



BOARD OF DIRECTORS MEETING MINUTES

July 12, 2022, 12:00 P.M.
101 N. 14th Street, 11th Floor Board Room
Richmond, Virginia 23219

Available by Public Teleconference: (866) 845-1266, 65069804#

- I. Vice Chairman Hoang called the meeting to order 12:00 p.m. and welcomed the Board and guests.
- a) Board Directors present: Vice Chairman Linh Hoang, Mses. Mary Margaret Kastelberg, and Victoria Vasques and Messrs. John Dane, Ronald Hobson, Ronald Bew, Matthew James, Ronnie Johnson, Michael Joyce, and Jay Mahone (designee);
 - b) Board Directors absent: Messrs. David Richardson, and William Smith;
 - c) VSBFA Staff present: Mses. Cheryl Bostick, Todd Boyle, Robin Foster, Angela Reese, Linda Tackett and Karen White; and Messrs. Donald Jacubec, Howard Pisons, and Terrence Rogers.
 - d) Others present: Ms. Erin Sutton (Bond Counsel, Dinsmore & Shohl) and Messrs. Mike Graff (Bond Counsel, McGuire Woods), Jonathan Remick (Chief Financial Officer, St. Francis Hospital), Mike Shannon (Chief Financial Officer, Friendship Foundation), and Don Ferguson (Senior Assistant Attorney General of Virginia)

II. Approval of Minutes

On a motion was made by Mr. Joyce and seconded by Mr. Johnson, the June 14, 2022 Board of Directors Meeting Minutes were unanimously approved. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Dane, Hoang, Hobson, James, Johnson, Joyce, and Mahone. Voting nay: None

III. The Public Hearing was declared open at 12:09 p.m.

IV. Tax-Exempt Bond Project

a) *Bon Secours Mercy Health, Inc - \$175,000,000*

Ms. Anna Mackley presented the bond for approval of the inducement resolution, followed by a presentation from Ms. Sutton and Mr. Remick.

J. P. Morgan Securities and RBC Capital Market securities of \$175,000,000, used to acquire, construct, equip, expand, and enlarge and improve medical facilities.

The eleven (11) Virginia localities are expected to create 10,829 with an average wage of \$89,805 within the first two years.

Pursuant to presentations made by Ms. Sutton and Mr. Remick, Vice Chairman Hoang called questions from the Board. Hearing none, Mr. Hoang called for the motion to approve the inducement resolution. Mr. Bew motioned for approval which was seconded by Mr. Hobson

and approved unanimously by the Board. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Dane, Hoang, Hobson, James, Johnson, Joyce, and Mahone. Voting nay: None

b) *Friendship Foundation, LLC - \$42,500,000*

Truist Bank securities of \$42,500,000 used for (i) the acquisition of independent living, assisted living, memory care and other facilities at the Salem Terrace Facility; (ii) to refinance bonds which financed various capital improvements at retirement community facilities in Roanoke; (iii) and to finance a debt service reserve fund and costs of issuance if necessary.

The job creation and retention is expected to be 583 employees, with an average wage of \$52,077 within the first two years.

Pursuant to presentations made by Messrs. Graff and Shannon, Vice Chairman Hoang called questions from the Board. Hearing none, Mr. Hoang called for the motion to approve the inducement resolution. Mr. Johnson motioned for approval which was seconded by Mr. Joyce and approved unanimously by the Board. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Dane, Hoang, Hobson, James, Johnson, Joyce, and Mahone. Voting nay: None

V. Board Review and Ratification

- a) Mr. Howard Pisons presented a \$25,000 and \$50,000 Microloan declined by management for ratification.

Vice Chairman Hoang called for the motion to ratify management’s loan approval. Mr. Dane motioned for ratification which was seconded by Mr. Johnson and ratified unanimously approved. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Dane, Hoang, Hobson, James, Johnson, Joyce, and Mahone. Voting nay: None

VI. Public Comment Period

Vice Chairman Hoang called for comments from the attending public. Hearing none the comment period and the Public Hearing was closed at 1:07 p.m.

VII. Other Business

- a) Rebuild! VA Grant Program – Mr. Pisons updated the board on Rebuild! VA: the number of grants (7,365) and amount awarded (\$373.2 Million) year to date and the average grant award (\$50,700); at the end of June, VCC exhausted the \$225 million of ARPA funding allocated to them to process grant applications; YTD: Grants Awarded = 7,365 for \$373.2 million; Avg. award = \$50.6M; Applications in the pipeline = 2,856
- b) SSBCI \$230.4 million Grant Application – Mr. Pisons updated the board on the initial application was submitted to US Treasury (UST) on 2/11; however are amending it to reflect our partnership with VIPC to sub-administer approximately \$173.4 million of the grant for venture capital. VSBA will direct the remaining \$57 million to administer a loan guarantee program; a loan participation program; and a program to capitalize CDFIs that they will leverage with other private equity to fund their small business and Socially and Economically Disadvantaged Individual (SEDI) loan programs. We meet weekly with UST for updates and Q&A to prepare for submitting our amended application to UST. The due date for the \$4

million UST Technical Assistant Grant application is September 1, 2022. The Governor has not signed the “Designation Letter” authorizing the VSBFA as the program Administrator to receive the funds and manage the program – this is imperative.

- c) VSBFA has eleven (11) financing, credit enhancement and bond transactions totaling approximately \$344,114,757 approved and pending closing compared to \$286,114,757 last reported to the Board.
- d) VSBFA has four (4) financing and credit enhancement totaling approximately \$912,000 in the Pipeline that are pending approval compared to \$286,114,757 last reported to the Board.

VIII. Having no further business the meeting was adjourned at 2:08 pm.

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