

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

February 10, 2025

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:13 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, 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 (via zoom), Assistant Director of Economic Development Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, City of Danville Director of Public Works Rick Drazenovich, Legal Counsel to the Authority Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Brian Bradner, Shawn Harden and Joseph Snead from Dewberry, Pittsylvania County Supervisor Ken Bowman and citizen Edward Hairston.

Chairman J. Lee Vogler, Jr. presided.

PUBLIC COMMENT PERIOD

Mr. Vogler recognized Mr. Edward Hairston who noted he toured the cemeteries on Saturday, and he really appreciated the work that was being done. It was his first time visiting, and he was happy with what was going on.

APPROVAL OF MINUTES OF THE JANUARY 13, 2025, REGULAR MEETING

Upon **Motion** by Mr. Ingram and **second** by Mr. Tucker, Minutes of the January 13, 2025, Regular Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. PRESENTATION OF THE AUTHORITY'S PROPERTY LISTING WITH OCCUPANTS

Pittsylvania County Director of Economic Development Matt Rowe began the presentation noting that by law, regional industrial facility authorities, in the Code of Virginia, require staff to provide an annual report with the status of the authority's properties. For the Megasite, a significant amount of due diligence was completed, it was Quest Site Solution certified, and a Megasite Super Park designation was accomplished in 2021. There were 3,528 acres making up the site and it was ready for single or multiple industrial users; it looked like it was going to be multiple users. The largest contiguous parcel was 2,100+ acres and there were over 265 acres of graded pad area. There was significant water and sewer capacity fed by two independent sources, direct access to the Williams-Transco pipeline and Norfolk-Southern rail. It was the highest certified and classified Megasite in the state, a certified Tier 5 pad site.

Mr. Rowe noted all the parcels that make up the park were owned by RIFA currently; they will be transferring about 212 acres to an entity associated with MP Assets for the Microporous

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project, Lots 1 and 2. That was a \$1.3B project, with over 2,000 jobs announced. Mr. Rowe noted they appreciated Mr. Hairston and his family. Staff had looked at the historical and cultural significance of the site, and the Board directed staff and the engineering teams to work with the families and descendants to ensure there will not be a situation in the future, where the property would be transferred, and then potential grave sites or cemeteries would be located behind fence lines and the sensitivities associated there. That project was underway, working directly with the descendants, and they did have a meeting on site this past weekend. Mr. Rowe noted the other part of that was, it was recently announced that RIFA was the recipient of the Virginia Brownfield Assistance Fund, which will help RIFA ensure that it was meeting the expectations of the descendants.

Pittsylvania County Economic Development Project Manager Kattie Saunders explained the Cyber Park was a 330-acre technology park located within the City of Danville. It was located in an Enterprise Zone, all utilities were provided by the City of Danville, including water, wastewater, natural gas, electric and broadband services, and it was zoned Light Economic Development. Ms. Saunders reviewed the available lots for the Cyber Park: Lot 12B - 19 acres available; Lot 5 - 39 acres available; Lot 7D - 59 acres available; Lot 10B - 10.18 acres available; and Lot 10C - 27 acres available, and noted there were parcels in the Cyber Park that were occupied, but not owned by RIFA, which include CBN, Overfinch, EIT, Kyocera and RCATT.

Ms. Saunders explained Cane Creek was located in Pittsylvania County, a 900-acre park which was a regional collaboration between the City of Danville and Pittsylvania County. The Park offers rail service and direct access to U.S. 58; it was also in an Enterprise Zone. All utilities were available and zoned M-1 for Light Industrial. The lots owned by RIFA and still available were: Lot 1 – 59 acres available; with a 27,000 square foot building possible; Lot 2 – 55 acres available, Lot 10 – 67 acres available, Lot 8A – 22 acres available, Lot 11A – 22 acres available, Lot 11B – 16 acres available, Lot 12A – 5 acres available, Lot 12B – 9 acres available, and Lot 12C – 7 acres available. The lots in Cane Creek not owned by RIFA included Walraven, Morgan Olsen, Aerofarms, Tyson, EPM and the IDA. Mr. Guanzon noted that even if the property was not owned by RIFA, if it was in one of RIFA's industrial parks, it was still covered by the Restrictive Covenants to protect the nature of the park. There can be requirements that were stricter than the zoning.

Mr. Tucker **moved** to accept the Presentation; the Motion was **seconded** by Mr. Ingram and carried by the following vote:

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

5F FINANCIAL STATUS REPORT AS OF JANUARY 31, 2025

Authority Treasurer Michael Adkins gave the Financial Status report as of January 31, 2025, beginning with the \$7.3M Bonds for Cane Creek, which had no activity for January. Under General Expenditures for the current fiscal year, RIFA paid Southwestern Virginia Gas Company \$865 for reimbursement of legal fees, \$1,929 to W&W Limousine for transportation provided for the ribbon cutting at Berry Hill, \$30 for a wire fee, Mr. Adkins noted he usually gets that waived, legal fees to Christian & Barton of \$32,659, meals at the Institute of \$843

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and recurring maintenance to Sellers Brothers of \$4,890 for regular monthly maintenance. RIFA paid an additional \$6,760 for maintenance done at Berry Hill related to the groundbreaking. Under Funding other than Bonds for the Megasite, RIFA paid \$7,425 to Dewberry for work completed under Amendment #40, which was the Bat Study, \$54,000 to Froehling and Robertson for Geotech work done at Berry Hill for cemetery relocations, RIFA paid WSB \$63,310, and legal fees to Troutman Pepper Hamilton and Saunders of \$3,120. Lot 4, Lots 1 and 2, Water and Sewer at Berry Hill, and Cyber Park Site Development had no expenditures for January. Rent, Interest and Other Income for January show RIFA received \$1,200 from Mountain View Farms, their annual lease payment for 2025, the Hawkins' Building rent from the Institute of \$23,342, and what should be the last monthly rent payment from AEP of \$1,500. RIFA also received some miscellaneous income related to Project Orange, the reservation payment; they received two payments of \$250,000 each for a total of \$500,000. The City of Danville also paid \$117,641, this represents the City's portion of the incentives for Morgan Olsen and Aerofarms; RIFA received the same amount from Pittsylvania County. RIFA will hold those incentive payments until the appropriate time to disburse. RIFA also received \$22,217 in lumber sales from Hopkins Lumber. There were several expenses including payment to the Institute for the Hawkins' Building Maintenance of \$23,342 and another payment for the regional bus feasibility study, to KFH Group, of \$8,849.

Mr. Ingram **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 12:32 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

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- 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. Saunders 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. Ingram and **second** by Mr. Tucker and by unanimous vote at 1:16 p.m., the Authority returned to open meeting.

Mr. Saunders **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. Ingram and carried by the following vote:

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

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8. COMMUNICATIONS

Mr. Larking noted RIFA has had approval of a loan from the Tobacco Commission to help facilitate the construction of gas infrastructure at the Megasite, to serve the entire site, but specifically Microporous. It was long term, up to \$25M, low interest and they would be working with RIFA, as revenue comes in from the project, to help pay that. Staff was working through the agreement with the gas company. Mr. Larking stated he received a call from Stephen Versen, Deputy Director of the Tobacco Commission, and they want to convert part of that loan to a grant. Staff was currently applying to the Tobacco Commission for a \$10M grant for part of the cost for the training facility, which would be matched with DRF funds. Mr. Versen was proposing, he hasn't received approval yet, a concept to flip what would be a loan and what would be a grant from one to the other. The gap for the gas would still have to be a loan, so there would be a mix of grant and loan to pay for the gas infrastructure. Mr. Larking noted he felt it was better because RIFA would be less reliant on the revenue from the company to cover the cost of the loan. The entire cost of the training facility would be a low interest loan from the Tobacco Commission. Mr. Larking noted he has spoken with Clarke Casteel at DRF and he was generally amenable to using their \$10M grant to help pay for debt service payments initially for the training facility. It wouldn't cover all the costs but it would give RIFA a few years to get that facility up and running. Staff wanted to make the Board aware that, it could be happening and might require some action from the Board in the future.

Board Members noted it was a good meeting, thanked staff and encouraged them to keep up the good work and it was going to be a great year for the region.

Meeting adjourned at 1:25 p.m.

APPROVED:

s/ J. Lee Vogler, Jr.
Chairman

s/ Susan M. DeMasi
Secretary to the Authority