

**PRINCE EDWARD COUNTY  
INDUSTRIAL DEVELOPMENT AUTHORITY  
MEETING MINUTES**

**Board of Supervisors Room – 3<sup>rd</sup> Floor Prince Edward County  
8:00 am, July 26, 2024**

The Prince Edward County Industrial Development Authority strongly encourages citizen participation in public meetings through in-person participation, written comments, and/or remote participation by calling: **1-844-890-7777, Access Code: 390313** (if busy, please call again). Should citizens have questions, or need additional information, please contact the Industrial Development Authority Clerk’s Office at 434-392-1482.

**MEMBERS PRESENT IN PERSON:** Mike Montgomery, Vice-Chairman  
Brad Watson, Chairman  
Quincy Handy  
Joyce Yeatts  
Quincy Handy

**MEMBERS PRESENT BY PHONE:** Joyce Yeatts

**ABSENT:** Robert Atkinson, Edgar Jones

**ALSO PRESENT:** Chelsey White, Director of Economic Development & Tourism/Clerk to the Industrial Development Authority; Douglas Stanley, County Administrator; Rhett Weiss, Chairman & CEO of DEALTEK, Ltd.; Molly Kinahan, Tourism Coordinator; Terri Atkins Willson, IDA Attorney; Cheryl Stimpson, Director of Finance

**Introductions**

**Call to Order**

At 8:02 am there being a quorum present, Mr. Watson welcomed everyone and called the July 26, 2024, IDA meeting to order.

*Approval of Minutes*

Mr. Montgomery moved to approve the June 28, 2024 minutes, and Mr. Handy seconded. The minutes were approved by the following vote:

Aye:	Nay: (none)	Abstain: (none)
Mike Montgomery		
Brad Watson		
Joyce Yeatts		
Tim Tharpe		
Quincy Handy		

*Treasurer’s Report*

Ms. White presented the treasurer's report:

**Treasurer’s Report**  
**July 25, 2024**

<b>Deposits since the last report (June 14, 2024)</b>	
Paris Ceramics – 286K Equipment Loan Payment	\$3,774.25
Paris Ceramics - Waterjet Payment	\$5,267.49
June Interest Payment	\$911.38
Paris Ceramics – 286K Equipment Loan Payment	\$3,774.01
Paris Ceramics - Waterjet Payment	\$5,267.49
<b>Deposit TOTAL</b>	<b>\$18,994.62</b>
<b>Disbursements since the last report (June 14, 2024)</b>	
Brightspeed June Security System – 230 Kelly Lane	\$16.35
DEALTEK, Ltd.	\$8,000.00
Timmons Group - Offsite Utilities - Water Main and Wastewater Force Main	\$600.00
<b>Disbursements TOTAL</b>	<b>\$8,616.36</b>
<b>June 2024 Benchmark Statement Balance</b>	
	<b>\$1,093,427.03</b>
<b>Available Balance as of July 25, 2024</b>	
	<b>\$1,088,647.21</b>

**MONTHLY REVENUE**

Waterjet Equipment Loan | \$200,000 | \$3,774.25 monthly payment | \_\_\_\_\_ balance  
 286K Equipment Loan | \$286,000 | \$5,267.49 monthly payment | \$121,301.33 balance

Waterjet Equipment Loan | \$200,000 | \$3,774.25 monthly payment | \_\_\_\_\_ balance  
 286K Equipment Loan | \$286,000 | \$5,267.49 monthly payment | \$116,438.18 balance

Ms. White stated that she is still working with the Finance Department to verify that Paris Ceramics has paid off the \$200,000.00 equipment loan and will have an update at the next meeting. Ms. Yeatts moved to approve the treasurer’s report and Mr. Tharpe seconded. The motion was approved by the following vote:

- Aye:                                      Nay: (none)                      Abstain: (none)
- Mike Montgomery  
 Brad Watson  
 Joyce Yeatts  
 Tim Tharpe  
 Quincy Handy

*HIT Park Consulting and Marketing Update*  
Mr. Weiss presented the following report:

The following is a high-level summary of economic development, marketing, and related consulting activities for Heartland Innovative Technology Park (HIT Park) since the last Activity Report, conducted under the Contract for Consulting Services between DEALTEK and the IDA dated 1 May 2023:

1. Strategy

Develop interest in HIT Park from the data center industry, and sell it to a capable and credible data center owner/operator, while gaining insights from industry leaders and prospects.

2. Prospect Interactions

- a. We continue to focus on one particular prospect (Prospect), among others, which has offered to acquire and develop HIT Park. We believe Prospect is the party offering the best combination of transaction terms and ability to execute the project's development.
- b. On 28 June 2024, IDA approved and signed the previously discussed Memorandum of Understanding (MOU). On the same date, Prospect also signed it. The MOU requires IDA to engage with Prospect exclusively (i.e., pause engaging with others interested in HIT Park) while they draft the Purchase and Sale Agreement (PSA) and Master Agreement (MA), which incorporate terms which the MOU outlined. Per the MOU, Prospect takes the lead on drafting the PSA, and IDA takes the lead on drafting the MA.
- c. During June, I prepared a draft MA. (Regardless of whether Prospect signed the MOU or signs the PSA and MA, we need an MA with any eventual HIT Park buyer.) On 1 July, I circulated the draft MA to County/IDA staff and counsel for their review. Doug and Terri provided input in response. With that input included, I sent the draft MA to Prospect on 15 July for its review. Throughout this time, Prospect and I have been in communication.
- d. On 13 July, I received the Prospect's draft PSA and forwarded it to County/IDA staff and counsel for review. I prepared a markup to the draft PSA and sent it to them yesterday.
- e. On 17 July, Prospect and I met (virtually) to review and negotiate high level MA points. We took that opportunity to discuss the draft PSA briefly.
- f. We expect to receive Prospect's markup to our draft MA, and to send our markup to Prospect's PSA, early during the week of Monday 22 July. I will update the IDA Board on proposed provisions and any open issues at the meeting on the 26<sup>th</sup>.

3. Related Activities

- a. Prepared HIT Park summary for PEC Board of Supervisors.
- b. Addressed various HIT Park-related requests from Prospect and county staff.
- c. Reviewed information on other data center sites and locations, trends, developments, publicized projects (pending or completed), and their contexts.

Please note: Names of prospects, their points of contact, and industry sources need to be kept confidential. Similarly, our communications typically contain sensitive and/or proprietary information, which likewise needs to be kept confidential. These details certainly are available upon request in closed session.

Mr. Weiss explained that there is one prospect that the IDA approved to work exclusively with. He explained that the prospect signed the MOU and agreements are being worked on. Mr. Weiss furthered that one is a real-estate agreement, and the other covers everything else. He furthered that the IDA must pause with all other prospects. He mentioned that others are still contacting him, and he is letting them know he cannot discuss the HIT Park at this time.

#### *HIT Park Investment Update*

Ms. White presented the HIT Park investment update and explained that expenses since the last report amount to \$8,616.35. Mr. Watson asked if the site had been certified as Tier Three, and she responded yes. Ms. White mentioned she is still working on getting grant reimbursements for the infrastructure projects listed. Mr. Montgomery stated that the year needed to be corrected to say 2022 on the report and Ms. White stated that she would correct it.

#### *5 Pillars Meats Performance Agreement and Local Incentive Agreement*

Ms. White stated this item needed to be tabled. Mr. Stanley agreed and stated that the property is being reassessed, and he and Ms. White are working to put together a \$25,000 local incentive package for the company. Mr. Montgomery motioned to table the 5 Pillars Meats Performance Agreement and Local Incentive item and Ms. Yeatts seconded. The motion was approved by the following vote:

Aye:	Nay: (none)	Abstain: (none)
Mike Montgomery		
Brad Watson		
Joyce Yeatts		
Tim Tharpe		
Quincy Handy		

#### *Paris Ceramics New Equipment Loan*

Ms. White stated that Mr. Kellner submitted quotes on the equipment he would like to purchase with the financing help of the county. She explained that the total price of the equipment is \$192,280.00 summarized as follows:

- Plant Decantation and Recycling Machine
  - Vendor – Miles Supply Inc
  - Price - \$82,280 (75,500 Euros)
- Tunnel Oven Machine
  - Vendor – Formach Marble Machinery Company
  - Price - \$110,000

She furthered that Paris Ceramics currently has two equipment loans that are being paid off. Ms. White explained that the company has informed her that they have completed payments for the \$200,000.00 loan as of the last payment on July 24, 2024, and she is working to confirm that all

payments have been made. Ms. White stated that the \$286,000.00 loan has a remaining balance of \$116,438.18 which should be paid off by June of 2026. Mr. Watson stated that whether or not another loan would be offered would depend on the completion of their other loan. Mr. Watson asked what the typical interest rate would be in the market for similar equipment. Mr. Tharpe stated that he thinks equipment loan interest rates are at about 7-8%. Mr. Stanley suggested a 5-year term with 7% interest. Mr. Watson stated that he wanted to make sure that the other equipment loan was paid off and that the ownership change would not affect this deal. Mr. Watson made a motion that the IDA offer Paris Ceramics a \$192,280.00 loan with a five-year term and a 7% interest rate with monthly payments that will incur a late fee after seven days as long as (1.) The current \$200,000.00 loan has been paid off or is very close to being paid off and (2.) Any ownership change at Paris Ceramics does not change the loan agreement. Mr. Tharpe seconded the motion. The motion was approved by the following vote:

Aye:    Nay: (none)                                  Abstain: (none)

Mike Montgomery  
Brad Watson  
Joyce Yeatts  
Tim Tharpe  
Quincy Handy

**Closed Session**

At 8:25 am Ms. White called for a motion to enter closed session. Mr. Montgomery made a motion, seconded by Mr. Handy, to convene in closed session for discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, and consultation with legal counsel and briefing by staff members or consultants pertaining to actual or probable litigation pursuant to the exemptions provided for in Section 2.2-3711(A)(3) of the Code of Virginia. The motion carried:

Aye:    Nay: (none)                                  Abstain: (none)

Mike Montgomery  
Brad Watson  
Joyce Yeatts  
Tim Tharpe  
Quincy Handy

The Board returned to the regular session by a motion from Mr. Montgomery moves, and Tharpe seconds. Mr. Watson called for a vote.

Aye:    Nay: (none)                                  Abstain: (none)

Mike Montgomery  
Brad Watson  
Joyce Yeatts  
Tim Tharpe  
Quincy Handy

The following certification of the closed meeting was adopted in accordance with the Virginia Freedom of Information Act:

WHEREAS, the Board of the Prince Edward County Industrial Development Authority convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711(A)(3) of the Code of Virginia requires certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED that the Board of the Prince Edward County Industrial Development Authority hereby certifies that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the Board of the IDA. The motion was made by Mr. Tharpe and seconded by Mr. Montgomery. Mr. Watson called for a vote:

Aye:                                 Nay: (none)                 Abstain: (none)

Mike Montgomery  
Brad Watson  
Joyce Yeatts  
Tim Tharpe  
Quincy Handy

Ms. White asked if there were any departures from clauses one and two were asked to speak. There was no departure.

Aye:                                 Nay: (none)                 Abstain: (none)

Mike Montgomery  
Brad Watson  
Joyce Yeatts  
Tim Tharpe  
Quincy Handy

*Closed Session Ended at 9:45 am.*

**Other Business**

There was no other business to discuss.

**Adjournment**

With no other business to discuss, Mr. Montgomery made a motion to adjourn the meeting and Mr. Tharpe seconded. The motion was approved by the following vote:

Aye:                                 Nay: (none)                 Abstain: (none)

Mike Montgomery  
Brad Watson  
Joyce Yeatts  
Tim Tharpe  
Quincy Handy

*The meeting was adjourned at 9:47 am.*