

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

September 22, 2022s

A Special Called Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:04 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 Vice Chairman Sherman M. Saunders, and J. Lee Vogler, Jr.; Alternate Dr. Gary P. Miller was absent. Pittsylvania County Members present were Chairman William V. Ingram and Darrell Dalton.

City/County staff members attending were: City Manager Ken Larking, Assistant County Administrator Dave Arnold, Pittsylvania County Director of Economic Development Matt Rowe—via zoom, Legal Counsel to the Authority Attorney Michael C. Guanzon—via zoom, and Secretary to the Authority Susan DeMasi. Also present was Telly Tucker, President of the Institute for Advanced Learning and Research.

Chairman William V. Ingram presided.

Legal Counsel to the Authority, Michael Guanzon, reminded the Board and staff that this was a special called meeting pursuant to the bylaws and the Virginia open meeting rules. No discussion could be had other than what was specifically set forth in the agenda.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

NEW BUSINESS

4A. CONSIDERATION OF RESOLUTION 2022-09-22-4A AUTHORIZING THE CHAIRMAN TO ENTER INTO AND DELIVER A TRIPLE-NET GROUND LEASE WITH IALR

City Manager Ken Larking explained over the past several months, the County Administrator and he had been working with the Institute to negotiate a ground lease for Lot 12C in the Cyber Park, adjacent to where the CMA building was currently under construction. The Institute plans to construct a training facility for the Federal government on that site. There have been discussions on some items that RIFA was concerned about, namely, making sure the land that was part of the ground lease only included the land that was needed for the training facility; it did not include land the city needs for a substation to serve the Cyber Park, and also land adjacent to South Boston Road that staff believes could be good for commercial development. Both of those parts of the lot have been separated from the rest of 12C; staff has negotiated an agreement they feel very good about, and recommends approval.

Mr. Guanzon explained in the notice, the Resolution that would be considered has the general description of the training center that was proposed, and the minimum ground lease terms. This item would give authority and direction to the Chairman to execute a ground lease with those minimum terms. There was a minor item with regard to insurance that they have to get final approval on, but that will be done in time. Basically, the capital investment would be at least \$25M, probably more, but that would be the minimum requirement. There would be at least fifty employees with average annual wages of \$60,000. The term would be for an initial term of twenty years with automatic renewals for another twenty years, and then it will be perpetual with consent after that. There will be a minimum amount of rent, \$16,975, and there will be limitations as to the use of the property, consistent with rapid bays, work force development or training programs, and other industrial commercial research uses. It was

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more particularly set forth in the notice of special meeting. Mr. Tucker discussed upcoming economic development events in the Cyber Park.

Mr. Saunders **moved** for adoption of *Resolution 2022-09-22-4A, authorizing and directing the Chairman of the Authority to enter into and to deliver a triple-net Ground Lease with the Institute for Advanced Learning and Research, a political subdivision of the Commonwealth of Virginia (“IALR”), as tenant, for the construction and operation of a proposed 100,000 +/- square foot training facility to be known as the Accelerated Training in Defense Manufacturing (“ATDM”) Training Center, which IALR will use to train skilled workers for the defense industry as part of its US Department of Defense-supported ATDM Training Program; and the minimum terms will be as follows: (i) IALR shall be expected to make or cause the capital investment of at least \$25 million and employment of at least 50 employees with average annual wages of \$60,000; (ii) the term will be for an initial period of 20 years, with automatic renewal for 4 additional 5 year periods so long as IALR has met certain benchmarks agreed upon by the parties and continues to use the building for a permitted use, followed by additional automatic renewals of 5 year periods by agreement of the parties; (iii) the demised area shall be Lot 12C in the Authority’s Cyberpark project in Danville, Virginia; (iv) annual rent shall be \$16,975; and (v) the permitted use of the demised area shall include (A) workforce development or training programs directly or indirectly funded by federal, state, or local governments (or any combination thereof); (B) rapid launch bays for businesses/industries locating operations in Danville or Pittsylvania County for the first time, provided the sublease for such space shall not be longer than 36 months; (C) temporary industrial space, provided the sublease for such space shall not be longer than 36 months; or (D) any other industrial, commercial or research use to which the Authority consents in writing.*

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

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

4B. CONSIDERATION OF RESOLUTION 2022-09-12-5C AUTHORIZING THE INSTALLATION BY THE AUTHORITY’S ULTIMATE TENANT ON LOT 12C IN THE CYBER PARK OF A PORTION OF A DECOMMISSIONED SUBMARINE

Mr. Larking noted he and Mr. Monday had met with Mr. Tucker several weeks ago and were made aware of an opportunity provided to the Institute. At no cost to RIFA, what was being proposed was authorizing the Institute to move forward with accepting a portion of a decommissioned submarine to be placed on the property of Lot 12C at some future date. Mr. Larking noted it will be considered an art installation; he has checked with the City’s zoning and the covenants, and because it was considered art, it would be in compliance with the City zoning. It was up to RIFA to approve whether or not they would like to see it in the Cyberpark and with that approval, the Institute can go forward and let the Navy know RIFA was interested in having it.

Mr. Vogler **moved** for approval of *Resolution No. 2022-09-12-5C, authorizing the installation by the Authority’s ultimate tenant on Lot 12C in the Authority’s Cyber Park project, located in Danville, Virginia, of a portion of a decommissioned submarine, as presented at the meeting, in front of a to be constructed building on Lot 12C, where such tenant will be responsible for*

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any and all costs of such installation, including but not limited to, installation, maintenance, removal and restoration of the installation site, and subject to certification of compliance with all applicable zoning and restrictive covenants requirements applicable to Lot 12C, and further subject to the execution and delivery of a lease, to be negotiated, approved and executed by the Authority for Lot 12C.

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

Mr. Saunders noted he liked the idea of the submarine, it will be a conversation piece. His concern was graffiti or someone disfiguring it, and asked Mr. Tucker if there will be a fence around it, could it be protected. Mr. Tucker stated there was not a plan to fence, but there will be a lot of videoing of the facility including the front of the building and the surroundings. IALR was also agreeing to maintain it, and that would include taking care of an event such as graffiti. Mr. Tucker noted the dimensions were 26'3" in length and 17' in height.

Mr. Ingram questioned what staff knew of the submarine and Mr. Tucker explained it was actually Two Star Admiral, Scott Pappano's submarine, he was its commanding officer. Mr. Tucker stated he believed there was some sentimental attachment to him, because it was a ship he commanded; he was now overseeing the program, and one of the people responsible for Danville having this opportunity. He specifically requested that they consider allowing this to happen.

Mr. Saunders noted the Navy was doing this, and it was personal to him, with the seventeen sailors killed on the USS Cole, one was his cousin; it will bring memories and remembrance. Mr. Ingram questioned the possibility of naming it after Mr. Saunders' cousin, Timothy Saunders, or at least thinking about it. Mr. Tucker stated they may just need to request permission if there was any sensitivity about naming it. The Institute will not own it, they were just asking to have it displayed there; it will still remain the property of the United States Government on loan to the Institute. Mr. Guanzon noted this was going to be deemed art and not a fixture so that it doesn't have to comply with city zoning. As far as putting it on the site, that was what this resolution does, it gives permission from the RIFA board, but the Institute will still have to comply with all other applicable regulations.

Mr. Ingram noted he thought that because they were putting the submarine in the Cyberpark, they were giving it to them and Mr. Tucker noted that was not his understanding but he would confirm that; Mr. Ingram requested they get clarification on that. Mr. Ingram noted he thought that the Navy was giving it to them; to have that and to dedicate it in memory of Timothy Saunders and the other sailors that died would be a wonderful gesture. The region has lost a lot of people through the years in different conflicts.

Mr. Saunders noted it was a very emotional thing; his cousin was one, but there sixteen others who died, and thirty-three injured. To personalize with one name could cause some problems for the Navy and others, but if they could find a way to incorporate everyone involved, that would be good. He was definitely not asking to name it after Tim, but he hoped they can use it as a commemorative to Danville-Pittsylvania County; he did not want to offend anyone. Mr. Tucker stated he thought it was appropriate to ask the question and he would be happy to do that. If Mr. Saunders could send him some information on this, he would share that with them, as a gesture of goodwill to the families and those who lost loved ones, it was something they would like the government to consider.

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Mr. Dalton stated if they couldn't actually name it, could a plaque be created to put on site to recognize all the people, and Mr. Tucker noted that was a good suggestion. RIFA owned the land that was being leased by the Institute, and if RIFA decided it wanted to place something else on the land, adjacent, with all the names in recognition of that, it would be between IALR and RIFA. Mr. Ingram noted his agreement with having a stand alone plaque with a dedication to remember the sailors. Mr. Guanzon stated, generally speaking, if it was part of the art installation, then it was easier to put signs because it would a part of it, even though it doesn't have to be physically attached to it. If they make it a permanent sign, or it was not in close enough proximity to the art installation, it would get more complicated. Staff can work this out, as long as the Institute was okay with having a plaque in that area. Mr. Ingram noted he would like that to be addressed and maybe be on the next agenda, where it could be discussed. Mr. Guanzon noted the Board was in a position now to go ahead and rule for just permission, and then these details can be worked out later, or the Board can decide to Table.

Mr. Saunders thanked the Board for considering this and appreciated it, did not want a conflict of interest to appear, but thinks it was a good thing to do for this region. Mr. Ingram stated he had made the statement to make it happen, not Mr. Saunders, so there was no conflict.

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

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

ADJOURNED: 12:40 p.m.

APPROVED:

s/ William V. Ingram
Chairman

s/ Susan M. DeMasi
Secretary to the Authority