

MINUTES

A Virtual Special Meeting of the Western Virginia Regional Industrial Facility Authority (WVRIFA) Board was held on Wednesday, April 29, 2020 at 10:00 a.m. via zoom remotely via Zoom.

NOTE: *The Virtual Special April 29,2020 Meetings of the WVRIFA Board of Directors and the WVRIFA Participation Committee were held simultaneously (jointly) since several items on both agendas were the same.*

1. CALL MEETING TO ORDER

Chair Larrowe called the WVRIFA Board of Directors' Meeting to order at 10:00 a.m.

2. ROLL CALL

Chair Larrowe asked Virginia Mullen to call the roll of the WVRIFA Board. Ms. Mullen reported that a quorum was established.

Board Members Attendance: Gary Larrowe, Botetourt County (participated remotely from Botetourt County); Ken McFadyen, Botetourt County (participated remotely from Botetourt County); Michael Burnette, Franklin County (participated remotely from Franklin County); Dan O'Donnell, Roanoke County (participated remotely from Roanoke County); Jill Loope, Roanoke County (participated remotely from Botetourt County); Bob Cowell, City of Roanoke (participated remotely from City of Roanoke); James Taliaferro, City of Salem (participated remotely from City of Salem); Melinda Payne, City of Salem (participated remotely from City of Salem); and Barry Thompson, Town of Vinton (participated remotely from Town of Vinton).

Staff Attended Virtually: John Hull, WVRIFA Director; Beth Doughty, WVRIFA Assistant Director; Sam Darby, WVRIFA Counsel; Sherry Dean and Virginia Mullen, WVRIFA Finance/Administrative Staff.

Others Attended Virtually: Kyle Laux, Davenport & Co; David Rose, Davenport & Co; and Matt Miller, Roanoke Valley-Alleghany Regional Commission.

3. ADOPTION OF ELECTRONIC VOTING POLICY AND PROCEDURES

A resolution entitled "Implementing a Policy Pursuant to §2.2-3708.2 of the Code of Virginia, 1950, As Amended, Permitting Meetings of the Authority to be held by Electronic

ADMINISTERED BY:

Roanoke Valley-Alleghany Regional Commission
313 Luck Avenue, SW, Roanoke, VA 24016
info@wvrifa.org / www.wvrifa.org

Communication”, was presented for consideration. (A copy of the resolution is attached to the Minutes.)

Motion: by Dan O’Donnell to approve the resolution, as presented. Motion was seconded by Melinda Payne.

WVRIFA Board Action: Roll Call Vote – Ayes 9 (Larrowe, McFadyen, Burnette, O’Donnell, Loope, Cowell, Taliaferro, Payne, Thompson); Nays 0; and Abstentions 0. Motion carried unanimously.

4. APPROVAL OF THE CONSENT AGENDA ITEMS

The following consent agenda items were distributed earlier: (A) February 21, 2020 WVRIFA Board Minutes and (B) Financial Reports Ending March 31, 2020.

Motion: by Bob Cowell to approve items A&B under the Consent Agenda, as distributed. Motion was seconded by Ken McFadyen.

WVRIFA Board Action: Roll Call Vote – Ayes 9 (Larrowe, McFadyen, Burnette, O’Donnell, Loope, Cowell, Taliaferro, Payne, Thompson); Nays 0; and Abstentions 0. Motion carried unanimously.

5. PUBLIC COMMENT PERIOD

There were no comments.

6. CONSIDERATION OF INTENT TO AWARD FOR THE INNOVATION DRIVE CONSTRUCTION PROJECT

John Hull reported that Innovation Drive Construction Project was advertised in February 2020. Bowman Excavating was the sole bidder on the project with total bid price at \$372,500.00 and proposed a fourteen-week construction schedule.

Motion: by Dan O’Donnell to approve the intent of award for the Innovation Drive Construction Project and authorize staff to engage in contract. Motion was seconded by James Taliaferro.

WVRIFA Board Action: Roll Call Vote – Ayes 9 (Larrowe, McFadyen, Burnette, O’Donnell, Loope, Cowell, Taliaferro, Payne, Thompson); Nays 0; and Abstentions 0. Motion carried unanimously.

7. PRESENTATION ON POTENTIAL WVRIFA BOND REFINANCING

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Chairman Larrowe noted that the presentation on the potential WVRIFA Bond Refinancing was previously distributed with the agenda and invited Mr. Kyle Laux, Davenport & Co to present. Mr. Laux reported that the presentation has informational purpose and no action is required at this time. Mr. Laux noted that the proposals are due May 6, 2020. The intent is that Davenport would present the results of the RFP process and present a recommendation to the Authority at the May WVRIFA Board Meeting. (The Presentation is attached to the Minutes.)

8. PROJECT UPDATES

John Hull reported that the rezoning application of the former Bower parcel has been filed. As discussed previously the rezoning was necessary to incorporate the 2.02 acre parcel into the development plan and it provides number of benefits such as preservation of a several hundred feet of wetlands and natural buffer. There are two public hearings scheduled ahead: May 5,2020 with the Planning Commission and May 26, 2020 with the Roanoke County Board of Supervisors. Mr. Hull reported that the water/sewer construction project is essentially complete, all that is left is seeding, final clean up and equipment removal. Mr. Hull also reported that phase 1 grading plans are underway, and he anticipates advertising the project in June or July.

9. OTHER BUSINESS

No other business was discussed

10. ADJOURNMENT OF THE WVRIFA BOARD OF DIRECTORS' MEETING

Motion: by Barry Thompson to adjourn the WVRIFA Board of Directors' Meeting. Motion was seconded by James Taliaferro.

WVRIFA Board Action: Roll Call Vote – Ayes 9 (Larrowe, McFadyen, Burnette, O'Donnell, Loope, Cowell, Taliaferro, Payne, Thompson); Nays 0; and Abstentions 0. Motion carried unanimously.

The WVRIFA Board of Directors' meeting adjourned at 10:48 a.m.

Barry W. Thompson, Secretary
WVRIFA Board of Directors

Attest

ADMINISTERED BY:

Roanoke Valley-Alleghany Regional Commission
313 Luck Avenue, SW, Roanoke, VA 24016
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RESOLUTION
OF THE
WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
**IMPLEMENTING A POLICY PURSUANT TO §2.2-3708.2 OF THE CODE OF
VIRGINIA, 1950, AS AMENDED, PERMITTING MEETINGS OF THE AUTHORITY
TO BE HELD BY ELECTRONIC COMMUNICATION**

WHEREAS, the Western Virginia Regional Industrial Facility Authority (the "Authority") is formed pursuant to Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended (the "Code"), and concurrent resolutions of the City of Roanoke, the City of Salem, the Town of Vinton and Roanoke, Franklin and Botetourt Counties, Virginia, as amended, creating the Authority and providing for its functions, authorities and duties; and,

WHEREAS, the Authority is a regional entity of government functioning on behalf of the City of Roanoke, the City of Salem, the Town of Vinton and Roanoke, Franklin and Botetourt Counties, Virginia; and,

WHEREAS, the Authority is a public body subject to the provisions of the Virginia Freedom of Information Act, §§ 2.2-3700, et seq. of the Code (the "FOIA"); and,

WHEREAS, the Authority wishes to avail itself of the authority established in § 2.2-3708.2 of the FOIA to hold meetings at which one or more of the Members of the Authority is able to participate remotely by means of electronic communication.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY AS FOLLOWS:

1. The Authority hereby adopts this written policy allowing for and governing participation of its Members by electronic communication means, including an approval process for such participation, subject to the express limitations imposed by § 2.2-3708.2 of the FOIA. This policy shall be applied strictly and uniformly, without exception, to the entire Authority and without regard to the identity of the Members requesting remote participation or the matters that will be considered or voted on at the meeting;
2. At all meetings in which a Member participates remotely by means of electronic communication, a quorum of the Members must be physically assembled at one primary or central meeting location; and
3. The Authority must make arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
4. In order to participate remotely by means of electronic communication, a Member must, on or before the day of a meeting, notify the chair of the public body that:

a. Such Member is unable to attend the meeting due to a temporary or permanent disability or other medical condition that prevents the Member's physical attendance; or

b. Such Member is unable to attend the meeting due to a personal matter and identifies with specificity the nature of the personal matter. Participation by a Member pursuant to this subdivision is limited each calendar year to two meetings.

c. The Authority, as a regional public body, may also conduct any meeting wherein the public business is discussed or transacted through electronic communication means if, on the day of a meeting, a Member notifies the chair that such Member's principal residence is more than sixty (60) miles from the meeting location identified in the required notice for such meeting.

5. If participation by a Member through electronic communication means is approved pursuant to subdivision 4, the Authority shall record in its minutes the remote location from which the Member participated; however, the remote location need not be open to the public.

6. If participation is approved pursuant to subdivision 4.a., the public body shall also include in its minutes the fact that the Member participated through electronic communication means due to a temporary or permanent disability or other medical condition that prevented the Member's physical attendance.

7. If participation is approved pursuant to subdivision 4.b., the Authority shall also include in its minutes the specific nature of the personal matter cited by the Member.

8. If a Member's participation from a remote location pursuant to subdivision 4.b. is disapproved because such participation would violate the policy adopted pursuant to subdivision 1, such disapproval shall be recorded in the minutes with specificity.

9. This Resolution shall take effect immediately.

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Members absent	<u>0</u>
Votes For	<u>6</u>
Votes Against	<u>0</u>
Abstentions	<u>0</u>

CERTIFICATION

The undersigned secretary of the Western Virginia Regional Industrial Facility Authority does hereby certify that the foregoing is a true, complete and correct Resolution adopted by a vote of a majority of the Members of the Western Virginia Regional Industrial Facility Authority, present at a regular meeting of the Members of the Western Virginia Regional Industrial Facility Authority duly called and held April 29, 2020, at which a quorum was present and acting throughout, and that the same has not been amended or rescinded and is in full force and effect as of the date of this certification, April 29, 2020.



Gary Larrowe, Chair,
Western Virginia Regional Industrial Facility Authority

(SEAL)

Potential Refinancing Opportunity

Roanoke Regional Partnership/Western Virginia Regional Industrial Facility Authority

April 17, 2020

DRAFT – WORKING PAPERS – FOR DISCUSSION PURPOSES ONLY



Background



- Davenport & Company LLC (“Davenport”) serves as Financial Advisor to the Western Virginia Regional Industrial Facility Authority (the “Authority”).
- In 2016, Davenport and Sands Anderson PC (“Sands Anderson”), the Authority’s Bond Counsel, assisted the Authority in researching potential financing mechanisms for the Woodhaven Road Project (the “Project”).
- As detailed further on the next page, Davenport assisted the Authority in obtaining \$10 million of Phase One financing in 2016 for the Project through a competitive bank solicitation process.
- The Authority issued the \$10 million Series 2016 Taxable Revenue Bond (the “2016 Bond”) through a Direct Bank Loan from Atlantic Union Bank (*formerly Union Bank & Trust*).
- Despite the recent volatility in financial markets, interest rates remain at historically low levels.
- Davenport believes the Authority may have the opportunity to refinance the 2016 Bond for debt service savings (the “Refinancing Opportunity”).

The Refinancing Opportunity



- In Summer 2016 Davenport distributed a Request for Proposals (“RFP”) on the Authority’s behalf to solicit competitive proposals from local, regional, and national Banking Institutions for Phase One Financing.
 - The Authority Board and the elected bodies of the 3 participating member jurisdictions – the City of Roanoke, the City of Salem, and Roanoke County – chose to issue the 2016 Bond through a Direct Bank Loan from Atlantic Union Bank.
 - The 2016 Bond was issued by the Authority with the backing of each of the 3 participating local governments.
 - Each locality entered into a support agreement with the Authority and pledged to pay a proportionate share of debt service on the 2016 Bond:
 - City of Roanoke – General Obligation Pledge to pay its proportionate share (44.2%) of debt service.
 - City of Salem – General Obligation Pledge to pay its proportionate share (11.6%) of debt service.
 - Roanoke County – Moral Obligation Pledge to pay its proportionate share (44.2%) of debt service.
 - Additionally, the Roanoke County Government Center was offered as collateral for the Roanoke County portion.
- The Refinancing undertaken by the Authority and local participants would maintain the security structure described above.
 - The debt service savings achieved by a Refinancing, if any, would be shared proportionally by the local participants.

The Refinancing Opportunity (cont.)



- The Authority issued the \$10 million 2016 Bond in October 2016.
- The 2016 Bond was issued with a final maturity on January 15, 2037. There are 17 years remaining until final maturity in FY 2037.
- The 2016 Bond has an interest rate of **3.70%**, which is fixed through final maturity in FY 2037.

- **The 2016 Bond can be refinanced or paid off at any time without penalty.**
- **Given the historically low interest rate environment, the Authority may be able to complete a refinancing that reduces the interest rate on the 2016 Bond and achieves debt service savings over the life of the loan.**

Remaining Debt Service on the 2016 Bond

Refinancing Candidate - 2016 Bond				
Fiscal Year	Interest Rate	Principal	Interest	Total Payments
2021		-	\$370,000	\$370,000
2022		-	370,000	370,000
2023	3.70%	\$510,000	370,000	880,000
2024	3.70%	530,000	351,130	881,130
2025	3.70%	550,000	331,520	881,520
2026	3.70%	570,000	311,170	881,170
2027	3.70%	590,000	290,080	880,080
2028	3.70%	610,000	268,250	878,250
2029	3.70%	635,000	245,680	880,680
2030	3.70%	660,000	222,185	882,185
2031	3.70%	680,000	197,765	877,765
2032	3.70%	710,000	172,605	882,605
2033	3.70%	735,000	146,335	881,335
2034	3.70%	760,000	119,140	879,140
2035	3.70%	790,000	91,020	881,020
2036	3.70%	820,000	61,790	881,790
2037	3.70%	850,000	31,450	881,450
Total		\$10,000,000	\$3,950,120	\$13,950,120

- Davenport recommends that the Authority pursue the Refinancing Opportunity through a potential Direct Bank Loan using the same competitive RFP process utilized for the 2016 Bond.
- This presentation details a Proposed Timetable of events required to complete a potential Refinancing

Taxable Interest Rate Trends



10 Year Treasury (Since 2000)



10 Year Treasury (Since December 2016)



Long term interest rates have continued to decline and remain at historic lows.

Recommended Refinancing Process



- Despite recent volatility in the public market for municipal bonds, commercial banks have continued to provide competitive bids for governmental loans with strong credit standing/credit ratings like those of the three participating jurisdictions.
- Davenport recommends that the Authority pursue a competitively bid Direct Bank Loan process which would allow the refinancing to be bid to local, regional, and national banking institutions. The results of the bidding would be known before the Authority would take any formal action to move forward with the transaction.
- While it is impossible to predict the ultimate interest rate(s) provided through a competitive direct bank loan bidding process, a reduction of the interest rate by roughly 50 bps (i.e. $\frac{1}{2}$ of 1%) would exceed the industry standard 3% savings threshold (this translates to roughly \$350,000 in net savings).
- In addition, the savings could be targeted in FY2021 to help offset the financial challenges caused by the on-going COVID19 crisis.
- No transaction costs would be borne by the Authority unless a successful refinancing transaction occurs.

Proposed Refinancing Timetable



➤ Early April

Davenport identifies the opportunity to refinance the Western Virginia Regional Industrial Facility Authority (the “Authority”) outstanding 2016 Bond through a competitive Request for Proposals (RFP) process.

***Note:** By moving forward with the RFP process, neither the Authority nor the member jurisdictions are obligated to move forward with a refinancing. No costs for professional services will be incurred if a successful refinancing is not completed.*

➤ Monday, April 13

Davenport distributes the RFP to local, regional, and national banking institutions to solicit competitive financing proposals for the Refinancing Opportunity.

Proposed Refinancing Timetable (cont.)



➤ Friday, April 17

Meeting of the Western Virginia RIFA Board.

Davenport presents the Refinancing Opportunity and Plan of Finance to the Authority Board.

➤ Friday, May 1

Davenport receives bank proposals for the Refinancing Opportunity.

Note: *Davenport will ask banks to hold interest rate proposals firm through mid-June, to the extent that they are able, in order to accommodate the schedules and dates for potential approval by Roanoke County, the City of Roanoke, and the City of Salem.*

➤ Week of May 4

Davenport and Authority staff review refinancing proposals and develop a recommendation of the winning lender.

Proposed Refinancing Timetable (cont.)



➤ Friday, May 15

Meeting of the Western Virginia RIFA Board.

- Davenport presents results of the RFP process and recommendation to the Authority Board.
- The Board authorizes the Refinancing and selects the winning bidder.

At the late May meetings of Roanoke City Council, Salem City Council, and Roanoke County Board of Supervisors, Davenport will presents results of the RFP process and preliminary results of the Refinancing Opportunity.

➤ Monday, May 18

Meeting of the Roanoke City Council.

- RFP results presented. No action requested at this time. City Council will be asked to authorize the Refinancing at its meeting on Monday, June 1.

➤ Tuesday, May 26

Meeting of the Salem City Council.

- RFP results presented. No action requested at this time. City Council will be asked to authorize the Refinancing at its meeting on Monday, June 8.

➤ Tuesday, May 26

Meeting of the Roanoke County Board of Supervisors.

- RFP results presented. No action requested at this time. The Board of Supervisors will be asked to authorize the Refinancing at its meeting on Tuesday, June 9.

Proposed Refinancing Timetable (cont.)



At the early June meetings of the Roanoke City Council, Salem City Council, and Roanoke County Board of Supervisors, the City Councils and Board of Supervisors will consider authorizing the Refinancing.

- Monday, June 1
 - Meeting of the Roanoke City Council.
 - City Council considers authorizing the Refinancing.

- Monday, June 8
 - Meeting of the Salem City Council.
 - City Council considers authorizing the Refinancing.

- Tuesday, June 9
 - Meeting of the Roanoke County Board of Supervisors.
 - The Board of Supervisors considers authorizing the Refinancing.

- By Tuesday, June 16
 - Close on the Refinancing.

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