

MINUTES

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING

March 14, 2017 - 12:00 P.M.

Monroe Building, 101 N. 14th Street, 11th Floor Board Room
Richmond, Virginia

- I. Board Directors present: Chairman Gail Letts, Vice Chairman Neil Amin, Mr. John Hopper, Ms. Tracey Wiley, Dr. Monique Johnson, Ph.D., and Ms. Janet Aylor (on behalf of the Honorable Manju Ganeriwala)

Board members absent: Mr. Linh Hoang, Ms. Manju Ganeriwala, Mr. Nicholas Jordan, Mr. Bradley Jiulianti, Mr. Andy Lock, and Mr. Bill Smith

Staff: Mr. Scott Parsons, Ms. Barbara Carter, Ms. Mary Jo Sisson-Vaughan, Ms. Nathalia Artus

Others present: Mr. David Richardson (McGuire Woods), Mr. Kevin White (Kaufman & Canoles), Chris Henderson and Kevin Salminen (Virginia United Methodist Homes), Mr. Don Ferguson (Senior Assistant Attorney General), Ms. Jennifer Mayton (SBSD), Ms. Reba O'Connor (SBSD), and Mr. Robert Summers (SBSD)

Chairman Letts called the meeting to order.

- II. Approval of Minutes - On a motion by Ms. Wiley, seconded by Mr. Hopper, the minutes of the February 14, 2017 Board of Directors Meeting were unanimously approved. Voting aye: Chairman Letts, Vice Chairman Amin, Ms. Wiley, Mr. Hopper, and Ms. Aylor. Voting no: None. (Dr. Johnson was not present for this vote.)

III. Industrial Development Bond Program Applications

PUBLIC HEARING: Mr. Parsons stated that a public hearing was required for the next two items and the Board declared the public hearing to be open at 12:07pm.

- A. Invest in America's Veterans Foundation, Inc., The Flats at Ginter Park Apartments Project - Richmond City - \$43,700,000 request. Public Hearing for Inducement Only
Mr. Parsons introduced this request to the Board and stated that the Board is being asked to approve an inducement for a tax-exempt issuance through the Wisconsin Public Finance Authority ("PFA"), but will still require the Governor's signature on the resolution. Mr. Parsons then explained that Wisconsin PFA was a nation-wide issuer of tax-exempt bonds with statutory ability to make issuance on multi-jurisdictional projects across state lines. Mr. Kevin White of Kaufman & Canoles presented an overview of the project and the resolution for the Wisconsin PFA's request to for bonds to finance the Flats at Ginter Park Apts. for the benefit of Invest in America's Veterans Foundation, Inc. Mr. Parsons informed the Board that VSBFA's counsel, Mr. Ferguson, had reviewed and approved the

draft resolution. On a motion by Vice Chairman Amin, seconded by Mr. Hopper, the resolution was approved as presented. Voting aye: Chairman Letts, Vice Chairman Amin, Mr. Hopper, Dr. Johnson, Ms. Aylor, and Ms. Wiley. Voting no: None.

- B. Virginia United Methodist Homes - Henrico County - \$55,000,000 request. Ms. Sisson-Vaughan presented this project to the Board and mentioned that the bond fee would be shared with Henrico County. She also introduced Mr. Dave Richardson of McGuire Woods and Chris Henderson and Kevin Salminen from Virginia United Methodist Homes. Mr. Richardson highlighted the efficiency and cost savings of VSBFA as the bond issuer for multi-jurisdictional projects. Mr. Henderson discussed the project and its expansion and renovation plans. Mr. Richardson added that SunTrust would provide the financing. On a motion by Mr. Hopper, seconded by Vice Chairman Amin, the Board unanimously approved the inducement resolution authorizing the issuance of tax-exempt bonds to finance the expansion, renovation, and refinance of existing debt. Voting aye: Chairman Letts, Mr. Hopper, Vice Chairman Amin, Ms. Aylor, Dr. Johnson, and Ms. Wiley. Voting no: None.

The public hearing was closed at 12:20 pm. No one from the general public asked to speak.

- IV. Board Review and Ratification of Loans Approved/Declined by Staff - Mr. Parsons presented the loans and credit enhancements approved and declined by Staff under its designated authority. On a motion by Vice Chairman Amin, seconded by Mr. Hopper, the Board of Directors ratified the loan decisions made by staff for February 2017. Voting aye: Chairman Letts, Vice Chairman Amin, Mr. Hopper, Dr. Johnson, Ms. Wiley, and Ms. Aylor. Voting no: None.

V. Other Business

- Ms. Wiley commented on the importance of the Authority's ability to issue bonds and its continuing bond fee sharing issue with the localities. She wants to see if there are other options and is willing to talk with the Secretary of Commerce and Trade in support of the Authority. Mr. Parsons then discussed the background of the Authority's agreement to share its bond fee income with the impacted localities. He shared how VSBFA's bond fees are used to fund its programs and administrative expenses since the Authority does not receive any state funding.
- Ms. Wiley reviewed the legislation from this past General Assembly session impacting the agency, DSBSD, i.e., a reciprocity bill, the number of bills with certification preferences, employment services, etc. Mr. Parsons highlighted the two bills affecting VSBFA.
- Mr. Parsons then introduced Janet Aylor from the Department of the Treasury. She is representing the state treasurer who was unable to attend the meeting.
- Chairman Letts requested an update on a conditionally approved loan from last month's meeting. Ms. Sisson-Vaughan stated that the bank, EVB, decided to fund the \$5 million term loan to Virginia Resources Recycled without VSBFA's involvement. The terms

and conditions of the VSBFA approval were based upon staff's interpretation of the Bank's approval document plus additional requirements added by our Board. EVB's CCO understood our reading of the Bank's approval but the RM had a different view of the Bank's terms and conditions. The Bank added our requirement for the pledge of outside liquid assets and closed with no VSBFA guaranty.

- VI. Adjourn - There being no other business before the Board, Mr. Hopper made a motion to adjourn the meeting. The motion was seconded by Vice Chairman Amin. Voting aye: Chairman Letts, Vice Chairman Amin, Mr. Hopper, Dr. Johnson, Ms. Wiley, and Ms. Aylor. Voting no: None.