DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
May 18, 2026s

A Special Called Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 2:00 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, County Administrator Vincent Shorter, Deputy City Manager Earl Reynolds, Authority Treasurer Michael Adkins, Assistant City Manager Briana Evans, City of Danville Interim Director of Economic Development Mike Legg, City of Danville Assistant Director of Economic Development Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, Legal Counsel to the Authority Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present was Steven Green, Beth JoJack, Alan Taylor, Nick Manor and Kate Smiley Via Zoom, Charles Wilborne from the *Register & Bee and Grace Mamon from Cardinal News*.

Chairman William V. Ingram presided.

PUBLIC COMMENT PERIOD

Mr. Ingram recognized Mandy Eagle, who stated she lived off of Echols Farm Road and noted her concern was the lack of transparency when it comes to the public, not feeling represented by their Board, and wanted reassurance. Ms. Eagle stated she felt there should be more communication and outreach to the public.

Mr. Ingram recognized Errin Hall, who stated she lived off of Berry Hill Road and noted her concern was they did not receive any notification about this meeting. Ms. Hall noted people could have issues with their wells, electrical issues, EMF radiation and wildlife.

Mr. Ingram recognized Sonja Wollen representing the Dan River Basin Association, who stated they were asking to continue to be invited to the table as discussions ensue about this. They were the regional watershed conservancy, they field many questions from the public about the environment and like their information to be as accurate as possible.

Mr. Ingram recognized Lawrence Kegerreis, owner of a business in Danville in the River District, a farmer in the region, and on the Southern Piedmont Technology Council Board. Mr. Kegerreis noted he wanted to speak in support of the data center at Berry Hill.

Mr. Ingram recognized Luanne, resident of Danville, who noted she attended the meeting held previously and she had additional questions about the water supply, data centers, options for expansion and who will pay for that.

4. NEW BUSINESS

Pittsylvania County Director of Economic Development Matt Rowe reviewed his power point presentation, noting staff toured over twelve data centers and campuses, they have seen good and bad, and as part of their due diligence with STACK, looked at what they personally offer. There have been numerous community meetings throughout the rezoning process at the Megasite, the acquisition of the property, and the new roadways going through the area;

the rezoning was handled legally and properly, they notified more citizens than they were required to by law.

Mr. Rowe reviewed the STACK digital infrastructure campus proposal. The investment as stated will be $100B over a thirty-year period, 2,500 full-time badged employee jobs, over a 20 year period. The average wage of those jobs was $80,500, with cost-of-living adjustments typical with these types of projects. Directly from the data center review from JLARC, they anticipate a multiplier effect of seven times which means for every job created on site, there would be an additional six jobs created within the surrounding community. Mr. Rowe stated he applauded this group on the negotiation with STACK; they have one of the highest sales prices per acre outside of Zone 1 which was Northern Virginia, Prince William, Loudon, or Fairfax Counties, at $238,000 per gross acre. The project was receiving absolutely no discretionary, monetary incentives from Danville Pittsylvania County. The Megasite was in an Enterprise Zone, so they do have to provide $1,000 per full time job created and do have to waive the actual land development use fees. If they were not to do that, they would lose their designation and it would impact their zones throughout the County. That was a nondiscretionary incentive.

Mr. Rowe explained they have a Letter of Intent and Purchase and Sale Agreement executed; the LPA was ready for approval, which was what was being considered today, and were working on a Local Community Benefits Plan which was also being negotiated. This project represents one of the largest, single site investments ever announced in the US, and represents the largest private investment ever announced in Virginia since Virginia was keeping records in 1990. The project represents the second largest job creation for non-office related uses, manufacturing and data centers, ever announced in Virginia since 1990. Number one was Micron Technologies, they announced a 4,000-job project in August of 1995. It was very important to note that this project was dependent on the State honoring its commitment to existing agreements including the State's current data center sales and use tax exemption expiration date. Every time the servers were refreshed, based on the current legislation that was in the place, the sales tax associated with the purchase of those servers, because they were replacing those servers on average every three to five years, the sales tax and use exemption becomes a large play at the state level. At the local level, they were not waiving or doing any kind of tax rebates or incentives.

Mr. Rowe reviewed the Local Performance Agreement, and stated the Pittsylvania County Board of Supervisors will establish a separate data center equipment tax rate of $1.62 per $100; that was much higher than the communities of Louisa, Fredericksburg or Mecklenburg. This rate shall be static to the project to provide long term certainty as long as the project was performing and meeting the stated requirements. The tax rate will not be subject to the accelerated depreciation schedule. Job creation requirements were clearly defined and enforceable with required monetary payments should they not meet them. Minimum tax payments were guaranteed, so for the first 1,000 acres, the company will be required to pay taxes of at least $16.25M per year and for every acre purchased beyond the initial 1,000, an additional $16,250 payment per acre shall be applied to that minimum tax payment. If the Company does not meet the investment they said they were going to meet or don't do anything with the land, they were guaranteeing that RIFA will get $48,587,500 per year. Should the company default with the provisions of the Local Performance Agreement, the Pittsylvania County Board of Supervisors have the right to increase or modify the data center equipment tax rate.

Mr. Rowe reviewed local revenue potential, stating based upon conservative financial modeling, the total estimated expected local revenue was between $2.5 and $3.3B over a twenty-year period; this included the land sale. This would represent one of the most lucrative, single economic development projects realized in the US for the local host. Mr. Rowe compared this to the costs and incentives required for other Megasite projects.

A cloud data center such as the Microsoft Campus in Boydton, employs around 50 full-time employees per building. AI data centers, which would be the majority of the facilities at the Megasite, employ around 150 full time employees per building. An AI training facility such as Stargate, and other large campuses, can employ upwards of 1,500 plus full-time employees and the Megasite can handle multiple such facilities. The project targeted for the Southern Virginia Megasite was AI facilities, and an example of scale was the recently announced Stargate projects which could employ over 1,000 persons per campus. Mr. Rowe noted he did heard one of comments that the job numbers can't be right, it had to be construction workers. Construction on this project would occur at the site for the next 12-18 plus years. They will be looking at between 2,000 to 4,000 plus construction workers on site at the height of construction. That was outside of the 2,500 FTEs. Construction will require the utilization of regional trades and contractor base, and resources from outside the region. They do not have enough contractors and trades people in this area for this kind of project; no place in the country does. That was where outside contractors come in; there will be a lot of demand for electrical, HVAC workers, etc.

Mr. Rowe explained any and all water use at the Megasite for the data centers will be municipal source which comes from existing surface water intakes from the Dan River, meaning there was no impact to groundwater and neighboring wells. The Megasite has infrastructure that can provide 7M gallons per day of municipal water. That does not mean that they were going to utilize it; it just means that was what they had designed the Megasite for and that was the infrastructure that could be put in place. The City of Eden, North Carolina has over 13M gallons per day of excess water capacity due to the closure of Miller Coors Brewing. As of May 17, 2026, while there was a severe drought, the Dan River and the City of Danville had a daily flow of 331M gallons per day; the normal flow rate was about 1.3B gallons per day. That was from the USGS, a government source. The majority of facilities use a closed loop system which reduces water use; recharge typically occurs every ten years. The recharge was the blow down, and that was where they fill it up; this was from the JLARC report. No use at the Megasite would equal the historic withdrawals from the Dan River by the City of Eden or the City of Danville. Dan River Mills at one point pulled over 15M gallons of water per day. Coors Brewing in Eden back then utilized about 17M gallons per day; there was a tremendous amount of water in the past that was taken out for over 100 years.

Mr. Rowe stated comparing the expected water use to other projects this body had considered and met criteria for the Megasite, a typical car plant would look at 1.5M gallons per day, EV battery plants use upwards of 4M+ gallons per day, some up to 8 or 9M gallons per day. Semiconductor plants were tremendous water users, about 10M per day. The actual Microporous facility that will be in the Megasite will be looking at somewhere between 150,000 to 300,000 gallons per day. Due to the size of the infrastructure at the Megasite, they need a large water user to eliminate the need to flush the water lines and tanks. All the users at the SVMS were served by municipal sewer; they have a 4M gallons per day capacity available to serve the park; this will be further increased. The City of Eden has over 10M gallons per day of wastewater capacity and a very robust treatment plant. Since the site was served by municipal sewer, there was no potential risk for groundwater or surface water contamination. The question about what happens when they blow it down, will it go into a well, or groundwater, it will go into the municipal system that goes back to the City of Eden and into their wastewater plant. STACK infrastructure will enter into an electric service agreement with Appalachian Power Company. Any and all costs associated with providing power to the campus will be paid by STACK; that will be in their contract with Appalachian Power. The Megasite was accepted into ApCo's service territory in the mid-2000's. The site's surrounding properties were all still in the Danville Utility service territory and this project cannot have any impact on their respective rates, positive or negative. Southern Virginia in general needs additional long term base load generation.

The new designs for Cloud AI data center facilities have significantly reduced sound levels to less than standard industrial operations. Crypto mining was horrible; there are a lot of Facebook and You Tube videos that show the sound, those are actually crypto facilities. This would not be occurring at the Megasite. Staff has visited numerous data centers, both as a guest and have done it randomly and they have only heard obnoxious sounds from one specialized facility near Memphis, TN; all other facilities have had very little to no sound. Emergency generators test once a month for a short period of time and at the STACK Infrastructure facility that they toured, they looked at the run rate on the emergency generator and it had 59 hours of run time from 2023 to 2026, roughly two hours per month. Mr. Rowe noted construction sound, which was associated with any industrial build out, may be noticeable at times. It was a large construction site, with large construction activities and sounds associated with such uses. Mr. Rowe noted with regard to sound and light considerations, Dark Sky principles will be followed to minimize light impacts. New data center facilities generate very little lighting impacts as compared to other industrial uses.

Mr. Rowe compared other megasites and projects with job creation, average wages, total payroll impact, with Microporous and STACK. Mr. Rowe noted whether people were pro-growth, or not, this was what was happening in the region. The announcements between November 2024 to June 2026, assuming the state works out the needed legislation for this project, were transformative for this region. In November 2024, Microporous announced $1.35B and 1,832 good paying jobs. In the northern part of the County, Avio USA, announced 1,546 good paying jobs, and $.5B of investment. Looking at these projects alone, they represent over $101.8B in direct capital investment, 5,878 direct jobs contributing to an annual payroll of $439M. These were $74,720 per annual jobs; the current average in Pittsylvania County was $49,000 per year. If the goal of the Authority was to improve the social economics of the region, the numbers certainly point that these projects will do that.

Dr. Miller noted he has studied these for four years and his thinking has flipped. Initially, he was worried about the noise; the noise was negligible. The human ear attenuates; when a person listens to a sound, after about two or three minutes, they will block it out it. Dr. Miller questioned the state incentives and Mr. Rowe explained the state incentive was the Local Sales and Use tax exemption which was very important for them. Dr. Miller noted the data center industry has progressed; initially, they used a lot of water, but now they were recycling the water and running it back through the system. His biggest objection had been employees, there weren't any employees, but they employ a lot of employees. Mr. Rowe noted the actual full-time employees were coming to work as the buildings were being built. Dr. Miller said every three to five years the computer equipment has to be redone, what do they do with that waste, where does that go. Mr. Rowe explained in northern Virginia, a company was established in Fredericksburg that takes those servers apart to get the valuable material out of them so they can be repurposed; none of it goes back to the landfill, or any hazardous material. They were too valuable; there was only so much gold and rare earth minerals that make up the processors; they get recycled so they can be utilized for future use. Mr. Vogler thanked Mr. Rowe for the presentation; he felt it answered a lot of the questions people in the community had. When they say 2,500 full-time jobs, that was completely separate from the estimated 2,000 to 4,000 construction workers and Mr. Rowe noted that was correct. Mr. Vogler stated this was not data center, it was a digital campus that will be made up of multiple buildings. This project will use substantially less water than what had historically was used in the Miller plant and through Dan River Mills. Mr. Vogler noted he thought those were a large part of the concerns that citizens have had. Mr. Tucker noted data centers were driving the economy in Virginia and asked Mr. Rowe to speak to that; Mr. Rowe noted it was a tremendous industry for the state. Data center growth, whether someone was for or against, was propping up the national economy. People don't understand how interconnected they have all become, and how much they use data centers; it was something that was here to stay.

4A. CONSIDERATION OF RESOLUTION 2026-05-18-4A AUTHORIZING THE NEGOTIATION OF A LOCAL PERFORMANCE AGREEMENT

Mr. Tucker **moved** for approval o*f Resolution 2026-05-18-4A, a Resolution Authorizing the negotiations, execution and delivery of a Local Performance Agreement ("LPA"), in connection with Resolution No. 2026-03-09 for Closing Conditions under that certain Purchase and Sale Agreement dated March 9, 2026 (The "PSA"), between the Authority and SAC III Acquisition Co., LLC, a Delaware Limited Liability Company ("SAC3"); under the LPA, SAC3 would agree at a minimum (I) to make certain Capital Investments to or for the Authority's Southern Virginia Megasite in Pittsylvania County, Virginia, of at least $100 Billion over a 30-Year Performance Period and (II) the creation of at least 2,500 Full Time Equivalent (FTEs) new jobs over a 20 year Performance Period, with a FTE annual compensation of at least $80,500.00, subject to a Cost of Living Adjustment during the Performance Period.*

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)

Meeting adjourned at 3:02 p.m.

APPROVED:

s/ William V. Ingram
Chairman

s/ Susan M. DeMasi
Secretary to the Authority