

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 8, 2022

A Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:10 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, Interim County Administrator Clarence Monday, City of Danville Director of Economic Development Corrie Bobe, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, City of Danville Budget Director Henrietta Weaver, City of Danville Accountant Tiffany Swanson-Jones, Pittsylvania County Director of Finance Kim Van Der Hyde; 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, and Walter Thompson, attorney from Richmond.

Chairman William V. Ingram presided.

PUBLIC COMMENT PERIOD

No one present desired to be heard.

APPROVAL OF MINUTES OF THE JULY 11, 2022, MEETING

Upon **Motion** by Mr. Saunders and **second** by Mr. Vogler, Minutes of the July 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. 2022-08-08-5A, APPROVING AN AMENDED AND RESTATED GROUND LEASE WITH THE IDA OF DANVILLE, VIRGINIA

City of Danville Director of Economic Development Corrie Bobe explained staff was still working on closing the financing for the shell building which was a partnership with the City and County IDAs. The loan for the project was through Virginia Community Capital and Virginia Small Business Financing Authority. The various legal teams have made requests on changes; each respective locality will have a moral obligation updated and voted on again and they have asked for a change to the ground lease through RIFA.

Authority Attorney Michael Guanzon noted RIFA owns the land in the Cyber Park, and several months ago they entered into a ground lease where RIFA would be the landlord and the City and County IDAs would be the ground tenant. Under the terms of that long-term lease, the City and County IDAs can exercise an option to purchase when they want, and will be building a shell building with a minimum square footage to bring in a recruit. As part of the security for the construction financing loan, they want to have an assignment of the ground lease, because under the law, if RIFA should every terminate the lease then all the improvements that were on the ground would merge and belong to RIFA. If the two lenders have a lien when they do the construction on the building, and if there was a default, then their interests, which were into the lease and improvements would be gone. Basically, they were saying, if RIFA were

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 8, 2022

about to terminate the lease because the City and County IDAs were in default for whatever reason, then they would have the opportunity to cure that default so that they wouldn't lose their collateral. There were several provisions listed in the Resolution which would amend and restate, meaning all the business terms they had before would be the same and would just add some rights of the lenders to cure a default before RIFA terminated the lease. Because there were a lot of parties involved, the City and County IDAs, Virginia Small Business Financing Authority and Virginia Community Capital, each of them have lawyers, it will take a while, but they were going to try to get it done quickly. The whole document should be straightforward and this was to authorize RIFA to negotiate to add those provisions.

Mr. Barksdale **moved** for adoption of Resolution No. 2022-08-08-5A, *approving the negotiation, execution and delivery of an Amended and Restated Ground Lease with the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, and the Industrial Development Authority of Pittsylvania County, Virginia, a political subdivision of the Commonwealth of Virginia, for a portion of that certain real property containing approximately 10.17 acres (PIN 78359), commonly known as Lot 10B, in the Authority's Cyber Park project, located in the City of Danville, Virginia, in order to facilitate construction financing.*

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)

5B. DISCUSSION OF POTENTIAL STORMWATER/ENGINEERING CONSULTANT ARRANGEMENT FOR THE AUTHORITY'S SOUTHERN VIRGINIA MEGASITE AT BERRY HILL PROJECT FOR STORMWATER MANAGEMENT PROGRAM COMPLIANCE

Pittsylvania County Director of Economic Development Matt Rowe noted staff wanted to expedite timelines at the Megasite with regard to permitting. They approached Delegate Marshall and others with language that would allow RIFAs, if a participating jurisdiction within a RIFA was an administrator or was within the VSMP program for the state, to review, permit and administer the program for RIFA properties. Delegate Marshall sponsored the bill and it passed. Mr. Rowe noted RIFA, the County, City and DEQ have approved this since the last meeting. Staff had a brief meeting with the Danville Community Development staff who would be doing the review. On the County's side, for really complex projects, they have always had a mindset that they would probably have to go to a third party to help them through that process. Mr. Rowe stated with the stormwater side, the City staff was extremely capable but the workload was such that it would be a heavy lift especially when they were trying to expedite things. The question came up, would RIFA allow staff to approach several firms to get quotes and have some general conversations about these types of services. Mr. Rowe stated he thought it would be beneficial for RIFA to, if not have someone on contract, at least have them on speed dial, have them familiar with the site. There were funds to keep someone like that on retainer, and it could be a gamechanger once RIFA gets the go ahead for a large project.

Ms. Bobe explained the conversation with the City's Public Works staff was that, they would go ahead and do everything within their power to try move forward with the planning process and design of the final stormwater proposal or solution for the site. They would propose a consultant to work in partnership with the City and the Dewberry team, someone who knows

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 8, 2022

the ins and outs of the DEQ stormwater program, that can get the submission and application to the point of, as soon as it was submitted to the City, staff knew that all the boxes had been checked and the City could expedite its approval. It would not take the place of the City's approval, it would work in partnership with each of the teams to get it to that turnkey, that staff knew it was a solid application for the City to review and approve. Mr. Rowe noted from the county's perspective they would want to try and utilize that same firm to do the building permit so that everything was synchronized, and everyone was communicating. Mr. Bradner stated he thought they described it well; in addition to what staff was talking about with the various projects they were looking at, looking at the region as whole, the next three to five years they will have more in construction in this region than any of them have seen in their lifetimes. Mr. Guanzon stated the services that would be rendered would be to or for the benefit of RIFA, and the independent oversight function of the City and the County for the respective functions whether it was the stormwater or the permitting. They would be in consultation with them in the process, but ultimately the services would be owed to RIFA.

5C. FINANCIAL STATUS REPORTS AS OF JULY 31, 2022

City of Danville Budget Director Henrietta Weaver gave the Financial Status report as of July 31, 2022, and noted as they close Fiscal Year 2022, they will be showing the activity for 2022 and the current Fiscal Year 2023. The \$7.3M Bonds for Cane Creek had no activity during the month of July. General Expenditures for FY22 show a payment to FedEx of \$60, meals for \$305 and utilities to the City of Danville for \$178. General Expenditures for FY 23 show RIFA received \$75,000 to pay for General Expenditures from both the City and the County. Berry Hill Funding Other than Bonds had an expenditure to Virginia Electric and Power Company of \$832,300 for a right of way purchase for the connector road. Under Lots 1 and 2 at the Megasite, RIFA paid Dewberry \$7,500 for work under Amendment #30, and paid Jimmy R. Lynch & Sons \$307,053 for lot grading. Water and Sewer at Berry Hill and Cyber Park Site Development showed no activity for the month of July. Rent, Interest and Other Income for FY 2022 show RIFA received rent income from the Institute of \$21,966 for the month of June, interest on the money market account of \$41, and paid \$22,205 to the Institute for the Hawkins' Building property maintenance. Rent, Interest and Other Income for FY 23 show RIFA received \$2,000 from Capital Outdoor for the lease renewal, \$1,500 from AEP for their storage rent, the last amount for the MEP rent contribution from the City and County of \$714 each, and received \$831,630 from VDOT for the purchase of a land easement. RIFA also paid \$1,428 to the Institute to close out the MEP rent incentive. Mr. Rowe explained the \$832,000 that was paid to Virginia Electric, they in turn simultaneously closed and paid that back to RIFA. Mr. Guanzon explained that was to maximize use of grant money that was expiring. To maximize that, staff split these two transactions that were with the same parties; they had to keep them separate and that was why it was showing.

Mr. Saunders **moved** to accept the Financial Report as presented; 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 12:27 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

August 8, 2022

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 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)

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes
August 8, 2022

RETURN TO OPEN SESSION

On **Motion** by Mr. Vogler and **second** by Mr. Barksdale and by unanimous vote at 12:48 p.m., the Authority returned to open meeting.

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

7. COMMUNICATIONS

Board members thanked staff for all their hard work. Mr. Ingram noted he was honored to be able to work with these board members and the staff, and the progress that will be made was commendable.

Mr. Guanzon stated there has been a very positive "buzz" in Richmond about Danville and the economic development in the region.

Meeting adjourned at 12:54 p.m.

APPROVED:

s/ William V. Ingram
Chairman

s/ Susan M. DeMasi
Secretary to the Authority