

WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

MINUTES

Board Meeting
September 15, 2016

MEMBERS PRESENT: Kevin Boggess, Wayne Bowers, Tom Gates, Gary Larrowe, Chris Morrill, Ken McFadyen, Melinda Payne, Brent Robertson (8)

ALTERNATES PRESENT: Rob Ledger (1)

GOVERNMENTS: Botetourt County, Franklin County, City of Roanoke, City of Salem, Roanoke County (5)

Staff: Laura Carini, Sherry Dean, Beth Doughty, John Hull, Wayne Strickland, Jackie Pace

Guests: Paul Jacobson, Sands Anderson; David Rose, Davenport; Kyle Laux, Davenport; Barbara Dameron, City of Roanoke; Richard Caywood, Roanoke County

CALL TO ORDER, ROLL CALL: Chairman Chris Morrill called the meeting to order. Jackie Pace read the roll call and established a quorum was present.

MINUTES OF AUGUST 18, 2016 MEETING: Wayne Bowers asked that a wording change be made to page 3 (first sentence/first paragraph replace "general" with "moral"). To read as follows... "O'Donnell noted that he doesn't believe a public hearing is required to approve the ~~general~~ moral obligation bond, but noted it is more...".

A motion by Wayne Bowers to accept the Minutes from the August 18, 2016 meeting, as amended, was seconded by Gary Larrowe and approved unanimously.

DHCD GRANT STATUS: John Hull reported staff has signed an extension of the grant with DHCD through February 3, 2017 and that the initial scope of 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, leaving a balance of \$13,584.60 on the award. Matching funds of \$3,396.15 will be provided by the Partnership. The remaining grant balance and remaining local match requirement, which totals \$16,980, will be charged against the grant to pay for a portion of closing work done by Davenport and Sands Anderson.

CHANGE IN MEETING DATE, TIME AND VENUE: The WVRIFA recently entered into a Memorandum of Understanding with the Roanoke Valley-Alleghany Regional Commission whereby the Regional Commission will provide administrative/staff support. Wayne Strickland, Executive Director of the Regional Commission, was present and asked the WVRIFA board to

consider changing the meeting date, time and venue for future WVRIFA meetings to the third Friday of the month at 10:00 a.m. at the Regional Commission office located at 313 Luck Avenue, SW in downtown Roanoke. Wayne Strickland reported that since a majority of the WVRIFA members are also members of the Roanoke Valley Broadband Authority, which meets the third Friday at 8:30 a.m. at the Regional Commission, this might reduce travel for some Board members.

It was also reported that the WVRIFA Bylaws would need to be amended at a future meeting to reflect the repository location for administrative material, such as minutes, agreements, financial statements, etc.

A motion by Tom Gates to change the meeting date, time and venue of the future meetings of the WVRIFA (effective October 2016) to the third Friday of the month at 10:00 a.m. at the Roanoke Valley-Alleghany Regional Commission located at 313 Luck Avenue, SW, Roanoke, VA 24016 was seconded by Gary Larrowe and passed unanimously.

UPDATE ON FINANCING: David Rose reported that final approval from the bank has been obtained. To make sure everyone is on schedule with the upcoming events, he turned the floor over to Kyle Laux to review upcoming dates for the WVRIFA and local governments to take action.

September 15 – WVRIFA Board Meeting to consider adoption of resolution to approve the Participation Agreement and a resolution to formally authorize the 2016 Financing and forms of related financing documents.

September 20 – Meeting of the Franklin County Board of Supervisors to approve Amended and Restated Agreement forming the WVRIFA.

September 26 – Meeting of the Salem City Council. It was pointed out that the date to take action has been changed to **October 10** (follow time line).

September 27 – Meeting of the Roanoke County Board of Supervisors will consider adoption of resolution to approve Participation Agreement and the first reading of the Ordinance Authorizing County Support of Authority Financing.

October 3 – Roanoke City Council will hold Public Hearing regarding the 2016 Financing. City Council will consider adoption of resolution to approve Participation Agreement. City Council will also consider adoption of Resolution Authorizing City Support of Authority Financing.

October 10 – Meeting of Salem City Council to consider all 3 items (i.e., hold Public Hearing regarding City Support of Authority Financing, consider adoption of resolution to approve Participation Agreement, and adoption of Resolution Authorizing City Support of Authority Financing).

October 11 – The Roanoke County Board of Supervisors will consider final adoption, at second reading, of Ordinance Authorizing County Support of Authority Financing.

Early to Mid-October – Davenport, Sands Anderson, and Authority staff will work with Union Bank to complete necessary documentation for the 2016 Financing.

Kyle Laux noted that the closing date must occur no later than October 20, 2016.

David Rose reported that the financing is structured so that there will be no payments in FY 2017. From a budgetary perspective it is just the matter of getting it prepared for the FY 2018 budget.

Paul Jacobson stated that the absolute date to close on the Financing is October 20, 2016 but he would prefer, if at all possible, to close by October 14 or October 17, 2016. He noted that there are always closing documents to go along with any financing documents. Jacobson noted that members will receive drafts of closing documents before local governing bodies take final action to approve the financing support documents. Chair Morrill asked when they should be available for signatures. Jacobson stated that he and his staff will coordinate the times to meet with localities and otherwise to arrange execution of documents.

STATUS OF AMENDED AND RESTATED AGREEMENT CREATING WVRIFA: Beth Doughty stated that everything is set on this item.

RESOLUTION OF THE WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY APPROVING PARTICIPATION AGREEMENT: Paul Jacobson reported that the three participants (i.e., Roanoke County, City of Roanoke and City of Salem) and the WVRIFA have signed off on the final draft of the Participation Agreement, with slight wording changes for typos, etc. Paul Jacobson briefly highlighted the sections of the Agreement for the members of the WVRIFA. Beth Doughty asked a question about the debt service costs, which are fixed (Article IV). She noted that the Authority has 18 months to draw down the \$10 million and asked if the interest payment is adjusted since all of the \$10 million will not be needed on day one. Paul Jacobson stated the interest is on the outstanding balance. The bond itself will have an amortization schedule attached outlining principal payments.

Paul Jacobson stated a correction would need to be made to page 5 of the Agreement, noting that Article I Annual Appropriation should read Article IX.

Tom Gates moved to adopt the resolution whereby the Western Virginia Regional Industrial Facility Authority approves the Participation Agreement, as amended to reflect the change on page 5. The motion was seconded by Wayne Bowers and carried by unanimous vote in favor.

For clarification, Chair Morrill asked that with the above action the WVRIFA is able to sign the Participation Agreement and as each local government approves they then can sign the Participation Agreement. Paul Jacobson stated that was correct. Beth Doughty asked if non-participating governments would have to sign. Paul Jacobson stated only the City of Roanoke, Roanoke County and the City of Salem would have to sign both.

RESOLUTION OF THE WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY AUTHORIZING THE ISSUANCE OF ITS REVENUE BOND, SERIES 2016 IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 AND AUTHORIZING THE EXECUTION AND DELIVERY OF BOND DOCUMENTS AND FURTHER ACTION IN CONNECTION THEREWITH: Paul Jacobson stated that at the August WVRIFA Board meeting, Sands Anderson and Davenport were authorized to move forward with financing with Union Bank & Trust (based out of Richmond, VA).

Paul Jacobson reported that the resolution approves the issuance by the WVRIFA of its revenue bond (up to \$10,000,000) and the various financing documents related to the general obligations of the City of Roanoke and the City of Salem and the moral obligation lease of the financing

component of Roanoke County. Jacobson then briefly outlined the documents – each of the three localities has a support agreement setting forth commitments. Roanoke County, as part of a moral obligation, also has a lease arrangement on their Administration Building as collateral for 80 percent of the county's portion of the loan.

There is an assignment agreement whereby everyone acknowledges the Authority's rights to collateral and payments from participating localities are basically assigned to the bank. There is also a bond purchase and loan agreement between the Authority and the bank. Paul Jacobson highlighted Items 1-12 (pp. 3-4 of the Resolution) and noted Item #11 – A certified copy of this resolution shall be filed with the Clerk of the Circuit Court of the County of Roanoke, Virginia, in accordance with Section 15.2-6409 J. of the Code of Virginia of 1950, as amended, since the statute speaks of filing the resolution where the project is located.

Paul Jacobson asked if a Roll Call vote could be taken on the resolution. A motion by Tom Gates for a Roll Call vote on the resolution was seconded by Gary Larrowe. Roll was called and the motion was passed unanimously by the following vote – voting in favor: Gary Larrowe, Ken McFadyen, Brent Robertson, Chris Morrill, Wayne Bowers, Tom Gates, Richard Caywood, Kevin Boggess and Melinda Payne; voting against: none.

(It was noted that Rob Ledger's vote taken during the Roll Call was not needed since the two primary members from the City of Roanoke were present.)

NEXT STEPS: Beth Doughty stated that the two public hearings that have to be held in the two cities will require public notices. The first public notice will appear on September 19, 2016 for the City of Roanoke's public hearing. Doughty noted that her recommendation is to hold a news conference on Monday, September 19, 2016 at 11:00 a.m. at the Green Ridge Recreation Center to announce the project and what is being done, with the caveat that actions have to be taken by local governments. It is important to tell the message of regionalism and to highlight proactive economic development actions, and that the property was identified through a deliberate research process and is a gateway site that will set a tone for the region.

CLOSED SESSION: A communication from Chris Morrill, Chairman of the Western Virginia Regional Industrial Facility Authority 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) of the Code of Virginia (1950) as amended. A motion by Gary Larrowe, to go into closed session per the request was seconded by Kevin Boggess and was certified. Roll was called and the motion was passed.

A motion by Gary Larrowe to end the closed session was seconded by Kevin Boggess and passed unanimously.

With respect to the Closed Meeting just concluded Gary Larrowe moved that each member of the Western Virginia Regional Industrial Facility Authority certify to the best of their 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 by Gary Larrowe to certify the closed session was seconded by Kevin Boggess and passed. Roll was called and the certification was unanimous.

There being no other business, the meeting adjourned.


Secretary


Attest

Next Meeting of the Western Virginia Regional Industrial Facility Authority

Friday, October 21, 2016 at 10:00 A.M.

Roanoke Valley-Alleghany Regional Commission (Top Floor Conference Room)

313 Luck Avenue, SW, Roanoke, VA