

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

May 9, 2022

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:14 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. *Dr. Miller entered the meeting at 12:19 p.m.*

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, 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 Division Director of Planning Doug Plachcinski, Danville City Council Member Madison Whittle, and Dr. Betty Jo Foster and Mark Gignac from the Institute for Advanced Learning and Research.

Chairman Vic Ingram presided.

Mr. Ingram asked for a Motion to add Item 5F to the Agenda. Mr. Saunders **moved** to add Item 5F; 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)

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE APRIL 11, 2022, MEETING

Upon **Motion** by Mr. Barksdale and **second** by Mr. Vogler, Minutes of the April 11, 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. 2022-05-09-5A, CONDITIONALLY ACCEPTING THE PROPOSAL OF EASTERN FOREST CONSULTANTS LLC.

Pittsylvania County Director of Economic Development Matt Rowe explained the Board, at a previous meeting, had directed staff to look into the process for timbering the Megasite property. Staff obtained a forest cruiser to look at the property, estimate the value of the timber, and then proceed with logging to make sure the actual loggers were giving RIFA the value of the timber. Pittsylvania County procurement put together an RFP with Dewberry's help and had a qualified respondent, Eastern Forest Consultants LLC. Mr. Rowe noted they would do the study for RIFA and would be paid in one of two ways. The first, if RIFA proceeds

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with the logging and have them bid the timber out, they would get 8% of the proceeds of the purchase price of the timber; or, if RIFA did not move forward with timbering the property, then it would be \$75 per hour. Staff's recommendation would be to move forward with timbering the property. Staff received direct feedback from several Megasite consultants, that in their opinion the property should be timbered; it allows the client to have better visual lines across the property. They can expect to see logging begin in July or August.

Mr. Vogler **moved** to adopt *Resolution 2022-05-09-5A, conditionally accepting the proposal of Eastern Forest Consultants LLC., a Virginia limited liability company, which was the sole response to RFP #2022-0214 issued by the Pittsylvania County Purchasing Department on behalf of the Authority, under which proposal such corporation is to provide certain professional forester services, including without limitation assessing the Authority's timber, conducting inventory and appraisal of standing timber located in the Authority's Southern Virginia Megasite at Berry Hill project in Pittsylvania County, Virginia, for purposes of marketing timber for sale; the payment for such professional forester services would be equal to 8% of the purchase price contracted and received for any such timber sale.*

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. 2022-05-09-5B, CONFIRMING THAT THE AUTHORITY'S REAL PROPERTY LOCATED IN PITTSYLVANIA COUNTY, SHALL AT ALL TIMES BE AN AUTHORITY "FACILITY OWNED BY THE AUTHORITY."

Legal Counsel to the Authority Michael Guanzon explained RIFA had approved within the last two and half years, the acquisition of approximately 160 acres outside of the Megasite for the purposes of a connector road; this item was to clarify what was in the Cost, Revenue and Sharing Agreement. Whenever there was a RIFA project, purchased by RIFA funds, it became subject to the Cost, Revenue and Sharing Agreement. Because not all this land was going to be used, there would be some surplus; the question was, did it always remain "a RIFA project" so that if it was sold, or RIFA did something to it, the revenues would be shared 50/50, and the answer was yes. The Cost, Revenue and Sharing Agreement specifically says that once RIFA has owned a property, even if it sells or leases it, it remains a RIFA project. Because this one was a little different in that this wasn't officially being made part of the Megasite, staff wanted to make sure there was clarification. Under the terms of the agreement, it was clear that any real estate being purchased and owned in the name of the Authority remains subject to this.

Mr. Barksdale **moved** to adopt Resolution No. 2022-05-09-5B, *confirming that the Authority's real property located in Pittsylvania County, containing an aggregate of approximately 160 acres, initially acquired for the purpose of constructing and supporting a connector road to serve the Authority's Southern Virginia Megasite at Berry Hill project, shall at all times be an Authority "facility owned by the Authority" and subject to sharing of tax revenues and other income and revenues generated by such facility, as set forth in the Agreement for Cost Sharing and Revenue Sharing between the City of Danville, Virginia, and Pittsylvania County, Virginia, dated October 2, 2001 as amended.*

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

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

5C. CONSIDERATION OF RESOLUTION NO. 2022-05-09-5C, APPROVING THE PROPOSED SIGNAGE TO THE DRIVEWAYS ENTERING THE INSTITUTE FOR ADVANCED LEARNING AND RESEARCH

Mark Gignac from the Institute of Advanced Learning and Research introduced Dr. Betty Jo Foster, and explained last September he presented to RIFA the additional signage for the Institute. They engaged a landscape and signage architect to help increase their signage and landscaping, to keep up with the image they were creating. They had presented about the first three signs and believed that the building permit for those were issued last week. At that time, they did not approach RIFA about the sign for the CMA building which was scheduled to open on October 1st of this fall; Mr. Gignac noted they were back today to ask for consideration to add a fourth sign at the entrance to the new facility. City of Danville Director of Planning, Doug Plachcinski, noted he reviewed the sign locations, and they meet both the City's sign regulations and the Cyber Park restrictive covenants.

Mr. Barksdale **moved** to adopt *Resolution No. 2022-05-09-5C, approving the proposed signage to the driveways entering the Institute for Advanced Learning and Research (PIN# 78360) in the Authority's Cyber Park project located in Danville, Virginia [No written resolution.]*

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)

Mr. Gignac thanked the RIFA Board for their consideration.

5D. CONSIDERATION OF RESOLUTION NO. 2022-05-09-5D, ACCEPTING THE LUMP SUM \$1,828,100.25 BID SUBMITTED ON OR BEFORE JANUARY 27, 2022, FROM SELLERS BROTHERS.

City of Danville Director of Economic Development Corrie Bobe explained in January, RIFA accepted proposals from grading contractors to begin grading Lot 7D in the Cyber Park. Staff received the low bid from Sellers who had quoted \$1.89M for grading the approximately seventeen-acre pad. Unfortunately, there have been a few delays in getting the funding together for this project, but thanks to the extremely low bid they received for the grading at the Megasite with Lots 1 and 2, the Board had additional cash set aside that will no longer be used. Staff asked Sellers to provide them with an updated quote; due to the increase in fuel costs, they provided an updated quote of \$1.98M for the project. This still falls below the other two competitive bids from January, and staff would like to request permission from the Board to move forward with entering into an agreement with Sellers to begin this grading process. Ms. Bobe noted there will be a nutrient credit cost in addition to the \$1.98M; that totaled about \$37,000. That was under the \$100,000 threshold the City Manager and County Administrator were able to approve at the administrative level. In June, staff will come back and ask the Board to ratify their approval of that. Mr. Harden noted he did research and the \$2.00 per

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gallon seems to be in line with what he saw from January until now, which was what they based their quote on. Mr. Larking explained the City's Public Works Department also verified that there was a \$2.00 difference between January and now.

Mr. Saunders **moved** to adopt *Resolution No. 2022-05-09-5D, accepting the lump sum \$1,828,100.25 bid submitted on or before January 27, 2022, from Sellers Brothers, Inc., a Virginia corporation, as the lowest responsive and responsible bidder submitted for the Cyber Park - Lot 7D Graded Pad project, as more particularly described in that certain advertisement for bids advertised on January 7, 2022, issued by the Authority, and being within available funds.*

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)

5E. FINANCIAL STATUS REPORTS AS OF APRIL 30, 2022

Authority Treasurer Michael Adkins gave the Financial Status report as of April 30, 2022, beginning with the \$7.3M Bonds for Cane Creek which had no activity during the month of April. General Expenditures for Fiscal Year 2022 show RIFA expended \$16,195 to Christian & Barton for General Counsel, \$411 to the Institute for meals, and \$141 for monthly utilities. Berry Hill Funding Other than Bonds had one expenditure to Dewberry for \$15,250 for work performed under Amendment #33. Lots 1 and 2 had a payment to Virginia Nutrient Bank for Nutrient Credits in the amount of \$84,420, Water and Sewer at Berry Hill had an expenditure to Dewberry for \$23,065 for work conducted under Amendment #28, and Cyberpark Site Development had a payment of \$2,500 to Dewberry for services related to the grading of Lot 7B. Rent, Interest and Other Income show RIFA received \$1,500 from AEP for their monthly storage lease payment, the checking account earned \$19 in interest, received Pittsylvania County's share of MEP rent of \$3,575, and received a reimbursement from the Tobacco Commission. Some of the incentive agreements require a small portion of any new tax revenues to be remitted back to the Tobacco Commission in payment of those incentive grants. One company ended up not using their grant, so the money RIFA already paid came back to RIFA; that will actually go back to the City which was where the funds came from. Under the expenses for the month, RIFA paid \$21,846 to the Institute related to the Hawkins' Building maintenance agreement, and a check to the Institute for MEP's rent of \$7,150.

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 (4)
NAY: None (0)

5F. CONSIDERATION OF RESOLUTION 2022-05-09-5F. APPROVING A ONE YEAR LEASE RENEWAL WITH THE OSBORNE COMPANY OF NORTH CAROLINA

Mr. Guanzon explained RIFA was leasing about one hundred acres to the Osborne Company and they were using it as pastureland for hay. The value was, when there was a tenant, they know what was going on in the area. Instead of RIFA having to pay someone to do regular

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surveillance for that huge area, this was a way for them to take a look at the property for RIFA. There was no requirement for them to do that, but if they see something suspicious, they can report it to the Authorities. Mr. Guanzon explained the lease has been renewed many times; if staff needs to show the property, they have to give them twenty-four hours' notice, and they were also under a confidentiality agreement. RIFA has the ability to terminate the lease with thirty days' notice and RIFA would refund them a pro-rata portion of the lease.

Mr. Vogler moved to **adopt** Resolution 2022-05-09-5F, *approving a one-year renewal of the lease to the Osborne Company of North Carolina, Inc., a North Carolina Corporation, of approximately 100 acres of pastureland in the Authority's Southern Virginia Megasite at Berry Hill Project (a Portion of GPINS 1366-78-4718 and 1367-70-4519), commonly known as 4380 Berry Hill Road, in Pittsylvania County, Virginia; the lease term shall be subject to a Right of Landlord to show the Demised Premises upon at least 24-hours notice and the obligation of tenant to keep the identity of any prospective business recruits confidential until a public announcement is made, if ever, or as otherwise required by law; the Authority shall have the right to early terminate the lease with at least 30-days notice; and the lease shall be for the use of harvesting grass hay and incidental uses acceptable to the authority, at a total rental fee of \$1,000.00.*

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)

6. CLOSED SESSION

At 12:37 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:

[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.]

- 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

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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. Barksdale 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 1:55 p.m., the Authority returned to open meeting.

Mr. Saunders **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: Barksdale, Ingram, Saunders, Vogler (4)

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NAY: None (0)

7. COMMUNICATIONS

Mr. Harden from Dewberry noted he was at the site this morning, the new AEP line was in service and the old one has been taken down.

Staff update on Cane Creek Centre project signage – tabled as Ms. Bobe and Mr. Rowe were no longer at the meeting.

Dewberry Engineers regarding SVM signage landscaping – Mr. Bradner from Dewberry stated they have been talking with staff; Dewberry has sponsored a sign in the City for a long time and would like to sponsor a sign in the County. Mr. Bradner thanked RIFA for allowing them to be a part at the Megasite. At a future meeting, he would like to present some ideas to sponsor landscaping around the signage at the Megasite.

Legal counsel regarding House Bill 184 (“Virginia Stormwater Management Programs, Regional Industrial Facility Authorities”). Mr. Guanzon noted House Bill 184, Virginia Stormwater Management Programs, Regional Industrial Facility Authorities, was sponsored by Danny Marshall; it was approved and signed into law effective July 1. The City has a stormwater management program, and administers that program; Pittsylvania County does not have this type of program. The Megasite was located in Pittsylvania County, the ones that have to administer this program were the Virginia Department of Environmental Quality (DEQ). This bill would allow Danville to administer that program because it was a member of the RIFA; this will make things more efficient. The next steps were to have a contract drawn up between the City, the County, RIFA and DEQ. Because it was a new law, it won’t actually go into effect until July, and the plan was for him to get in touch with DEQ and Clarke Whitfield, and try to put together exactly what DEQ will be looking for. This will have to go before City Council, the Board of Supervisors, and RIFA.

Meeting adjourned at 2:00 p.m.

APPROVED:

s/ William V. Ingram
Chairman

s/ Susan M. DeMasi
Secretary to the Authority