

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 13, 2021

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 Sherman M. Saunders, J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Robert W. Warren, Vice Chairman Ronald S. Searce and Alternate Vic Ingram.

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

Chairman Sherman M. Saunders presided.

**PUBLIC COMMENT PERIOD**

No one present desired to be heard.

**AMEND AGENDA**

Mr. Vogler **moved** to Amend the Agenda to Add New Item 7B, to ratify an agreement with VDOT signed by the County Administrator and City Manager. Specifically, the agreement was to contribute \$279,399 of local funds toward the Berry Hill Connector Road. The Motion was **seconded** by Mr. Searce and carried by the following vote:

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

**APPROVAL OF MINUTES OF THE AUGUST 9, 2021 MEETING AND AUGUST 25, 2021 SPECIAL MEETING.**

Upon **Motion** by Mr. Searce and **second** by Mr. Vogler, Minutes of the August 9, 2021 Meeting and August 25, 2021 Special Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. CONSIDERATION OF RESOLUTION 2021-09-13-5A RATIFYING THE LOCAL PERFORMANCE AGREEMENT WITH TYSON FOODS**

City of Danville Director of Economic Development Corrie Bobe explained this item was to ratify the Resolution that was previously approved, related to the recent announcement of Tyson locating and constructing a new facility at Cane Creek Centre on Lot 9. It will be a 325,000 square foot facility, and they will invest \$295M between the building and machinery and tools. They also plan to employ 376 full time positions with average wages in excess of \$41,000 per year. The incentive proposal outlines and specifies the value of both the Tobacco

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Commission Opportunity Fund Grant and interest free loan which totals just over \$1.5M, and the Local Enterprise Jobs Grant which totals \$240,500. RIFA was offering, through the Industrial Enhancement Grant, a 70% rebate on Real Estate and Machinery and Tools Tax over a ten-year period, and the waiving of Zoning and Building Permit Fees. In addition, RIFA will be contributing the land for this investment. All of this was outlined within the Agreement and staff was looking for the formal approval. Counsel to the Authority Michael Guanzon explained the Board had already approved this at the last Special Meeting; the only thing that wasn't disclosed then were the state incentives and the actual identify of the company. Pittsylvania County Director of Economic Development Matt Rowe noted they have shared their thanks to RIFA, in addition to the City Council and County Board for. They came to Ms. Bobe and himself looking for dates, through the Governor's Office, for a potential October groundbreaking event.

Mr. Warren **moved** for adoption of *Resolution No. 2021-09-13-5A, ratifying that certain Local Performance Agreement, pursuant to Resolution No. 2021-08-25-4A Special, with Tyson Foods, Inc., a Delaware corporation and Tyson Farms, Inc., a North Carolina corporation, a previously undisclosed industry recruit, for the establishment and operation of a state-of-the-art, no-kill, food processing facility to process and package ready-to-eat consumer foods in the Authority's Cane Creek Centre Industrial Park, located in Pittsylvania County, Virginia.*

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

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

**5B. FINANCIAL STATUS REPORTS AS OF AUGUST 31, 2021**

Authority Treasurer Michael Adkins gave the Financial Status report as of August 31, 2021. Mr. Adkins announced that Henrietta Weaver, who has served as the Accountant for RIFA, received a promotion and will be the City's Budget Director as of October 1, 2021. She will be continuing on with RIFA's work for the foreseeable future, during the transition.

Cane Creek Bonds showed no activity for the month of August. General Expenditures for Fiscal Year 2021 show RIFA paid \$29,082 to Christian & Barton for General Legal Fees, and \$14,475 to Hunton Andrews Kurth related to the closing of the \$4.5M Tobacco Commission Loan. The current Fiscal Year General Expenditures include the monthly meals expense of \$233 and monthly utility expense of \$31. Any unexpended money from FY21 was carried over to FY22 and shows up as a contingency line item. Under Funding for Berry Hill Other than Bonds, the only change there was staff removed an encumbrance that was in place. There was a \$976,500 encumbrance with AEP; that was for right of way acquisition and also the relocation of the electric line. That work has been completed, and Mr. Rowe confirmed with AEP that there were no outstanding bills or expenses. That funding, which was a mix of grant funding and local funding was now available for work that VDOT would be doing for right of way and roadway. Mr. Adkins noted there was an item added to the agenda in relation to that, and there was more than enough funding to take care of that added item. Lots 1 and 2, and Water and Sewer at Berry Hill showed no activity for August. Rent, Interest and Other Income for FY 21 showed no activity, and the current fiscal year showed RIFA received \$43,982 from the Institute related to the Hawkins' Building for July and August payments, \$1,000 from Axxor for the Cane Creek sign, and the banking account earned \$47 in interest.

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RIFA expended \$21,966 to the Institute for the Hawkins' Building maintenance agreement and \$117,000 to Morgan Olsen for an Enterprise Zone grant.

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

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

**5C. REPORT ON THE SOUTHERN VIRGINIA MEGASITE MARKETING**

Pittsylvania Director of Economic Development Matt Rowe noted due to the activity level at the Megasite, staff requested this item be **TABLED** to the October meeting.

Mr. Warren **moved** that Item 5C be **TABLED** to the October RIFA meeting. The Motion was **seconded** by Mr. Vogler and carried by the following vote:

VOTE: 4-0  
AYE: Scarce, Warren, Saunders, and 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.]*

At 12:24 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:

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); 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.

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. Scarce and carried by the following vote:

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

**RETURN TO OPEN SESSION**

On **Motion** by Mr. Vogler and **second** by Mr. Scarce and by unanimous vote at 1:01 p.m., the Authority returned to open meeting.

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

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

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**COMMUNICATIONS**

Mr. Warren requested staff to review the by-laws; he has been reading through them and thinks there were some items that needed to be looked at since they were talking about two different jurisdictions, to make sure the interests of both were protected and covered. With regard to the agenda, whoever was in charge at the time, it can totally be controlled by one side or the other. So next year, if the City wanted to bring something up and it may not be what the County wants brought up, the County would have the authority to silence the voice of the City. That should be looked at and cleaned up if necessary. Mr. Saunders stated, and vice versa, it works the same way whether the County was trying to tell the City what to do or the City was trying to tell the County what to do.

Mr. Scarce noted he wanted to make one request and felt that anytime RIFA changes an agreement that both localities have agreed to, that it goes back to the localities before RIFA has a vote on it. It would only be appropriate to have these issues brought back to the localities and let them vote on it again if it's a substantial change. Mr. Guanzon stated the RIFA board was an independent political subdivision; it can only control what RIFA does. As the RIFA attorney, he was there to represent the organization to make sure it runs as smoothly as it can. If there were specific items they would like to change or propose to change, they were always welcome to do so, but he will need more guidance.

Mr. Saunders thanked Mr. Guanzon, he really looks after this body, and does an excellent job.

October RIFA Meeting

Authority Secretary Susan DeMasi explained that because both the City and County were closed for Columbus Day, the bylaws state the meeting will be moved to the next day. The next RIFA meeting will be on Tuesday, October 12, 2021. Mr. Guanzon noted this was automatic so no vote was required, however, if board members were not going to be able to make the meeting, please inform the Secretary so staff can determine whether there will be a quorum.

Discussion on Update/Replacement of Entrance Sign for Cane Creek Centre

Ms. Bobe noted RIFA has had quite a bit of activity in Cane Creek Centre over the past few years, and the entryway sign was getting filled up. Staff wanted to make the Board aware that they will be engaging a design firm to help them better understand what type of sign to install at the front of the park. Staff will be coming back with a request for funding in order to replace that entryway signage.

Discussion on recommendations for a process for amending executed performance Agreements.

Mr. Larking noted that was what the Board discussed earlier; Mr. Scarce brought that up. Staff will follow up with the Authority attorney.

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**7B. CONSIDERATION OF RESOLUTION 2021-09-13-7B RATIFYING AN AGREEMENT WITH VDOT**

Mr. Larking explained staff has been working with the state to get the connector road for Berry Hill to the Megasite; the State put forward a significant amount of money to get that going. They were requesting that RIFA use a portion of their grant that was already allowed for this purpose to complete this project, it was about \$279,000. In addition, they have given RIFA an in-kind credit of a little over \$2M for the right of way acquisition that was required for the road. This item was to ratify the agreement with VDOT that Mr. Smitherman, as County Administrator signed and he signed as City Manager. Mr. Guanzon noted the money was already budgeted; this was to ratify what was already done by the City and the County.

Mr. Scarce **moved** to ratify an agreement with the Virginia Department of Transportation, signed by the County Administrator and City Manager, specifically the agreement was to contribute \$279,339 of local funds to the Berry Hill Connector Road. (No written Resolution.)

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

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

Meeting Adjourned at 2:05 PM

APPROVED:

s/ Sherman M. Saunders  
Chairman

s/ Susan M. DeMasi  
Secretary to the Authority