

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

January 9, 2023

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 Vice Chairman Sherman M. Saunders, J. Lee Vogler, Jr., and Alternate Dr. Gary P. Miller. Pittsylvania County Members present were Chairman William V. Ingram, Darrell Dalton and Alternate Robert Tucker.

City/County staff members attending were: City Manager Ken Larking, Deputy City Manager Earl Reynolds, Interim County Administrator J. Vaden Hunt, City of Danville Director of Finance Michael Adkins, City of Danville Accountant Tiffany Swanson-Jones, Pittsylvania County Director of Finance Kim Van Der Hyde, City of Danville Director of Economic Development Corrie Bobe, Pittsylvania County Director of Economic Development Matt Rowe, Pittsylvania County Project Manager Kattie Saunders, 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 citizen Ken Bowman.

Chairman William V. Ingram presided.

**PUBLIC COMMENT PERIOD**

No one present desired to be heard.

**APPROVAL OF MINUTES OF THE DECEMBER 12, 2022 REGULAR MEETING AND DECEMBER 16, 2022 SPECIAL MEETING.**

Upon **Motion** by Mr. Dalton and **second** by Mr. Vogler, Minutes of the December 12, 2022 Regular Meeting and December 16, 2022 Special Meeting, were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. ELECTION AND REAPPOINTMENT OF OFFICERS FOR CALENDAR YEAR 2023**

Authority Attorney Michael Guanzon explained under the by-laws, the Chairman and Vice Chairman must be elected every calendar year and cannot be from the same locality. This year the Board will be asked to elect a Chairman from the City and Vice Chairman from the County. Following that, will be the reappointment of the Secretary and Treasurer.

- i. Election of Chairman from the Danville City Member Locality  
(see Bylaws, Article VI, paragraph 1).

Mr. Ingram opened the floor for nominations for Chairman. Mr. Saunders **nominated** Lee Vogler for Chairman, noting he has worked with him on City Council for ten years. He does have the City and region at heart and he was a good man. There were no further nominations for Chairman and the Motion to close the nominations was carried by the following vote:

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

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The **Motion** to elect Mr. Vogler as Chairman was carried by the following vote:

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

*Mr. Ingram handed the meeting over to Mr. Vogler.*

ii. Election of Vice Chairman of the Authority from the Danville City Member Locality  
(see Bylaws, Article VI, paragraph 4).

Mr. Vogler requested a nomination for Vice Chairman of RIFA from Pittsylvania County. Mr. Dalton nominated **Mr. Ingram** as Vice Chairman of RIFA; there were no further nominations for Vice Chairman and the **Motion** to close the nominations was carried by the following vote:

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

The **Motion** to elect Mr. Ingram as Vice Chairman was carried by the following vote:

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

iii. Reappointment of the Secretary from the Authority's Staff

Mr. Saunders **moved** to reappoint Susan DeMasi as secretary of the Authority; the Motion was **seconded** by Mr. Ingram and carried by the following vote:

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

iv. Reappointment of the Treasurer from the Authority's Staff

Mr. Saunders **moved** to reappoint Michael Adkins as Treasurer of the Authority; the Motion was **seconded** by Mr. Ingram and carried by the following vote:

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

Mr. Saunders thanked Mr. Ingram, the immediate past Chair, he has done an excellent job, welcomed Mr. Vogler as Chairman, and looks forward to working with all of the Board.

*(Mr. Dalton moved to the alternate member, and Mr. Tucker moved to the voting member.)*

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**5B. CONSIDERATION OF RESOLUTION 2022-01-09-5B APPROVING A ONE-YEAR RENEWAL OF THE MOUNTAIN VIEW FARMS LEASE**

Mr. Guanzon noted this was a one year renewal of a \$1,200 a year sod lease in the Southern Virginia Megasite. It was a continuation of many years, and a way for free surveillance with a tenant on site. Mr. Ingram questioned who had the State Police on stand-by at the Megasite and Mr. Harden noted it was the power company; Mr. Ingram questioned how long that has been in effect and how long it will continue and Mr. Harden noted it has been effect since they energized the substation.

Mr. Ingram **moved** for adoption of *Resolution No. 2023-01-09-5B, approving a one-year renewal of the Lease with Mountain View Farms of Virginia, L.C., a Virginia limited liability company, as tenant, for that certain real property (being a Portion of GPIN 1356-80-4414) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Southern Virginia Megasite at Berry Hill Project, in Pittsylvania County, Virginia, for the purpose of planting and harvesting sod, soybeans, and/or other cover crops, but not tobacco, at a total rental fee of \$1,200; such renewal also includes a 60-day early termination right and right to show the property to business recruits of the Authority.*

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

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

**5C. CONSIDERATION OF RESOLUTION 2023-01-09-5C APPROVING A MEMORANDUM OF AGREEMENT WITH THE CITY OF DANVILLE FOR CONSTRUCTION WORK AT BERRY HILL**

City Manager Ken Larking explained there was some Utility infrastructure that needed to be moved at the Megasite in order to accommodate the clients that were interested in the site. There was an estimated cost of about \$101,000 to do that. Since the Danville Utility fund was a self-supporting operation, staff felt it was appropriate to ask RIFA to cover that cost.

Mr. Vogler questioned if staff knew which lots at the Megasite would be particularly impacted and Mr. Harden explained it would run down Oak Hill Road, Lots 4 and 5, and 8 and 9. Mr. Guanzon stated they were going to update the line and move it at the same time. Mr. Tucker questioned what the cost sharing arrangement was with the City and the County and Mr. Guanzon stated it was 50/50; there was a Cost and Revenue Sharing Agreement. Mr. Guanzon noted this Resolution was authorizing entering into a contract with the City for this work at a maximum aggregate of \$101,000. If it gets close to that, then the City will have to come back and RIFA will have to make the adjustments. It was multifaceted; it was removal, replacement and placement of certain poles as well as permits, prices and costs. Staff does not have the actual contract right now but he will be working with the City Utilities to get the Memorandum of Agreement.

Mr. Tucker **moved** for adoption of *Resolution No. 2023-01-09-5C, approving the negotiation, execution and delivery of a Memorandum of Agreement (the "MOA") with the City of Danville, Virginia, for certain construction work within the Authority's Southern Virginia Megasite at*

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*Berry Hill, located in Pittsylvania County, Virginia, including among other things, the removal of existing and addition of new utility poles and associated anchors, right of way clearing, and obtaining railroad crossing permits, all of which shall not to exceed an aggregate cost of \$101,000.00, and subject to the approval by legal counsel to the Authority as to legal form and to certification by the Treasurer of availability of funds for payments under the MOA, including without limitation the identification of the applicable budget sheet.*

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

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

**5D. CONSIDERATION OF RESOLUTION 2023-01-09-5D APPROVING RENEWAL OF A CONSTRUCTION MATERIALS STORAGE LEASE AGREEMENT**

Mr. Guanzon explained there was an existing construction materials storage lease agreement that was entered into in October of 2021. The company has almost finished their work and have asked for a six month extension at the same rate that they had before, which was \$1,500.00 a month. Mr. Guanzon noted he had been told they had put down some gravel, so when they finish they need to remove the gravel and plant new grass to replace it.

Mr. Saunders **moved** for adoption of *Resolution No. 2023-01-09-5D, approving the renewal of that certain Construction Materials Storage Lease Agreement dated October 31, 2021, with Appalachian Power Company, approved under Resolution No. 2021-10-12-5D, for an additional period of up to six months at a lease rate of \$1,500.00 per month, to complete certain transmission line and substation construction activities at the Authority's Southern Virginia Megasite at Berry Hill, located in Pittsylvania County, Virginia, including without limitation restoring the Lease Premises by replacing the existing gravel with new grass.*

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

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

**5E. FINANCIAL STATUS REPORT AS OF DECEMBER 31, 2022**

Authority Treasurer Michael Adkins gave the Financial Status report as of December 31, 2022, starting with the \$7.3M Bonds for Cane Creek which had no activity. Under General Expenditures for this fiscal year, RIFA paid Sellars Brothers \$3,051.62 for property maintenance at Berry Hill, legal expenses of \$64,169.98 paid to Christian & Barton for services from July through November, meals were \$788.46, and monthly utilities to the City of Danville were \$185.03. Funding for the Megasite Other than Bonds and Lot 4 Site Development had no expenditures. Under Lots 1 and 2, staff did increase the obligated amounts to show the change order for Jimmy Lynch & Sons which was approved at the last meeting. RIFA also had a payment to Jimmy Lynch & Sons of \$73,815.00 for Lots 1 and 2. Water and Sewer at Berry Hill had no expenditures for December; Cyber Park Site Development had an expenditure for Sellars Brothers of \$201,153.00, for Lot 7B for Progress Billing Number Four, and also to Dewberry Engineers \$14,125.00 for Lot 7B expenses. Rent, Interest and Other

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Income shows RIFA received their monthly rent from the Institute for the Hawkins' Building of \$21,846.50, received their \$1,500 for storage rent from AEP and the bank accounts earned \$144.70 in interest. RIFA received several payments from the timber sales at Berry Hill for the month of December from Hopkins Lumber totaling \$147,249.54. RIFA also received the County's share of the Industrial Enhancement Grant for Morgan Olsen of \$85,000. There was one expenditure, the Hawkins' Building Maintenance Agreement to the Institute for \$21,846.50.

Mr. Saunders **moved** to accept the Financial Report as presented; the Motion was **seconded** by Mr. Ingram and carried by the following vote:

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

**6. CLOSED SESSION**

At 12:29 p.m. Mr. Saunders **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 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

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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. Tucker and carried by the following vote:

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

**RETURN TO OPEN SESSION**

On **Motion** by Mr. Ingram and **second** by Mr. Saunders and by unanimous vote at 1:27 p.m., the Authority returned to open meeting.

Mr. Ingram **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. Tucker and carried by the following vote:

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

**7. COMMUNICATIONS**

Mr. Saunders noted he appreciated the work the Board and staff do, and congratulated Mr. Vogler, the new Chairman, he looked forward to working with him.

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Dr. Miller congratulated Mr. Vogler as the new Chairman, and thanked Ms. Bobe and Mr. Rowe for all the good work they have done, to improve the welfare of the City and the County.

Mr. Ingram congratulated Mr. Vogler, and noted he was proud of all the Board and staff members, he believed they got a lot accomplished.

Mr. Dalton congratulated Mr. Vogler, thanked the Board and staff for their hard work.

Mr. Tucker congratulated Mr. Vogler and echoed the sentiments of the other board members, stating he was glad to be a part of the winning team and was impressed with the hard work that goes on behind the scenes to make things happen for the City and the County.

Mr. Rowe noted on the timbering side, things were moving along fast; they have five crews working, and have sent an amendment to Mr. Guanzon to review, but there was also interest now in doing some timbering on the south side of Berry Hill Road. It was creating revenue and helping Ms. Bobe and he for the marketability of the site. There have been some issues with mud on the road, but the loggers have been very responsive in addressing that. Mr. Rowe noted he appreciated the board allowing staff to move forward on the timbering.

Mr. Vogler thanked Mr. Saunders for the nomination and the Board for their support, stated he thinks this will be a great year for RIFA, and was confident there wasn't a better group of people to be had to lead this region and move them forward. Mr. Vogler stated he was confident that great things were on the horizon, looked forward to serving this year as Chairman, and was honored to so.

Meeting adjourned at 1:34 p.m.

APPROVED:

s/ J. Lee Vogler, Jr.  
Chairman

s/ Susan M. DeMasi  
Secretary to the Authority