

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

July 13, 2020

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:03 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Avenue, Room 207, Danville, Virginia. Present were City of Danville Members Sherman M. Saunders and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Robert W. Warren, Ronald S. Searce, and Alternate Vic Ingram.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, City of Danville Interim Director of Economic Development Corrie Bobe, Project Manager Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, Project Manager Susan McCullough, City of Danville Director of Community Development Ken Gillie, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry. *Director of Finance Michael Adkins, City of Danville Accountant Henrietta Weaver and Pittsylvania County Administrator David Smitherman attended the meeting electronically.*

Chairman Robert W. Warren presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE JUNE 8, 2020 MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Searce, Minutes of the June 8, 2020 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. ELECTION TO FILL VACANCY OF VICE CHAIRMAN FROM DANVILLE CITY MEMBER LOCALITY

Mr. Saunders **nominated** Mr. Vogler, noting he and Mr. Vogler had discussed the position, and in January of next year, it will be the City's turn for the Chairmanship. He and Mr. Vogler have agreed that he will nominate Mr. Vogler to finish out this vacant term and Mr. Vogler has agreed to nominate Mr. Saunders in January.

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

VOTE: 4-0
AYE: Warren, Searce, Saunders, Vogler (4)
NAY: None (0)

5B. CONSIDERATION OF RESOLUTION NO. 2020-07-13-5B, AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSAL (RFP) FOR SIGN DESIGN AND CONSTRUCTION FOR THE MEGASITE AT BERRY HILL

Pittsylvania County Director of Economic Development Matt Rowe explained the Board had previously directed staff and Dewberry to put together an RFP for signage for the Megasite; this item was authorizing the issuance of the request for proposal. Staff has issued the RFP

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already as there were time sensitive funds paying for it. It was issued based on the design the Board agreed upon for the aesthetic of the park. Staff has received responses from seven firms; the responses received that he reviewed were very well thought out and many would be a good fit for the site. Staff was in the process of rating those responses; the due date was this week. They would negotiate with a couple of the respondents based on the cumulative rating and ultimately have a winner selected; hopefully they will have a sign for the Megasite by the end of this year or the beginning of next year. Staff would ask the Board to consider, as part of this Resolution, whether or not they would like staff to be able to have the authority to sign and enter in an arrangement, staff being Mr. Larking and Mr. Smitherman, up to a certain dollar amount. Mr. Guanzon asked Mr. Rowe to review the source of the funds and Mr. Rowe stated the funds were coming from the Danville Regional Foundation through the Southern Virginia Regional Alliance.

Mr. Vogler **moved** for adoption of *Resolution No. 2020-07-13-5B, authorizing the issuance of a request for proposal (RFP) for sign design and construction for the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania County, Virginia.*

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

Mr. Warren asked if a limit would be set on the funding and Mr. Rowe noted the Board had originally given staff a limit of up to \$100,000; staff would negotiate within those confines. Mr. Guanzon explained the other issue was whether the Board would allow them to enter into the arrangement or did the Board want to look at the final product before it was approved at the August meeting. The motion on the table was to approve the Resolution to issue the RFP, but that had already had been issued. Mr. Warren stated he would like to see the product, everyone's opinions and ideas were different; Mr. Vogler noted his agreement. He would hate that Mr. Larking and Mr. Smitherman made a decision, it came to the Board later and the Board did not like it. If it didn't drastically alter the timeline, he was in favor of having the Board sign off on it at the August meeting.

Mr. Vogler noted he would like to **amend** his motion to approve the Resolution pending final approval by the Board at the August meeting within the \$100,000 confine.

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

VOTE: 4-0
AYE: Warren, Searce, Saunders, Vogler (4)
NAY: None (0)

5C. CONSIDERATION OF RESOLUTION NO. 2020-07-13-5C, AUTHORIZING THE AUTHORITY TO APPLY FOR REPURPOSING OF FUNDS FROM TOBACCO COMMISSION GRANT NO. 3358

Mr. Rowe explained this was for a previous project entitled Project Lignum; Pittsylvania County had applied for approximately \$2.56M from the County allocation fund. The City of Danville and Pittsylvania County were going to both contribute the matching funds, which were dollar for dollar, and roughly \$1.3M each; those funds expire on January 1, 2021. Based upon the site being finalists for other projects and additional state funding has since come to the site, staff felt that particular project may not be a good fit for the future of the Megasite. Staff reached an amicable agreement and both parties have since parted ways, but the funds were

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still sitting there. Staff wanted to be able to repurpose those funds if in the future, RIFA wanted to grade a speculative pad at one of the out parcels in the Megasite, they had the flexibility to pursue that. This was for staff to start the initial process and if the sites were to be graded up to this amount, it would require both the City and County being willing to provide \$1.3M each in match. This would allow RIFA to have a secondary site within the park that would accommodate those types of projects with the infrastructure that was in the park.

Mr. Searce **moved** for adoption of *Resolution No. 2020-07-13-5C, authorizing the Authority to apply for the repurposing of funds from Virginia Tobacco Region Revitalization Commission Grant No. 3358 to grade and to develop certain outparcels of the Authority's Southern Virginia Megasite at Berry Hill project.*

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

Mr. Warren noted RIFA had to do something by January 1, 2021 and Mr. Rowe noted if not, those funds will go back into the County's allocation. It was not all or nothing, but right now they do have approval to utilize those funds. Mr. Warren questioned if something was to come up between now and then that was 70 acres or less, the Board could do less than the \$2.6M, which would mean less of a match requirement. Mr. Rowe stated that was correct, that was the ceiling, they could always do less.

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

VOTE: 4-0
AYE: Warren, Searce, Saunders, Vogler (4)
NAY: None (0)

5D. CONSIDERATION OF RESOLUTION NO. 2020-07-13-5D, AUTHORIZING A LETTER OF SUPPORT FOR PITTSYLVANIA COUNTY'S APPLICATION TO THE VIRGINIA TOBACCO REVITALIZATION COMMISSION

Mr. Rowe noted there was an overhead power line that was impacting a small portion of the graded pad site. In order for RIFA to achieve their end goal of certification, they need to eliminate the constraining easement of that overhead line. The Board of Supervisors directed the staff to prepare an application to the Tobacco Commission for a \$5M, ten year loan to AEP to move that line. Once a client was located on the site that generates a "credit power load" which was about 10-12 megawatts, AEP would repay the loan as a lump sum balloon payment. If RIFA was not successful over the ten years, what has been requested was the community repay that lump sum payment. Pittsylvania County was asking the City of Danville to consider assuming half of that liability should that repayment need to be done. The deadline to submit the grant was the 15th of July, they have the application written and ready to submit should the Board agree. Mr. Larking noted it was a needed project, he has discussed it with Corrie Teague and they recommend approval. Within ten years, they were hopeful there would be something out there that they would not have to reimburse them.

Mr. Saunders **moved** for adoption of *Resolution No. 2020-07-13-5D, authorizing a letter of support for Pittsylvania County's application to the Virginia Tobacco Revitalization Commission for a grant to facilitate the relocation of the existing kV transmission line in the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia.*

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

Mr. Warren questioned, if RIFA had two projects that go in, but they don't meet the threshold of 10-12 megawatts of power, will they proportionate the \$5M and Mr. Rowe noted that was correct. Mr. Warren stated with the State's interest in pushing this site, before RIFA starts spending any of that money, they should reach out to their state partners to see if they were willing to assume some of the \$5M liability ten years from now. It was easy for the Board to say that right now they see the benefits and vote for \$2.5M liability. But ten years from now, the current Board probably won't be serving and they will be obligating someone down the road. He thought RIFA ought to ask those other entities that are involved for some assistance. Mr. Guanzon stated to clarify, this resolution was so that RIFA gives its political support to the application. Mr. Rowe noted staff will contact VEDP; having the backing of RIFA helps in that conversation; they will see what additional assistance, if any, could be placed.

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

VOTE: 4-0
AYE: Warren, Searce, Saunders, Vogler (4)
NAY: None (0)

5E. CONSIDERATION OF RESOLUTION NO. 2020-07-13-5E, APPROVING THE BUILDING PLANS FOR THE PROPOSED CENTER FOR MANUFACTURING ADVANCEMENT ON LOT 12B (PART OF PIN 76441.)

City of Danville Director of Community Development/Zoning Administrator Ken Gillie noted the Center for Manufacturing Excellence has applied for permits for construction. They have to comply with the guidelines of the district, which they do. There were some minor modifications to the site that he has worked out with Mr. Harden prior to the meeting. Mr. Gillie stated he recommends the Board approve this item.

Mr. Searce **moved** for adoption of *Resolution No. 2020-07-13-5E, approving the building plans for the proposed Center for Manufacturing Advancement on Lot 12B (part of PIN 76441), two-story, 51,022 square foot manufacturing building, in the Authority's Cyber Park project located in Danville, Virginia.*

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

VOTE: 4-0
AYE: Warren, Searce, Saunders, Vogler (4)
NAY: None (0)

5F. FINANCIAL STATUS REPORTS AS OF JUNE 30, 2020

Mr. Adkins gave the Financial Status report as of June 30, 2020, beginning with the Cane Creek Bonds which showed no activity for the month of June. General Expenditures show RIFA expended \$600 to Wells Fargo for the annual fee for an escrow account; \$59.52 to refurbish the check stock and deposit slips for RIFA, \$38,344 to Christian & Barton for Legal Fees, \$206 for meals, and \$31 for monthly utilities. Under Funding Other than Bonds for the Mega Site, the City has a VEDP Grant held by the Electric Fund because the original intention of that Grant was electrical infrastructure. That has changed and the money that remained

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on the grant has been transferred to RIFA; that was incoming funds of \$577,503. In addition, there was one expenditure of \$4,125 to Dewberry for work on Amendment #27. Under Lot 4 Site Development, they did draw down money from the Tobacco Commission on Grant #2491 to reimburse RIFA for work done in previous months from Haymes Brothers; staff drew down \$943,781. There was also an invoice from Dewberry for work on Amendment #19 for \$43,125. Lot 8 Site Development showed no activity for June. Water and Sewer shows RIFA expended \$184,520 to Dewberry for work on Amendment #28, and \$9,465 to Dewberry for work on Amendment #20. Rent, Interest and Other Income shows RIFA received \$25,412 from the Institute for the Hawkins' maintenance, \$2,000 from Capital Outdoor Leasing for the upcoming renewal of their lease, \$77 interest earned, and received \$1,057 from the County for their share of the monthly Gerfertec rent. RIFA paid out \$25,412 to the Institute for the Hawkins Building maintenance and \$2,115 to the Institute for the Gefertec rent. Page 53 was a recap of all the expenditures for the month of June.

Mr. Saunders **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 4-0
AYE: Warren, Searce, Saunders, Vogler (4)
NAY: None (0)

6. CLOSED SESSION

[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. The Conference Line will be disconnected or muted during the closed session.]

At 12:32 p.m. Mr. Searce **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

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

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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);

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 Mr. Guanzon regarding specific legal matters requiring the provision of legal advice by Mr. Guanzon.

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

VOTE: 4-0
AYE: Warren, Scearce, Saunders, Vogler (4)
NAY: None (0)

E. Reinstatement/Unmuting of Conference Line.

F. On **Motion** by Mr. Scearce and **second** by Mr. Saunders and by unanimous vote at 2:15 p.m., the Authority returned to open meeting.

G. Mr. Scearce **moved** for adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by 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 the Authority.

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

VOTE: 4-0
AYE: Warren, Scearce, Saunders, Vogler (4)
NAY: None (0)

7. COMMUNICATIONS FROM:

Authority Board Members

Mr. Vogler thanked the staff for their hard work and his colleagues on the Board for allowing him to serve as Vice Chairman.

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Mr. Saunders thanked Mr. Rowe and Ms. Bobe for what they were doing, and to Mr. Larking and Mr. Smitherman, thanked them for working together as well. Mr. Saunders thanked Mr. Guanzon for his work.

Mr. Warren noted his agreement with the comments, he appreciated the staff very much, they do an outstanding job. Mr. Warren congratulated Mr. Vogler as Vice Chairman.

Mr. Warren stated, as Chairman of RIFA he would like to appoint an *Ad Hoc* Committee to review the RFPs for legal services. That Committee will consist of Ken Larking, Vice Chairman Lee Vogler, Ron Scearce and David Smitherman. Mr. Warren noted they will review the RFPs and report back to the Board as soon as they can.

Staff

Brian Bradner from Dewberry noted that VDOT continues to make great progress on the connector road on US 311 that will provide direct connection to the expressway from the Megasite. VDOT had an advertisement in the *Register & Bee* recently that they will be holding a virtual Public Meeting on August 4th at 4:00 p.m. There were details available on the website where they will review the progress they have been making on the planning and design.

Meeting adjourned at 2:20 p.m.

APPROVED:

s/ Robert W. Warren
Chairman

s/ Susan M. DeMasi
Secretary to the Authority