

7. RETURN TO OPEN SESSION

On **Motion** by Mr. Vogler and **second** by Mr. Tucker and by unanimous vote at 1:27 p.m., the Authority returned to open meeting.

Mr. Tucker **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

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 9, 2024

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

NAY: None (0)

8. COMMUNICATIONS

Board Members

Board Members thanked everyone for a good meeting, with a good information and thanked the team for what they do.

Mr. Ingram noted he was grateful to the staff for the work they do, expressed his gratitude to the RIFA Board, City Council and Board of Supervisors for agreeing to name the connector road in memory of Coy Harville and in honor of Sherman Saunders, and thanked Linda Green for her help with this project. Mr. Rowe noted the ribbon cutting will be on November 12th.

Staff

Authority Secretary Susan DeMasi noted the October 14, 2024 meeting will need to be moved from Monday to Wednesday, October 16th due to the Columbus Day Holiday. November 11, 2024, was Veterans Day, city offices were closed, and Mr. Guanzon noted the meeting would automatically be moved to Tuesday, November 12th.

Meeting adjourned at 1:35 p.m.

APPROVED:

s/ William V. Ingram
Chairman

s/ Susan M. DeMasi
Secretary to the Authority