

# MINUTES

## VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING

March 13, 2018 - 12:00 P.M.

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

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

Board members absent: Mr. Michael Joyce and Mr. William Smith

VSBFA Staff: Ms. Anna Mackley, Ms. Mary Jo Sisson-Vaughan, Ms. Barbara Carter, Ms. Patricia Musial, Ms. Robin Foster, and Ms. Todd Boyle

Others present: Mr. Mike Graff (McGuireWoods LLP), Mr. Brian Carson (Gold Key/PHR), Ms. Tina Neal (Perseverance Capital/M & T Securities), Mr. Don Ferguson (Senior Assistant Attorney General), Ms. Jennifer Mayton (DSBSD), and Mr. Nathan Conquest (Dept. of Treasury)

Chairman Letts called the meeting to order. Ms. Mackley then introduced Mr. Nathan Conquest, an intern with the Department of Treasury, and Ms. Todd Boyle, newly hired VSBFA employee.

- II. Approval of Minutes - On a motion by Mr. Holeman, seconded by Mr. Hoang, the January 9, 2018 Board of Directors Meeting minutes were unanimously approved. Voting aye: Chairman Letts, Vice Chairman Amin, Mr. Holeman, Mr. Hoang, Ms. Aylor, Ms. Wiley, and Dr. Johnson. Voting no: None. (Mr. Hopper was not present for the vote.)

Ms. Mackley informed the Board that the EDLF loan approved at the January 9<sup>th</sup> meeting will not be utilized by the IDA of Pittsylvania County. Due to the recently imposed tariffs, the project, Amthor International, will not be constructing a new facility but is planning a smaller expansion of its existing facility.

- III. Tourism Development Financing Program Revenue Bond – Taxable Bond Request

- A. Norfolk Hotel Associates, LLC and Related Entities - Cities of Norfolk & Virginia Beach - \$25,285,248 - Ms. Mary Jo Sisson-Vaughan presented to the Board this request to change the bond underwriter and to split the bonds into an A and B series. Mr. Mike Graff, bond counsel, discussed the reasons for the changes and answered questions from the Board. On a motion by Mr. Holeman, seconded by Vice Chairman Amin, the Board of Directors unanimously approved the resolution to amend the

taxable bonds. Voting Aye: Chairman Letts, Mr. Holeman, Vice Chairman Amin, Mr. Hoang, Dr. Johnson, Ms. Wiley, Ms. Aylor, and Mr. Hopper. Voting No: None.

IV. Tax-Exempt 501 (c) (3) Bond Requests

- A. Friendship Foundation and Subsidiaries Project - City of Roanoke and Roanoke County. Ms. Sisson Vaughan presented the request to amend the 2014 Bond Series issued by VSBFA. The requested changes revise the definition of LIBOR and replace the word “decline” with “change.” Mr. Mike Graff reviewed the tax legislation changes, how they have affected tax-exempt bonds interest rates & yields, and responded to the Board’s questions. On a motion by Mr. Hoang, seconded by Mr. Hopper, the Board of Directors unanimously approved the resolution, amendment, and Allonges to the bond series. Voting Aye: Chairman Letts, Mr. Hoang, Mr. Hopper, Mr. Holeman, Vice Chairman Amin, Dr. Johnson, Ms. Wiley, and Ms. Aylor. Voting No: None.
- B. Bon Secours Health System, Inc. - Counties of Henrico, Hanover, Chesterfield, and City of Portsmouth. Ms. Mary Jo Sisson-Vaughan reviewed this request to amend the existing Series 2013B bonds. The definitional changes (i.e., margin rate factor, maximum federal corporate tax rate, index floating rate, etc.) are a result of the new tax legislation. On a motion by Mr. Hopper, seconded by Mr. Holeman, the Board of Directors unanimously approved the resolution to adopt a Second Supplemental Bond Indenture to the Series 2013B bond issued by VSBFA. Voting Aye: Chairman Letts, Mr. Hopper, Mr. Holeman, Ms. Aylor, Vice Chairman Amin, Mr. Hoang, Ms. Wiley, and Dr. Johnson. Voting No: None.

V. Board Review and Ratification of Loans Approved/Declined by Staff - On a motion by Mr. Holeman, seconded by Mr. Hopper, the Board of Directors ratified the loan decisions made by staff for February 2018. Voting aye: Chairman Letts, Mr. Holeman, Mr. Hopper, Vice Chairman Amin, Ms. Aylor, Ms. Wiley, Dr. Johnson, and Mr. Hoang. Voting no: None.

VI. Other Business - The following items were highlighted:

- Ms. Mackley reminded everyone that the Board Retreat will be held on May 8, 2018 from 8 AM to 2 PM, the place to be determined.
- Ms. Mackley announced that one of the directors, Mr. Michael Joyce, was listed in the *Wall Street Journal* as one of Virginia’s top financial advisors.
- Ms. Wiley updated the status of the vacant Executive Director position. The candidates have been confirmed and panel interviews should take place soon.
- Ms. Wiley reviewed the legislation that affected VSBFA during the recent session of the General Assembly – grants, disaster recovery, veterans’ loans, and retirement for small businesses. She also mentioned that HB1568, which would have abolished DSBSD and moved VSBFA to the VEDP, was amended as of today to only move the two grants programs only, SBIG and SBJG.

- Ms. Mackley commented that she hopes to see the veterans' program return next year but it will need funds and staffing to administer it.
- The Board agreed to invite the new Secretary of Commerce and Trade to the May 8<sup>th</sup> retreat.

VII. The meeting was adjourned.