

# WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

## MINUTES Board Meeting August 18, 2016

- MEMBERS PRESENT:** Kevin Boggess, Wayne Bowers, Michael Burnette, Jill Loope, Gary Larrowe, Chris Morrill, Brent Robertson, Barry Thompson (8)
- ALTERNATES PRESENT:** Rob Ledger, Dan O'Donnell (2)
- GOVERNMENTS:** Botetourt County, Franklin County, City of Roanoke, City of Salem, Roanoke County, Town of Vinton (6)
- Staff:** Laura Carini, Beth Doughty, John Hull, Lisa Link
- Guests:** Paul Jacobson, Sands Anderson; Kyle Laux, Davenport; Dan Siegel, Sands Anderson; Rebecca Owen, Roanoke County, Rosie Jordan, City of Salem, Ken McFadyen, Botetourt County

Chairman Chris Morrill was running late, so to open the meeting Secretary Brent Robertson opened the floor to accept nominations for a temporary chairman. A motion by Bowers to nominate Kevin Boggess as temporary chair was seconded by Thompson and was approved unanimously.

Temporary Chairman Boggess called the meeting to order. Link read the roll call and established a quorum was present.

A motion by Bowers to accept the Minutes from the July 21, 2016 meeting was seconded by Thompson and approved unanimously.

**FUNDING PROPOSAL UPDATE:** Laux provided an update on the request for proposal that had been sent following the July meeting. Laux reminded everyone that at this time we are seeking funding for Phase I, \$10 million for land acquisition, and that the best options include taxable financing as that provides the greatest flexibility for the Authority. As a reminder the proportionate shares are as follows:

City of Roanoke	37 percent
Roanoke County	37 percent
Botetourt County	13 percent
City of Salem	10 percent
Town of Vinton	3 percent

In terms of the necessary legal securities, the Cities of Roanoke and Salem, and the Town of Vinton will issue general obligations equivalent to the proportionate share of the 2016 bond, and

Roanoke County and Botetourt County will issue moral obligations equivalent to their share of the 2017 bond with collateral.

Laux noted that Union Bank & Trust and Wells Fargo were the only banks to submit funding proposals; it was their recommendation based on the proposals that the Authority explore the Union Bank & Trust proposal.

Union Bank & Trust outlined three different financing options -- 12, 15 and 20 year options. Davenport's team focused on the 20-year financing option which included both prepayment without penalty (3.65 percent fixed through maturity), and make-whole prepayment (2.48% fixed thru maturity) options. Laux noted that the prepayment make-whole penalty can have substantial costs associated if the group were to refinance at some point during the loan. He indicated that participating locality finance directors have previously reviewed both proposals and it was the recommendation of both Davenport and the area finance directors that the group consider the first option without prepayment penalty even though the interest rate is higher. This option allows for the Authority to lock-in interest rates 45 days prior to closing and drawdown funds as needed.

Additional details include localities providing collateral for the Moral Obligation pledge acceptable to the bank with a loan value not exceeding 80 percent of their respective proportional share of the loan. He noted that banks generally prefer essential buildings as collateral (public safety buildings, fire stations, etc.)

Bank counsel fees are estimated at \$20,000 but are subject to change. Other closing costs include appraisal fees, title insurance, and recording fees. Laux noted that if any of the participating localities were to see a change in their Moody's rating, the interest rate could change.

Next steps -- Davenport outlined the following timeline:

Proposed dates for public hearings:  
September 19 - City of Roanoke  
September 27 - Roanoke County  
September 26 - City of Salem  
September 20 - Town of Vinton  
Botetourt County

Amended and restated organizational documents for all participating localities should be completed and approved by the following:

Botetourt	August 23
City of Roanoke	September 6
Franklin County	September 20
Town of Vinton	September 20
City of Salem	September 22
Roanoke County	September 13

Proposed dates for public hearings:

September 19 - City of Roanoke  
September 27 - Roanoke County  
September 26 - City of Salem  
September 20 - Town of Vinton  
Botetourt County

September 15            Schedule informational presentations to participating governments

October 10              Proposed closing

O'Donnell noted that he doesn't believe a public hearing is required to approve the general obligation bond, but noted it is more important to select the properties that will be used as collateral, including the title search and appraisal of the properties. He noted this could take some time, and the October 10 closing date may be difficult with this in mind.

After some discussion, it was agreed that Davenport will go back to Union Bank & Trust to request the interest rate be guaranteed for 60 days instead of 45 days.

It is the intent of the Board to authorize Davenport to move forward with Union Bank & Trust's Option 1 – No prepayment penalty proposal. Full board approval will not happen until after all local governments have worked out collateral properties and public hearings.

**MEMORANDUM OF UNDERSTANDING:** Doughty presented the proposed Memorandum of Understanding (MOU), copy attached. It was suggested that "annual fee" be added to clarify fees. A motion by Boggess to accept the proposed Memorandum of Understanding between Western Virginia Regional Industrial Facility Authority and the Roanoke Valley Alleghany Regional Commission with the proposed "annual fee" language was seconded by Bowers and was approved unanimously.

**DHCD GRANT STATUS:** Hull reported that the required work has been completed for the grant. The Roanoke Regional Partnership was awarded \$36,000, more than the original grant request of \$25,000. Approximately \$22,415.40 has been spent, with a balance of \$13,584.60 left of the award, matching funds of \$3,396.15 will be required to use the additional funding. Fees for the work done by Davenport and Sands Anderson can be used to spend the match down.

**CLOSED SESSION** – A communication from Chris Morrill, chairman of the Western Virginia Regional Industrial Facility Authority (WVRIFA) requesting that the Authority convene in a Closed Meeting to discuss the potential acquisition of privately-owned property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to section 2.2-3711(A)(3), Code of Virginia (1950) as amended. A motion by Morrill, to go into closed session per the request was seconded by Bowers and was certified. Roll was called and the motion was passed.

A motion by Boggess to end the closed session was seconded by Thompson and passed unanimously.

With respect to the Closed Meeting just concluded Morrill moved that each member of the Western Virginia Regional Industrial Authority certify to the best of his or her knowledge that: (1) only public business matters lawfully exempted from open meeting requirements under the Virginia freedom of Information Act; and (2) only such public business matters as were identified in any motion by which any Closed Meeting was convened were heard, discussed, or considered by the Western Virginia Regional Industrial Facility Authority. A motion to certify the closed session made by Boggess was seconded by Bowers and passed unanimously. Roll was called and the certification was unanimous.

There being no other business, the meeting adjourned.

W. Brent Roberts  
Secretary

Becky  
Attest

***The next meeting of the Western Virginia Regional Industrial Facility Authority is  
scheduled for Thursday, September 15, 2016 at 10:30 AM.***