

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

October 12, 2021

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:09 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 Budget Director Henrietta Weaver, Pittsylvania County Project Manager Kattie Saunders, Christian & Barton Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present was Brian Bradner from Dewberry.

Vice Chairman Ron Searce presided.

Mr. Saunders requested a moment of silence to remember the passing of Linwood Wright, Vicky Farmer, Richard Turner and Sherman Lea's wife.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

AMEND AGENDA

Mr. Saunders **moved** to Amend the Agenda to Add New Item 5D, Resolution 2021-10-12-5D. The Motion was **seconded** by Mr. Warren and carried by the following vote:

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

APPROVAL OF MINUTES OF THE SEPTEMBER 13, 2021 MEETING

Upon **Motion** by Mr. Vogler and **second** by Mr. Warren, Minutes of the September 13, 2021 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION 2021-10-12-5A AUTHORIZING AN EASEMENT AND ROW AGREEMENT WITH APPALACHIAN POWER TO INSTALL A 138 KV LINE

Pittsylvania County Director of Economic Development Matt Rowe explained this item authorized the delivery of the Deed of Easement Right of Way for AEP to bring the new 138kV transmission line into the substation in the northern portion of the industrial park. The exact location has been defined, and they were on schedule to have the substation and the line constructed and in service by the second quarter of 2022.

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Mr. Warren **moved** for adoption of *Resolution No. 2021-10-12-5A, authorizing the negotiation, execution and delivery of a Deed of Easement and Right of Way Agreement between the Authority and Appalachian Power Company, a Virginia corporation, a unit of American Electric Power, as grantee, under which the Authority would grant a transmission line easement over, through and along that certain real property (GPIN 1367-30-1931) located in the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, in order to install a 138kV transmission line.*

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. CONSIDERATION OF RESOLUTION NO. 2021-10-12-5B AUTHORIZING A SUPPLEMENTAL EASEMENT AND ROW AGREEMENT WITH APPALACHIAN POWER TO RELOCATE A 69KV TRANSMISSION LINE

Mr. Rowe noted this was a similar agreement; RIFA received a loan from the Tobacco Commission to relocate the existing 69 kV line that currently runs through park's main site. It will be relocated along US 311; that area has been identified and agreed to and this was to approve that right of way easement for the relocation. That project was scheduled to occur at the end of the year, and be completed by the end of this year or the first quarter of 2022.

Mr. Vogler **moved** for adoption of *Resolution No. 2021-10-12-5B, authorizing the negotiation, execution and delivery of a Supplemental Easement and Right of Way Agreement between the Authority and Appalachian Power Company, a Virginia corporation, a unit of American Electric Power, as grantee, under which the Authority would grant a supplemental easement over, through and along certain real property (GPINs 1356-75-0037 and 1367-41-6185) located in the Authority's Southern Virginia Megasite at Berry Hill project, located in Pittsylvania County, Virginia, in order to relocate a 69kV transmission line.*

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)

5C. FINANCIAL STATUS REPORT AS OF SEPTEMBER 30, 2021

Authority Treasurer Michael Adkins gave the Financial Status report as of September 30, 2021 beginning with Cane Creek Bonds which showed no activity for the month of September. General Expenditures for Fiscal Year 2022 show RIFA paid \$348 for meal and \$36 for the monthly utility bill. Funding for Berry Hill Other than Bonds, and Lots 1 and 2 showed no activity for September. Water and Sewer at Berry Hill showed \$7,205 expended to Dewberry for work under Amendment #28, and \$147,339 expended to Haymes Brothers for continued work on the Phase 1 Sanitary Sewer System. Next was a new page, Cyberpark Development; RIFA received \$207,000 from the Tobacco Commission which was part of the incentive package for MEP; it was a loan proceed between MEP and the Commission that was received and expended during the month of September. In addition, RIFA transferred funding from the

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General Revenue page to this funding sheet, \$42,750 from the sale of the Mountain Valley Pipeline proceeds, and an expenditure to Dewberry for Lot 7B pad grading for \$11,237.50. Rent, Interest and Other Income for FY 22 show RIFA received \$21,966 in rent from the Institute related to the Hawkins' Building, \$200,000 from the City of Danville, which was reimbursement for Water and Sewer, and expended the \$21,966 to the Institute related to the Hawkins' Building. Staff transferred funding to the Cyberpark Development of \$42,750 and also paid \$2,076 to the Institute as part of MEP's rent.

Mr. Saunders **moved** to accept the Financial Report as presented; 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)

5D. CONSIDERATION OF RESOLUTION 2021-10-12-5D APPROVING A CONSTRUCTION MATERIAL STORAGE LEASE WITH APPALACHIAN POWER AT SVM AT BERRY HILL

Authority Attorney Michael Guanzon explained this was a Construction Materials Storage Lease Agreement in support of the line relocation at the Megasite by AEP; they need a place to store their materials as they do their work. It was a one-year term, \$1,500 per month with a three-month renewal option for the same amount. There were a few revisions to the legal terms but they will not affect the business terms of the Agreement. A provision in the Resolution states that it will be subject to those revisions, and it will be signed after that.

Mr. Saunders **moved** for adoption of *Resolution 2021-10-12-5D, approving that Certain Construction Materials Storage Lease Agreement with Appalachian Power Company, a Virginia Public Service Corporation, as Lessee, to Facilitate the Relocation of a 69 Kv Transmission Line Located in the Authority's Southern Virginia Megasite at Berry Hill, Located in Pittsylvania County, Virginia, at a Lease Rate of \$1,500 Per Month During the Initial One-Year Term, with an Option to Renew for an Additional Three Months.*

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 12:18 p.m. Mr. Warren **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

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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 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. Vogler 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. Saunders and **second** by Mr. Warren and by unanimous vote at 1:00 p.m., the Authority returned to open meeting.

Mr. Warren **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

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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, Scearce, Saunders, and Vogler (4)
NAY: None (0)

NEW BUSINESS CONTINUED

7A. CONSIDERATION OF RESOLUTION 2021-10-12-7A AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL RIGHT OF WAY AND EASEMENT AGREEMENT WITH APPALACHIAN POWER

Mr. Rowe explained this item was for the supplemental right of way going through Cane Creek; they wanted to add on fifteen feet on both sides, about thirty feet total. At the last meeting, the Board directed staff to go back to AEP and require \$35,000 per acre for the right of way that was needed through the industrial park based upon the cost of land in the industrial park. The response from AEP was that they were at \$15,000 per acre, originally they were at \$5,000 per acre. Mr. Guanzon explained staff reached out to them again, but they have not responded, and they want it done. The decision would be to go ahead and approve it and see if they will budge and if not, staff may have to come back next month. When they usually get these expansions for easements, they base it on the tax assessed value of the lots. Because RIFA does not have anyone on those lots the tax assessed value was low. Trying to put together a recruitment package, staff bases it on the assumption of \$35,000 per acre.

Mr. Warren noted he was going to make a **motion** that the Board approve Mr. Guanzon returning to AEP at \$35,000 an acre and continue the negotiations. In the event there was any variance from that, he will come back to the Board next month, but he will have the authority to close the deal if AEP agrees to \$35,000.

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

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

COMMUNICATIONS

A. Authority Board Members

Mr. Saunders thanked Mr. Scearce for chairing the meeting, he was scheduled for jury duty

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and had to be ready to serve if he was called. Mr. Saunders asked that they all continue to keep the people he mentioned earlier in their thoughts and prayers. Mr. Lea and his wife were from Danville, Mr. Lea retired from the State, and was now doing a good job in Roanoke. Mr. Saunders stated he worked closely with Ms. Farmer for 24 years and especially eight years as Mayor.

Mr. Warren noted Linwood Wright was a big part of the region and was passionate about economic development for the area. The County sends their condolences to the City and did release a statement from the Board of Supervisors. They have also had tragedy within their group; they had a young landfill employee that lost his life from COVID, Mr. John Foster's son.

Mr. Ingram stated they should not forget twenty-one years ago today, the USS Cole was attacked, killing seventeen soldiers and injuring thirty-seven, and one of the seventeen victims was Timothy Saunders from Ringgold.

B. Staff

i. Marketing Overview for the Southern Virginia Megasite at Berry Hill

Mr. Rowe shared a PowerPoint with the Board on the Megasite and noted he wanted to review some challenges that need to be overcome, and some that RIFA has been able to address. The Megasite has large acreage, 3,528 acres, with flexibility for multiple users or a single user. It was a certified Tier 5, Quest Site Solutions Certified Site and has 200 acres of graded pad area. There was the new four lane connector road, fully funded and designed, and rail access. Water was there with 7MG per day capacity, 4MG per day of sewer; if they needed to use raw water for a process for a client, they can get up to 35MG per day; they have had clients look at that. There was an existing gate on the Transco gas line for natural gas, that was very attractive, and they can deliver any kind of delivery volume and pressure needed. For power, they will have the new 138kV redundant feed line which was capable of delivering over 300MW to the substation by the end of the second quarter of 2022. This was site strategically positioned so they can get additional electrical capacity, 700+ megawatts; that was a lot of power and not many sites can do that. Dark fiber was in place with terabyte plus speeds.

Mr. Rowe noted the recent Ford announcement was on the Memphis Regional Megasite, and the battery plant was on the Glendale Megasite in Hardin County, Kentucky, close to Elizabeth, Kentucky. Comparing those sites to the Megasite, SVM has water, sewer, all power, and was better positioned than them. In Memphis they were trying to run a line 34 miles to the Mississippi River for water. On the Hardin site, they were in the process of putting in water, about 2MG per day. From a labor force standpoint, against those sites, SVM was much stronger than Memphis Megasite; the Memphis site was fifty-five miles outside the City of Memphis. It was in the Mississippi Delta, in a county that had a population of around 18,000 people. The nearest town was Stanton Springs which had 500 people, it was extremely rural; this region's labor force was much stronger. The same with the Hardin County site; Louisville was about 60 miles away, but Elizabeth was a city of about 25,000, and much more comparable to this region. When doing benchmarks of SVM compared to other mega sites, SVM comes in Number 3 on labor access within a sixty mile radius. The top one was the Hutto Megasite where Tesla was building its brand-new facility right next to the Austin International Airport. Second place was the Greensboro Megasite on I-40 and SVM was number three. The labor force really wasn't a concern; these other sites, minus Greensboro,

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SVM was competing against were much flatter, which means the time of development was shorter. The Memphis site was literally a big farm field, just barely above the flood plain and it probably deviates maybe five feet over the entire site. The Kentucky site has a deviation of maybe forty feet over the entire site; the reason why it has been looked over in the past was due to karst topography, there were some limestone and sinkholes that were a concern. SVM doesn't have that going against it but SVM's negative was, over the developable area of the site there was a difference of about 125 to 140 feet. With that terrain, there will be ephemeral and perennial stream channels that flatter areas don't have because they have irrigation ditches. They were looked at differently than Waters of the US and that makes the permit process easier. The final thing for Ford, they did look at SVM, but the fact was that SVM was not far enough west; they wanted to get into that traditional automotive supply chain. The Appalachian Mountains separate this region from that automotive alley and made it difficult from a logistics standpoint. Staff was looking at what can be changed and looking at the sites that have been chosen for these big projects; everyone except for one has been in a pasture state. The one that was not was the Volvo Plant down in Ridgeville, South Carolina. They literally built that in forested wetlands and the Army Corp down there was much less stringent. That was something else that was being worked on in Virginia; they were getting a new Colonel with the Army Corp and seeing if they can get a little bit more lenient review.

ii. Discussion on update/replacement of entrance sign for Cane Creek Centre.

Ms. Bobe noted due to the number of businesses locating in Cane Creek Centre, they need more room on their sign. Ms. Bobe explained she was working with the City's purchasing department to develop an RFP to go out to bid for a new design build combination based on the Board's recommendations, and she will add the landscaping as part of that. Staff will bring back the proposals to the Board at an upcoming meeting, to see what the project would look like. There was a need for something larger, and more visible to provide additional signage for the companies. Ms. Bobe asked if the Ringgold East Industries should be included on the sign Mr. Rowe noted yes, and Ms. Bobe noted she would make sure they were included.

Mr. Saunders noted it was his understanding the Director of the Institute would like to talk to the Board about a site sign. Mr. Saunders noted he sent an email where Mr. Gignac asked about the November meeting to talk about signs. Ms. Bobe noted she would reach out to Mr. Gignac before the meeting.

Meeting Adjourned at 1:20 PM

APPROVED:

s/ Sherman M. Saunders
Chairman

s/ Susan M. DeMasi
Secretary to the Authority