



**WESTERN VIRGINIA**  
REGIONAL INDUSTRIAL FACILITY AUTHORITY

The logo is a white rounded rectangle with a green and orange horizontal bar at the bottom. The text is in a bold, blue, sans-serif font.



**WVRIFA AND PC JOINT MEETING**  
**4.29.2020**

The background is a wide-angle aerial photograph of a city, likely Roanoke, Virginia, showing a dense urban area with various buildings, roads, and a river. In the distance, there are rolling mountains under a blue sky with scattered white clouds. The foreground shows some dry, brown grass or reeds.



# Potential Refinancing Opportunity

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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
<b>Total</b>		<b>\$10,000,000</b>	<b>\$3,950,120</b>	<b>\$13,950,120</b>

- 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



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

# Recommended Refinancing Process

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- 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

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➤ 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.)

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➤ 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.



# Municipal Advisor Disclaimer



The U.S. Securities and Exchange Commission (the “SEC”) has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC (“Davenport”) has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons,

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01.13.14 JU | GM | KL | DR

# **Project Updates**

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# Rezoning Bower Parcel

May 5 – Planning Commission

May 26 – Roanoke County Board of Supervisors

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**STANDARDS:**

**MINIMUM SETBACKS:** MINIMUM PROPERTY SETBACKS: THE MINIMUM BUILDING HEIGHT SHALL BE FIFTY-FIVE (45) FEET. BUILDING HEIGHT MEASUREMENT: THE MINIMUM HEIGHT SHALL BE MEASURED FROM THE FINISHED GRADE TO THE TOP OF THE ROOF OR TO THE TOP OF THE CHIMNEY. THE HEIGHT SHALL BE MEASURED FROM THE TOP OF THE STRUCTURE WHEN EXCEEDING FIFTY-FIVE (45) FEET IN ALL CASES. THE HEIGHT IS LIMITED, SUBJECT TO THE APPROVAL OF THE ZONING AND PLANNING COMMISSION.

**MINIMUM SETBACKS:** ALL LOT LINES IN THE DEVELOPMENT SHALL BE OBSERVED AND SETBACKS DOWNWARD TO CONTROL EXCESSIVE SLOPE. WHERE DEVELOPMENT IS LOCATED ADJACENT TO BUFFERED, DOWNWARD SLOPE PROFILES SHALL BE MAINTAINED TO CONTROL EXCESSIVE SLOPE. EXCESSIVE SLOPE IS DEFINED AS THAT THERE IS NO DIRECT LATERAL AND NO SLAKE, THE PROPERTY AT GRADE.

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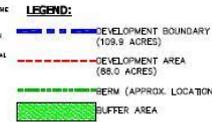
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**BUFFER AREAS:** EXCEPT AS REQUIRED BY THE ORIGINAL LANDSCAPING, INFRASTRUCTURE AND UTILITY INSTALLATION, THE BUFFER AREAS SHOWN ON THIS MASTER PLAN WILL REMAIN UNDEVELOPED.

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**2. FOR THE BUFFER AREAS ALONG THE WESTERN PROPERTY BOUNDARY, ANY VEGETATION WHICH IS DESTROYED BY THE SITE CHANGING WILL BE REPLACED BY A ROW OF LARGE WOOD EXPOSURE TREES INCLUDING BUT NOT LIMITED TO PASTURE-GROWN PINE (LARGES), CEDARS, WHITE PINE, WHITE OAK, AND OTHER LARGE WOOD TREES. THE BUFFER AREA MAY BE CONSIDERED A SUBSTITUTE FOR THE REQUIRED LANDSCAPING.**

**3. SPECIAL REQUIREMENTS:** ALL BUFFER AREAS SHALL INCLUDE AND MAINTAIN THE EXISTING VEGETATION WHICH IS NOT DESTROYED BY THE INFRASTRUCTURE OR UTILITY INSTALLATION. ALL BUFFER AREAS SHALL BE MAINTAINED AS OPEN SPACE, BUT WILL REMAIN UNDEVELOPED. THE BUFFER AREAS SHALL BE MAINTAINED AS OPEN SPACE, BUT WILL REMAIN UNDEVELOPED. THE BUFFER AREAS SHALL BE MAINTAINED AS OPEN SPACE, BUT WILL REMAIN UNDEVELOPED.



**APPLICANT 1:** WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY (WVIFA)  
111 FRANKLIN PLAZA, SUITE 333  
ROANOK, VA 24011

**APPLICANT 2:** LEWIS LIVING TRUST  
DATED AUGUST 17, 2016  
7838 WOOD HAVEN ROAD  
ROANOK, VA 24019

**PERMITTED USES:**

USES: THE PROPERTY MAY BE USED ONLY FOR THE FOLLOWING LAND USES:

- ENTERPRISES ENGAGED IN THE PROCESSING, MANUFACTURING, COMPOUNDING, ASSEMBLY, PACKAGING, TREATMENT OR FABRICATION OF MATERIALS AND PRODUCTS FROM PROCESSED OR PREVIOUSLY MANUFACTURED MATERIALS, INCLUDING WOULD BE ASSEMBLY OF ELECTRICAL APPLIANCES, BOTTLING AND PRINTING PLANTS, AND THE MANUFACTURING OF PAINT, OILS, PHARMACEUTICALS, COSMETICS, TISSUES, AND OTHER CHEMICAL PRODUCTS OF STONE, METAL OR CONCRETE. ALSO INCLUDED ARE ANY OTHER USES RETAINED BY THE ROANOKE COUNTY ZONING ADMINISTRATION TO BE "INDUSTRY, TYPE 1" (OR A SUCCESSION CATEGORY) USES UNDER THE ROANOKE COUNTY ZONING ORDINANCE.
- ENTERPRISES IN WHICH LARGE QUANTITIES OF GOODS ARE PRODUCED, INCLUDING AUTOMOBILES, MANUFACTURED HOMES, OR OTHER MOTOR VEHICLES. THESE USES ARE CURRENTLY CLASSIFIED AS "INDUSTRY, TYPE 1" IN THE ROANOKE COUNTY ZONING ORDINANCE.
- ESTABLISHMENTS PRIMARILY ENGAGED IN THE ON-SITE PRODUCTION OF GOODS BY HAND MANUFACTURING WITHIN ENCLOSED STRUCTURES, INVOLVING THE USE OF HAND TOOLS, OR THE USE OF MECHANICAL EQUIPMENT COMMONLY ASSOCIATED WITH RESIDENTIAL OR COMMERCIAL USES, ON A SINGLE PLOT. THESE USES ARE CURRENTLY CLASSIFIED AS "CUSTOM MANUFACTURING" IN THE ROANOKE COUNTY ZONING ORDINANCE.
- USE OF A SITE FOR BUSINESS, PROFESSIONAL, OR ADMINISTRATIVE OFFICES, EXCLUDING MEDICAL OFFICES. TYPICAL USES INCLUDE REAL ESTATE, INSURANCE, MANAGEMENT, TRAVEL, OR OTHER BUSINESS OFFICES, ORGANIZATION OFFICES, OR LAW, ARCHITECTURAL, ENGINEERING, ACCOUNTING, OR OTHER PROFESSIONAL OFFICES. THESE USES ARE CURRENTLY CLASSIFIED AS "GENERAL OFFICE" IN THE ROANOKE COUNTY ZONING ORDINANCE.
- LABORATORIES AND ESTABLISHMENTS PRIMARILY ENGAGED IN PERFORMING RESEARCH OR TESTING ACTIVITIES INTO TECHNOLOGICAL MATTERS. TYPICAL USES INCLUDE ENGINEERING AND ENVIRONMENTAL LABORATORIES, MEDICAL, OPTICAL, DENTAL, AND FOREIGN LABORATORIES, X-RAY SERVICES, AND PHARMACEUTICAL LABORATORIES ONLY INVOLVED IN RESEARCH AND DEVELOPMENT.
- UTILITY SERVICES, MAJOR.
- UTILITY SERVICES, MINOR.
- PUBLIC PARKS AND RECREATIONAL AREAS.
- ACCESSORY USES ASSOCIATED WITH A PRINCIPLE PERMITTED USE IN ACCORDANCE WITH ANY ESTABLISHED ROANOKE COUNTY STANDARDS.

**NOTES:**

- THE SITE WILL BE GRADED IN SUCH A MANNER AS TO BALANCE CUT AND FILL TO THE EXTENT PRACTICABLE.
- PRINCIPLE ENTRANCE LOCATION SHALL BE DEVELOPED AND LANDSCAPED IN ACCORDANCE WITH ROANOKE COUNTY ZONING ORDINANCE SECTION 33-83-4(A)(3).
- THE BERM, AS LOCATED ON THIS MASTER PLAN, IS INTENDED TO PROVIDE ADDITIONAL BUFFERING TO PROPERTIES ALONG WOOD HAVEN ROAD. THE HEIGHT OF THE BERM WILL VARY.
- THE PROPERTY MAY BE DEVELOPED AS A SINGLE OR MULTIPLE SITES.

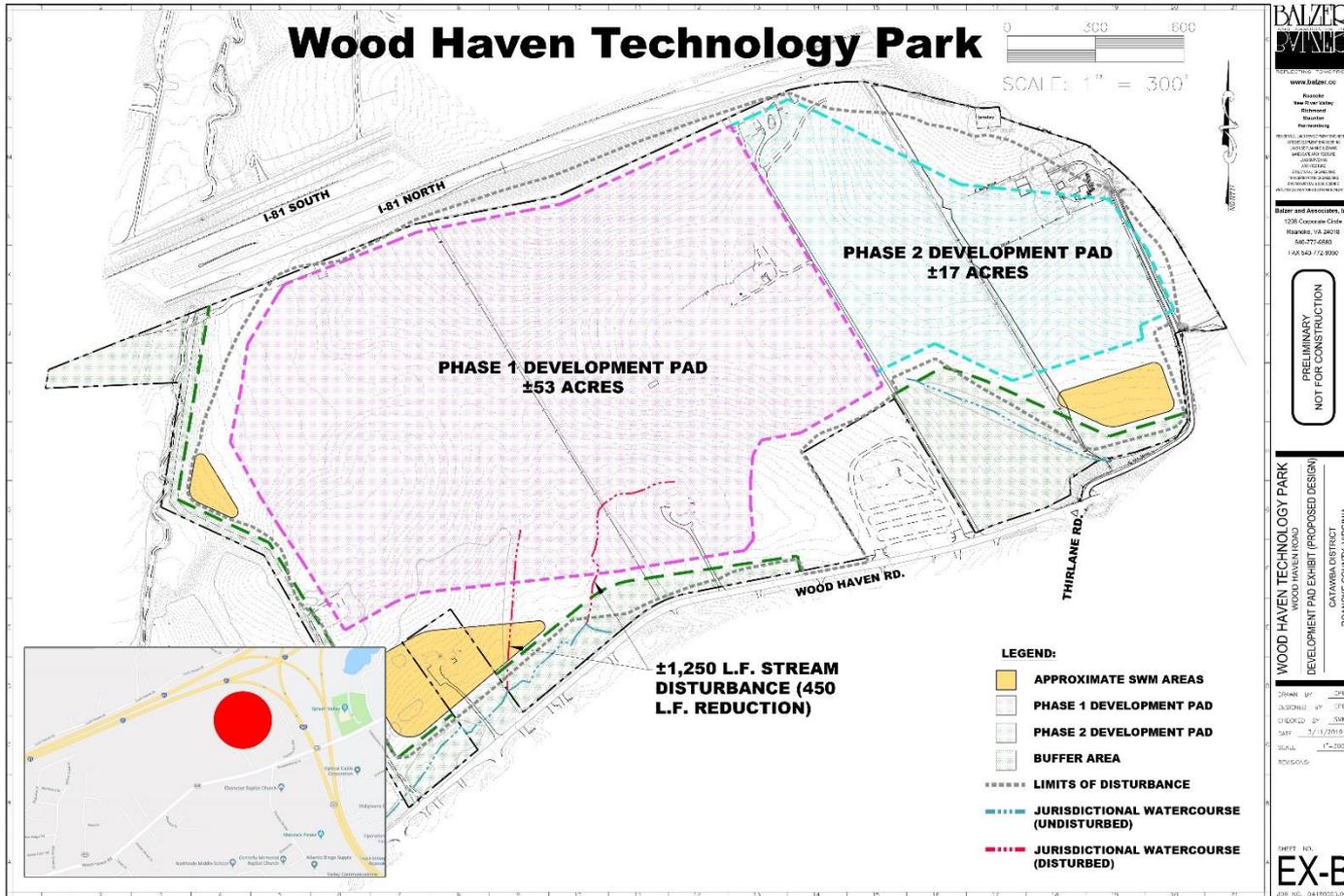
**Draper Aden Associates**  
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Blacksburg, VA  
Charlottesville, VA  
Chattanooga, TN, USA  
16010324-010001

**AMENDED MASTER PLAN - OVERALL SITE**  
**WOOD HAVEN TECHNOLOGY PARK**  
ROANOKE COUNTY, VIRGINIA

REVISIONS

DATE: 08/16/2016  
SCALE: 1" = 100'  
SHEET: 1 OF 4

# Water/Sewer Extension Update



# Clearing and Grading

An aerial photograph of a city in Western Virginia, showing a dense urban area with various buildings, roads, and green spaces. The city is surrounded by rolling mountains under a blue sky with scattered white clouds. In the foreground, there are some bare, brown branches. A white rounded rectangular box with a green and orange horizontal bar is overlaid on the top left of the image, containing the text 'WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY'.

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