

# MINUTES

## VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING

November 12, 2019 - 12:00 P.M.  
101 N. 14<sup>th</sup> Street, 11<sup>th</sup> Floor Board Room  
Richmond, Virginia

- I. Board Directors present: Chairman John Hopper, Mr. William Smith, Mr. Michael Joyce, Ms. Janet Aylor (on behalf of the Honorable Manju Ganeriwala), Dr. Monique Johnson, Mr. Linh Hoang, Mr. Sanjay Puri, and Ms. Tracey Wiley
- Board Directors absent: Vice Chairman Neil Amin, Mr. Corey Holeman, and Mr. Ronnie Johnson
- VSBF Staff: Mr. Howard Pisons, Ms. Anna Mackley, Ms. Linda Gilbert (via conference telephone), Ms. Karen White, Ms. Robin Foster, and Ms. Todd Boyle
- Others present: Mr. Don Ferguson (Senior Assistant Attorney General), Ms. Rachal Snead, Mr. Kevin White, and Mr. David Buchanan, college intern, (Butler Snow LLP), Nikki Ward (Sentara Healthcare), Mr. Chris Kulp (Hunton Andrews Kurth, LLP), Mr. Hassen Sadid and Ms. Hazel Duncan (Virginia Museum of Fine Arts).

Chairman Hopper called the meeting to order and opened the public meeting at 12:10 p.m.

- II. Approval of Minutes: On a motion by Mr. Joyce, seconded by Mr. Hoang, October 8, 2019 Board of Directors Meeting minutes were unanimously approved. Voting aye: Chairman Hopper, Mr. Joyce, Ms. Aylor, Dr. Johnson, Mr. Hoang, and Ms. Wiley. Voting no: None. (Mr. Smith and Mr. Puri were not present for the vote.)
- III. 501 (c) 3 Tax-Exempt Bond Applications
- A. Virginia Museum of Fine Arts Foundation (VMFA) - City of Richmond - \$42,000,000. Ms. Mackley presented the application and resolution for refunding existing bonds. Ms. Mackley spoke in reference to the previous bond issues from 2005 and 2008, both of which financed a major expansion at the VMFA.
- Mr. Kulp from Hunton Andrews Kurth LLP and Mr. Sadid from the VMFA spoke regarding the current request. The refunded bond issue will have an estimated fixed rate and will require interest only payments. Atlantic Union Public Finance will be the lender. The fixed interest rate for the refunded bond will allow the VMFA to decrease its cost of debt and reduce its exposure to fluctuations in the variable rate bond market.
- On a motion by Mr. Hoang, seconded by Ms. Aylor, the Board of Directors unanimously approved the application as presented. Voting aye: Chairman Hopper, Mr. Joyce, Ms. Aylor, Dr. Johnson, Mr. Hoang, and Ms. Wiley. Voting no: None. (Mr. Smith and Mr. Puri were not present for the vote.)

Chairman Hopper closed the public meeting at 12:22 p.m. No one from the public attended or requested to speak.

- B. Sentara Healthcare - Norfolk City - \$220,000,000. Ms. Mackley presented the application and spoke regarding the bond issue of 2010 which was used to finance a facility in Virginia Beach, acquire assets relating to a medical center, and add on to a facility in Suffolk. No public hearing is necessary with this refunding since the average maturity date of the bonds will not be later than the average maturity of the prior bond issues being refinanced.

Mr. White from Butler Snow LLP continued the presentation. Sentara is currently requesting a \$220,000,000 bond issuance to refund the outstanding principal balance under the 2010 issue as well as to refund the outstanding principal balance under a 1997 tax-exempt bond issued by the City of Hampton and a 1998 tax-exempt bond issue by the City of Virginia Beach. The current refunding will also include amounts to pay costs associated with this issuance.

Citigroup Global Markets and Barclays Capital will act as the bond underwriters. The fixed interest rate for the refunded bond will allow Sentara to decrease its cost of debt and reduce its exposure to fluctuations in the variable rate bond market.

On a motion by Mr. Joyce, seconded by Mr. Hoang, the Board of Directors unanimously approved the application as presented. Voting aye: Chairman Hopper, Mr. Joyce, Ms. Aylor, Dr. Johnson, Mr. Hoang, and Ms. Wiley. Voting no: None. (Mr. Smith and Mr. Puri were not present for the vote.)

#### IV. Loan Guaranty Program Application

- A. The Wool Factory - Albemarle County - \$750,000. Ms. Mackley presented the application for approval of the 75% loan guaranty (\$562,500) for The Wool Factory with the lender Virginia Community Bank. Mr. Pisons, Ms. Mackley, and the VSBFA have partnerships with the bank and experience in working with Mr. Preston Moore, President and CEO, and Mr. Jim Motley, EVP and CCO.

The Wool Factory was conceptualized by partners Brad Uhl, Brandon Wooten, and Dan FitzHenry, part of the team behind Charlottesville based Grit Coffee. As proposed, The Wool Factory will be an event destination with the capacity of hosting 20 to 350 guests, from weddings to corporate dinners. The Wool Factory will also house a brewery, restaurant, a wine shop, and a coffee shop. As part of an economic development project Willow Tree based in Charlottesville has office space for about 250 employees within this facility. Willow Tree is fast growing company that makes mobile apps. The Wool Factory will create approximately 35 FTE's with up to 60 during peak seasonal times. Bookings exist already for the first 90 days after the planned opening.

On a motion by Mr. Joyce, seconded by Mr. Hoang, the Board of Directors unanimously

approved the application as presented. Voting aye: Chairman Hopper, Mr. Joyce, Ms. Aylor, Dr. Johnson, Mr. Hoang, Ms. Wiley, Mr. Smith, and Mr. Puri. Voting no: None.

V. Other Business

- A. Mr. Pisons announced that the VSBFA was named this year's P3 Deal of the year winner by Bond Buyer for the 18<sup>th</sup> Annual Deal of the Year Awards for our issue of the Transurban's 95 Express Lanes bond in the amount of \$262 million. This category is honoring Public-Private Partnership Financing. The revenue bond funded the 10 mile Fredericksburg Extension Project. An award ceremony is scheduled in early December in New York City.
- B. Mr. Pisons shared with the Board the work done for potential new legislation regarding a disaster bridge loan.

VI. The meeting was adjourned.