

MINUTES

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
BOARD OF DIRECTORS MEETING
June 11, 2019 - 12 P.M.
101 N. 14 Street, 11th Floor Board Room
Richmond, Virginia**

- I. Board Directors present: Chairman John Hopper, Mr. William Smith, Mr. Michael Joyce, Ms. Tracey Wiley, Mr. Ronnie Johnson, and Ms. Janet Aylor (on behalf of the Honorable Manju Ganeriwala)

Board Directors absent: Vice Chairman Neil Amin, Mr. Corey Holeman, The Honorable Manju Ganeriwala, Dr. Monique Johnson, Mr. Linh Hoang, and Mr. Sanjay Puri

VSBEA Staff: Mr. Mark Heede, Ms. Anna Mackley, Mr. Ray Killinger, Ms. Linda Gilbert (via telephone), Ms. Barbara Carter, Ms. Robin Foster

Others present: Mr. Don Ferguson (Senior Assistant Attorney General), Mr. T.W. Bruno (McGuireWoods LLP), Ms. Judy Ianuale (Grafton School, Inc.), Mr. Brendan Staley (Hunton Andrews Kurth LLP), Mr. Nathan Read, Mr. Mike Altman, and Ms. Barbara O'Boyle (Transurban), Ms. Jennifer Mayton, DSBSD, via telephone: Mr. Ted Laws (American National Bank) and Mr. Telly Tucker (City of Danville IDA)

Chairman Hopper called the meeting to order. Mr. Heede announced staff and guests participating by telephone.

- II. Approval of Minutes: On a motion by Mr. Joyce, seconded by Mr. Smith, the March 12, 2019 Board of Directors Meeting minutes were unanimously approved. Voting aye: Chairman Hopper, Mr. Joyce, Mr. Smith, Ms. Aylor, Mr. Johnson, and Ms. Wiley. Voting no: None.

- III. 501 (c)(3) Tax-Exempt Bond Applications

Public Hearing declared open at 12:05 p.m.

- A. Grafton School, Inc. - Project locations in the City of Winchester, Chesterfield County, Clarke County - \$8,000,000. Mr. Heede presented the project to the Board. Mr. T. W. Bruno, bond counsel with McGuireWoods LLP, reviewed the resolution and aspects of the financing. Ms. Ianuale, CFO of Grafton School, Inc., discussed the projects and use of funds, the school and its programs, children served, and other funding sources. Ms. Ianuale answered various questions from the Board. On a motion by Ms. Aylor, seconded by Mr. Smith, the Board of Directors unanimously approved the resolution authorizing the issuance of tax-exempt bonds to finance the acquisition, construction, and renovation of the Grafton School projects. Voting aye: Chairman Hopper, Ms. Aylor, Mr. Smith, Mr. Joyce, Ms. Wiley, and Mr. Johnson. Voting no: None.

- B. 95 Express Lanes, LLC - Stafford County - \$350,000,000. Mr. Heede presented the request to the Board. This application requested changes to financing for this project that had been previously approved by the Board. Mr. Brendan Staley, bond counsel with Hunton Andrews Kurth, LLP, spoke about the prior requests of this applicant, the current project, the financing structure, and the resolution. Mr. Staley summarized the difference between the 2018 approval and the current resolution. Due to the changes, bond counsel determined that a new public hearing and a revised resolution were required. Mr. Altman and Ms. O'Boyle, representatives of the applicant, answered questions on various aspects of the project, i.e., bond financing, bond term and rating, completion date, and SWaM contractor opportunities. On a motion by Ms. Aylor, seconded by Mr. Smith, the Board of Directors unanimously approved the resolution as presented. Voting aye: Chairman Hopper, Ms. Aylor, Mr. Smith, Mr. Joyce, Mr. Johnson, and Ms. Wiley. Voting no: None.

Public Hearing closed at 1:10 p.m. No one from the public attended or requested to speak.

IV. SSBCI Cash Collateral Program Request

- A. IDA of Danville and MEP, Ltd. (as Co-borrowers) - City of Danville - Cash Collateral Program request of \$268,800 to support an American National Bank loan in the amount of \$672,000. Ms. Linda Gilbert, RLM for Southwest Virginia, introduced this request. The request was brought to the VSBFA Board due to the current total exposure of the IDA of Danville exceeding \$500,000, the threshold for board approval. Ms. Gilbert introduced representatives for this request who included Mr. Ted Laws, Senior Vice President, American National Bank and Mr. Telly Tucker, Director of Economic Development, City of Danville, Va. Ms. Gilbert provided an overview of the request. Mr. Tucker discussed the history of the project and its overall economic impact to the City of Danville. Mr. Laws discussed the bank's financial relationship with the City of Danville, the bank's history of providing financing of its projects, and the use of various financing structures. On a motion by Mr. Johnson, seconded by Mr. Smith, the Board unanimously approved the request as presented. Voting aye: Chairman Hopper, Mr. Johnson, Mr. Smith, Ms. Aylor, Mr. Joyce, and Ms. Wiley. Voting no: None.

V. Board Review and Ratification of Loan Approved/Declined by Staff

Mr. Heede and Mr. Killinger discussed a loan approved under the State Economic Development Loan Fund to assist 4710 Roanoke Avenue, LLC in the purchase a vacant commercial property in Newport News. This purchase will support expansion of the operating company, which will occupy the site.

Three applications that were recommended for decline were discussed. The reasons for the recommendation to decline the applications were lack of demonstrable economic development benefit to the Commonwealth and credit. This provided the opportunity for Mr. Heede to clarify the Staff's basis for declining applications and obtain input from the Board. On a motion by Mr. Joyce, seconded by Mr. Johnson, the Board of Directors ratified the loan decisions

made by staff. Voting aye: Chairman Hopper, Mr. Joyce, Mr. Johnson, Mr. Smith, Ms. Wiley, and Ms. Aylor. Voting no: None.

- VI. Board Review and Ratification of SSBCI CAP and Cash Collateral Program Claims
Mr. Heede reviewed the bank claims under the State Small Business Credit Initiative (SSBCI) that were approved and paid by staff under its designated authority. On a motion by Mr. Smith, seconded by Ms. Aylor, the Board of Directors unanimously ratified claim payments under the SSBCI CAP and CCP for the benefit of Virginia Community Capital. Voting aye: Chairman Hopper, Mr. Smith, Ms. Aylor, Mr. Johnson, Ms. Wiley, and Mr. Joyce. Voting no: None.
- VII. Administrative Item - Mr. Heede reviewed the charge off form for a microloan customer. He discussed the reasons for charging off the loan and informed the Board that the loan will be sent to the Virginia Attorney General's Department of Debt Collection.
- VIII. The meeting was adjourned.