

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 14, 2022

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 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, Jessie Barksdale, and Alternate Darrell Dalton.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Interim County Administrator Clarence Monday, City of Danville Director of Economic Development Corrie Bobe, Assistant Director of Economic Development Barbara Fiedor, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, City of Danville Chief Financial Officer and Authority Treasurer Michael Adkins, City of Danville Budget Director Henrietta Weaver, City of Danville Accountant Tiffany Swanson-Jones, Pittsylvania County Director of Finance Kim Van Der Hyde, Pittsylvania County Director of Community Development Emily Ragsdale, Legal Counsel to the Authority Attorney Michael C. Guanzon, and Secretary to the Authority Susan DeMasi. Also present were Shawn Harden and Brian Bradner from Dewberry, City of Danville Director of Utilities Jason Grey, and Dan Lyons from Tyson.

Chairman Vic Ingram presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE FEBRUARY 14, 2022 MEETING

Upon **Motion** by Mr. Vogler and **second** by Mr. Barksdale, Minutes of the February 10, 2022, Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

5A. CONSIDERATION OF RESOLUTION NO. 2022-03-14-5A, APPROVING THE \$125,000 BROKER FEE PAYABLE TO MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES, INC.

Pittsylvania County Director of Economic Development Matt Rowe explained in 2019, the Pittsylvania County Board of Supervisors entered into an agreement with a brokerage firm, Marcus & Millichap, in an effort to bring in private investment or developers. From that relationship two projects materialized; one was the RealtyLink 100,000 square foot shell building and the other was the Aerofarms project. Aerofarms had a walk-through last week and will have a job fair later this week. As part of the arrangement with the County and Marcus & Millichap, RIFA agreed to pay \$1 per square foot of development after the fact. Aerofarms did several extensions and paid above market rate for them, but this month they closed on the property, and paid \$125,000 which was the agreed upon amount with Marcus & Millichap. That money has been received and would ultimately go to Marcus & Millichap for bringing RIFA a \$50M project with ninety-two jobs. Staff was seeking approval from RIFA to formally acknowledge that agreement and authorize the Authority Treasurer to make that payment to Marcus & Millichap.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 14, 2022

Legal Counsel to the Authority Michael Guanzon stated that the purchase price was going to approximate what the fee would come out to be. It was a little bit more from the net sales because RIFA had received those extension fees that were not going to be applied toward the purchase price.

Mr. Saunders **moved** to adopt *Resolution No. 2022-03-14-5A, approving the \$125,000 broker fee payable to Marcus & Millichap Real Estate Investment Services, Inc., a California corporation, under brokers contract with locality member Pittsylvania County, resulting from the sale of Lots 3C and 3D (GPINs 2347-45-4430 and 2347-47-3841) in the Authority's Cane Creek Centre Industrial Park, located in Pittsylvania County, Virginia and Danville, Virginia, in support of Resolution No. 2022-01-10-7A.*

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

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

5B. CONSIDERATION OF RESOLUTION NO. 2022-03-14-5B, APPROVING THE PROPOSED BUILDING IMPROVEMENTS TO LOT 9 (GPIN 2347-37-4337) IN THE AUTHORITY'S CANE CREEK CENTRE INDUSTRIAL PARK

Pittsylvania County Director of Community Development Emily Ragsdale explained Tyson Farms LLC submitted preliminary plans for their Tyson Danville Facility which will be located in the Cane Creek Industrial Park. The Community Development department in Pittsylvania County was tasked with reviewing those plans to make sure they meet the covenants of the park. Ms. Ragsdale stated she conducted a review and submitted a memo to Mr. Rowe, that staff feels the plans meet all of the required covenants. The property was zoned M-1, which is Light Industry, so the proposed food manufacturing use would be permitted by right. The proposed building on the submitted drawings was in compliance with the covenants and Pittsylvania County Zoning Ordinance; they meet all required setbacks, lot coverage requirements and height requirements. The proposed parking spaces were more than was required by the Pittsylvania County Zoning Ordinance; they actually doubled the required number of spaces, and the size meets the requirements, as well as the off-street loading spaces. The landscaping, signage and building meet all aesthetic requirements of the covenants and they have currently approved an erosion sediment control plan. The only thing that has not been approved at this point was the traffic study; they were in conversations with VDOT, they have contracted with Dewberry to complete that study, and May 1st was the estimated completion date.

Mr. Lyons noted he was there in the event there were any questions from RIFA.

Mr. Barksdale noted he had gone to visit Tyson in Green Forest and was glad to see that the operation of this facility was state of the art and no kill.

Mr. Rowe noted what the board was voting on was the aesthetics; if the Board wanted to view additional renderings, they can provide cross sections as well.

Mr. Barksdale **moved** to adopt *Resolution No. 2022-03-14-5B, approving the proposed building improvements to Lot 9 (GPIN 2347-37-4337) in the Authority's Cane Creek Centre*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 14, 2022

Industrial Park located in Pittsylvania County, Virginia and Danville, Virginia, that will be developed by Tyson Farms, Inc., a North Carolina corporation and subsidiary of Tyson Foods, Inc., a Delaware corporation.

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

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

5C. CONSIDERATION OF RESOLUTION NO. 2022-03-14-5C APPROVING THE EXPANDED ROLE OF A. KENT SHELTON, P.E.

Danville City Manager Ken Larking explained this was a request to extend the inspection services of Kent Shelton. Mr. Shelton has been doing inspection services at the Megasite related to various projects; this will be specifically for Lots 1 and 2, the grading of those two lots. He proposed \$40 per hour, which was two dollars more than he had been previously paid; the approximate total, based on seven hundred hours of work was \$28,000. He will inspect the work that was being done, make sure RIFA was getting the product they expect, and can serve the end use of the prospect when they land it. Mr. Guanzon noted Mr. Shelton used to be the City's Engineer for many years; RIFA needed to have these monitoring services to make sure they were okay with the work being done by the other contractors. Since Mr. Shelton had worked with the City, the City would be paying for Mr. Shelton's services. This acknowledges that this was the City's contribution to the due to/due from spreadsheet; that spreadsheet shows the City and the County contributions. From the RIFA side, this contribution by the City was reasonable and appropriate.

Mr. Saunders **moved** to adopt *Resolution No. 2022-03-14-5C, approving the expanded role of A. Kent Shelton, P.E., as set forth in Resolutions 2017-03-13-5C, 2017-11-15-5D, 2018-12-10-5A and 2019-12-09-5C, to serve as the project monitor and limited inspector for the Lots 1 and 2 Graded Pad Project of the Authority's Southern Virginia Mega Site at Berry Hill Project, at an estimated additional cost of \$28,000.00 (hourly rate of \$40.*

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

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

5D. CONSIDERATION OF RESOLUTION NO. 2022-03-14-5D, AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGREEMENT FOR PURCHASE AND SALE OF NONPOINT NUTRIENT OFFSET CREDITS

Shawn Harden from Dewberry Engineers noted as part of the grading project for Lots 1 and 2, the stormwater plan will require the purchase of 4.69 lbs., of Nutrient Credits for Phosphorus removal. This was a standard stormwater application that was done on a lot of projects and was covered in the original budget.

Mr. Vogler **moved** to adopt *Resolution No. 2022-03-14-5D, authorizing the negotiation, execution and delivery of an Agreement for Purchase and Sale of Nonpoint Nutrient Offset*

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 14, 2022

Credits by and between the Authority and Virginia Nutrient Bank, LLC, a Virginia limited liability company, under which the Authority would purchase 4.69 nutrient credits at a cost of \$84,420.00 to offset the 4.69 pounds of phosphorous generated in connection with the construction of graded pads for Lots 1 and 2 of the Authority's Southern Virginia Megasite at Berry Hill Project, located in Pittsylvania County, Virginia.

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

VOTE: 4-0
AYE: Barksdale, Ingram, Saunders, Vogler (40)
NAY: None (0)

5E. FINANCIAL STATUS REPORTS AS OF FEBRUARY 28, 2022

Authority Treasurer Michael Adkins gave the Financial Status report as of February 28, 2022, beginning with the Cane Creek Bonds which had no activity during the month of February. Under General Expenditures for Fiscal Year 2022, in the first column under Funding, the last number, \$21,305, was received as reimbursement for engineering costs related to the Tyson project. Expenditures show RIFA paid \$3,395 to Dewberry for work on Lot 9 surveying, \$150 to Clement Wheatly for an annual attorney letter for the audit, \$370 for meals, and \$76 for Utilities. Under Berry Hill Funding Other than Bonds, last month the Board approved the VDOT invoice of \$279,399 related to the connector road. Funding was transferred in from the Unrestricted Fund Balance for the Dewberry line item and staff was adding \$191,000 that will cover future billings under Amendment #33. Lots 1 and 2 had an expenditure of \$8,250 to Dewberry for work completed under Amendment #30; Water and Sewer at Berry Hill showed no activity for February. Cyberpark Site Development show RIFA paid Dewberry \$7,312.50 for grading Lot 7B. Rent, Interest and Other Income for February show RIFA received \$21,966 from the Institute, \$1,500 from AEP for their monthly storage rent, and sold land to Aerofarms, with net sales proceeds of \$114,500. RIFA had previously received a lease payment from RealtyLink for \$10,500; the two numbers added together equals the \$125,000 that RIFA was paying Marcus & Millichap. As was discussed earlier, RIFA has also received other commitment fees in addition to that. The checking account earned \$37 in interest for the month. RIFA expended \$21,966 to the Institute for Hawkins' Building maintenance agreement and \$7,150 to the Institute for payment of MEP's rent. Mr. Adkins noted there was a transfer out of \$191,000 to cover Dewberry's work under Amendment #33.

Mr. Barksdale **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: Barksdale, Ingram, Saunders, Vogler (40)
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 12:34 p.m. Mr. Barksdale **moved** that the Meeting of the Danville-Pittsylvania Regional

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 14, 2022

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 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. Vogler and carried by the following vote:

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

RETURN TO OPEN SESSION

On **Motion** by Mr. Saunders and **second** by Mr. Vogler and by unanimous vote at 1:20 p.m., the Authority returned to open meeting.

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 14, 2022

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

VOTE: 3-0-1
AYE: Barksdale, Ingram, and Vogler (3)
NAY: None (0)
ABSENT: Saunders (1)

7. COMMUNICATIONS FROM:

Mr. Vogler requested everyone continue to pray for the region. Mr. Barksdale noted it was a great meeting and Dr. Miller noted he was very optimistic about upcoming prospects, believed the State was behind them, and great work being done by the economic development staff. Mr. Dalton noted his agreement, and that projects were getting closer, Mr. Rowe and Ms. Bobe were a great team, and thanked staff for their work. Mr. Ingram noted his agreement with what has been said, believed the staff was doing a great job and was excited about what was happening.

Mr. Monday noted the economic development staff have worked relentlessly since the last meeting, their efforts were not going unrecognized and thinks the region will see some great dividends soon. Mr. Larking noted his agreement with Mr. Monday, he has personally witnessed the long hours the economic development staff has put in; they were dedicated to getting the job done, and RIFA had a great team working on behalf of the region.

Meeting Adjourned at 1:35 PM.

APPROVED:

s/ William V. Ingram
Chairman

s/ Susan M. DeMasi
Secretary to the Authority