



BOARD OF DIRECTORS MEETING MINUTES

October 11, 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. Chairman Bew called the meeting to order 12:09 p.m. and welcomed the Board and guests.
- a) Board Directors present: Chairman Ronald Bew, Mses. Mary Margaret Kastelberg and Victoria Vasques; and Messrs. John Dane, Ronnie Johnson, Michael Joyce, David Richardson and William Smith.
 - b) Board Directors absent: Messrs. Linh Hoang, Matthew James, Ronald Hobson
 - c) VS BFA Staff present: Mses. Shari Adams, Cheryl Bostick, Angela Reese, Linda Tackett and Karen White; and Messrs. Donald Jacobec, Howard Pisons, and Terrence Rogers.
 - d) Others present: Messrs. Jay Mahone (Public Finance Manager, Virginia Department of the Treasury), Arthur E. Anderson II (Partner, McGuireWoods), Kevin White (Attorney, Butler Snow LLP), Ryan Inman (VP Finance, Sentara), and Don Ferguson (Senior Assistant, Attorney General of Virginia)

II. Approval of Minutes

On a motion made by Ms. Kastelberg and seconded by Ms. Vasques, the September 13, 2022 Board of Directors Meeting Minutes were unanimously approved. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Dane, Johnson, Joyce, Richardson, and Smith. Voting nay: None

III. The Public Hearing was declared open at 12:10 p.m.

IV. Tax-Exempt Bond Project

- a) Sentara Healthcare (Sentara) – Tax-exempt 501c3 resolution to finance and refinance up to \$160,000,000

Mr. Pisons, presented Sentara's request to adopt the resolution, followed by comments from Messrs. Inman, and White.

Mr. Pisons explained Sentara's resolution is to finance (i) up to \$140,000,000 of certain costs of the acquisition, development, construction and equipping of capital improvements at health care facilities owned by Sentara or its affiliates in Norfolk and Suffolk, VA, and Elizabeth City, NC, and (ii) refinance up to a \$20,000,000 portion of the Economic Development Authority of the City of Norfolk Health Care Facilities Revenue and Refunding Bonds, Series 2012B for capital projects in City of Norfolk, and Albemarle and Prince William Counties. The hospitals identified in this resolution employ 7,462 FTEs having an average wage of \$45.66/hour.

Pursuant to the presentation by Mr. Pisons and comments by Messrs. Inman, and White, and

questions from the Board regarding the rate, fees, and portfolio. Chairman Bew called for the motion to adopt the resolution. Mr. Joyce motioned to adopt the resolution as submitted, which was seconded by Mr. Johnson and adopted unanimously by the Board. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Dane, Johnson, Joyce, Richardson, and Smith. Voting nay: None

- b) P3 Foundation Inc. (“P3”)– Tax-exempt 501c3 Final Resolution of up to \$75,000,000, contingent upon the Governor’s approval of the Final Resolution

Mr. Pisons presented P3’s final resolution for \$75 million tax-exempt bond issuance to finance the Wavegarden Surf Park, a component of the Atlantic Park Development (APD) in Virginia Beach, contingent upon the Governor’s approval of the Final Resolution, followed by comments by Mr. Anderson.

The APD is anticipated to generate significant new taxes, economic development and resort amenities for the City of Virginia Beach. The estimated value of goods and services purchased from the Commonwealth during construction is \$25 million; \$2 million for goods and service purchased annually; \$15 million for goods and services produced and sold from the facility annually; 25 to 50 employees during construction/expansion; and 31 employees year round. The project will redevelop the community, anchor culture and arts district, enhance property values, and inspire a renaissance in the Virginia Beach resort area.

Pursuant to the presentation by Mr. Pisons and comments by Mr. Anderson, Chairman Bew called for questions from the Board. Hearing none, Chairman Bew called for the motion to adopt the final resolution contingent upon the Governor’s approval of the Final Resolution. Mr. Joyce motioned for adoption which was seconded by Mr. Smith and adopted unanimously by the Board. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Dane, Johnson, Joyce, Richardson, and Smith. Voting nay: None

V. The Public Hearing was declared closed at 12:28 p.m.

VI. Board Review and Ratification

- a) VSBFA staff, Mr. Rogers commented on the one (1) credit support transaction of \$300,000 and Ms. White commented on the one (1) Microloan of \$25,000, approved by management for ratification.

Chairman Bew called for the motion to ratify management’s loan approvals. Mr. Smith motioned for ratification which was seconded by Mr. Joyce and ratified unanimously by the Board. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Dane, Johnson, Joyce, Richardson, and Smith. Voting nay: None

VII. Other Business

- a) Rebuild! VA Grant Fund Program: The number of awards and the value of grants awarded to small businesses from inception (8/10/2020) to date is 8,456 and \$446 million, respectively; average grant is \$52,700. We are processing \$8-10 million of grants/week and expect to exhaust the current \$130 million funding allocation by the end of October – early November 2022; 877 applications are in the pipeline for decisioning.

- b) SSBCI 2.0/\$230.4 million and Technical Assistance Grant (TAG)/\$4.0 million: (i) we expect our SSBCI 2.0 application will be approved by the end of October and funding in November 2022; and (ii) after receiving the Governors signed “Designation letter on 9/1/2022, we posted the TAG program on eVA and assembled a five member team to review nine applications from entities seeking grants to bolster their programs. The TAG application is due 10/14/2022.
- c) Activity: (i) VSBFA has ten (10) financing, credit enhancement and bond transactions totaling \$505,658,543 that are approved and pending closing; ii) nine (9) financing and credit enhancement transactions totaling \$352,100,000 in the application pipeline that are pending approval; and (iii) at the end of calendar Q3, 11,916 jobs have been created or retained in small businesses; 1,019 as a result of loan and credit support transactions and 10,862 resulting from bond activity; 290 businesses are located in rural areas.
- d) Systems: Transition to two new platforms for core loan processing (CommonGoals) and general ledger accounting (AccFund) are underway. Conversion has been completed and staff are undergoing training. Selection of a platform to manage the SSBCI 2.0 and Technical Assistance grants is underway.
- e) Small Business Investment Grant (SBIG): It is likely that SBIG will not open for applications until mid-November due to staff shortages which we will shore up with contractors. The program historically opens in August after funding is received.
- f) Organization: The Loan Administration Specialist job posting will be “open until filled” after our initial attempt did not produce satisfactory results. This is a key operations position that requires loan processing experience typically obtained in the banking industry.

VIII. Public Comment Period

Chairman Bew called for comments from the public. Hearing none the comment period was closed at 2:01 p.m.

IX. Having no further business the meeting was adjourned at 2:03 p.m.