

A meeting of the Botetourt County Economic Development Authority was held on **Thursday, February 17th, 2022**, at 3:00PM at the Botetourt County Administration Center at Greenfield Center in room 229.

Present: Members
 Mr. John Griffin – Vice-Chairman
 Mr. John Kilby - Chairman
 Mr. Lyn Hayth
 Mr. David Bryan
 Mrs. Mary Bess Smith
 Mr. Jeff Emry

Absent: Mr. John Alderson

Others: Mr. Gary Larrowe
 Mr. Ken McFadyen
 Mr. Luke Campbell
 Mr. David Moorman (virtual)
 Mr. Jon Lanford (virtual)
 Dr. Richard Bailey
 Mr. Mike Lockaby
 Mr. Bryce Hunter
 Mr. Khari Ryder
 Mr. Tony Zerrilla (virtual)
 Mr. Taylor Bryant (virtual)
 Ms. Elizabeth Benedetto (virtual)
 Mr. Bob Lauterberg (virtual)

Mr. Kilby called the meeting to order and opened the floor to public comment. Being no public comments, he then introduced Mr. Bryce Hunter who was in attendance on Mr. Webster Day's behalf, as well as Khari Ryder, Executive Director of the Botetourt Chamber of Commerce. Mr. Kilby then asked for introductions of the VML / VACO Finance representatives joining the meeting virtually, who were: Taylor Bryant, Elizabeth Benedetto (Spilman Thomas & Battle), Bob Lauterberg (VML/VACO Finance).

Mr. Kilby then asked if there was a motion to accept the financial reports for December and January. Mr. Hayth made the motion to accept the reports, which was seconded by Mrs. Smith and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith

NAYES: None

ABSENT: Mr. Alderson

ABSTAINING: None

Review of the Bond for the Courthouse and VWCC Expansion – Gary Larrowe

Mr. Larrowe introduced Mr. Bryce Hunter who was then presented the bond agreement put together by Mr. Webster Day, who was absent. Mr. Hunter then presented for the consideration of the EDA the Resolution of the Authority for the issuance and sale of the public facility lease revenue bonds for the renovation and construction of the Courthouse and the expansion of Virginia Western to the Greenfield building. He said they were in the process of finalizing all of the documents listed on the bottom of the first page of the resolution. He then mentioned that the second page holds the information on how the County is going to grant the EDA the lease hold interest in these properties and then the EDA is going to lease back to the County these properties, by which the rent payments would service the payment of the term of the bonds. These bonds would be sold, but the timeline for these bonds is undetermined, though likely to be the end of the first week of March.

He also noted on page two the aggregate principal of the bonds with the interest rate. The underwriters, including Raymond James, would sell the bonds and the EDA would use the proceeds to construct the renovations of the two building projects. The Resolution would authorize the EDA's Chairman and Vice-Chair to approve all of the final details and sign off on all of the final agreements once they are completed. The Resolution appoints Mr. Day of Spilman, Thomas, and Battle as bond counsel in connection with the issuance of bonds, and authorizes the EDA to take all of the necessary actions for recording and filing appropriate tax forms for the bonds.

Mr. Kilby then brought up two things for consideration: one was that the first Resolution has \$3.5 million dollars listed and the second Resolution has \$33.5 million listed, which are more than what it was initially.

Mr. Hayth then asked if the \$3.5 million was inside the \$33.5 million. Mr. Kilby then said that it was inside and the \$33.5 million is the total, but that there would be one bond issuance.

Mr. Zerrilla had a question for VML/VACO Finance and asked if there were different terms for the courthouse and the community college expansion. Mr. Bryant replied that it was the same terms for both projects. Mr. Zerilla then asked if the term was for 30 years on the courthouse project, to which Mr. Bryant said it was. Mr. Lauterberg then

said that one option was to structure the debt service so that there would be more debt service in the first twenty years and a smaller amount for the remaining ten years. Mr. Lauterberg explained further that they would do a single series of bonds for both projects, but if the County wanted to approximate the debt service which would be paid if the Greenfield expansion project were to be financed over twenty years and the courthouse project over thirty years. Mr. Zerilla said he would be fine with the 30-year term on both projects if that's what is agreed upon with the County.

Mr. Lockaby said he believed he had structured the lease in such a way that the amount of the lease is tied to the amount of debt service, but that he would check on that. Mr. Bryant said that the amount of the lease is not factored in the document, and that the debt service would be paid by the EDA and the County and that the term doesn't need to match the term of the financing because it's not a pledged revenue for the debt service. Mr. Lockaby agreed but added that if the amount the County is being paid by the Community College is tied to the amount of Paid/No Issue (PNI) that the County is paying to the bond holders, the County may want to make the PNI to the bond holders greater during the 20 years of the lease. Mr. Lauterberg mentioned that there are two projects that are being financed in a single series of bonds, and that if the EDA would like him to find out the amount of debt service that would be paid if the Community College project were being financed over twenty years within the larger series, he could provide that debt service schedule to possibly be presented to the Community College System. Then, the County could still maintain level debt service over thirty years, unless the County would like to structure it so that more debt service were paid in the first twenty years and less in years 21 through 30.

Mr. Lockaby said that the lease was set up in such a way where the 30-year term could be accelerated into the 20-years under the schedule one for the lease. Mr. Kilby then asked if that were the same as amortizing it over twenty years. Mr. Hayth said it was. Mr. Kilby then asked if that affected the bond issue. Mr. Lauterberg said that the buyers of the bonds are buying individual series so they would only see a five- or ten-year maturity. Mr. Lauterberg went on to say that it's part of one bond issue but they are marketing individual series and wouldn't affect the marketing of the bonds. Mr. Kilby then asked if it were the responsibility of the EDA to vote on whether it be a 20- or 30-year amortization. Mr. Lockaby replied that it wasn't and that it would be taken care of on paper. He reiterated that the County would get in twenty years everything that the County would need to pay out over thirty years under the lease and would continue to pay that out over the next ten years, which means it could be done on paper and wouldn't need a vote.

Mr. Kilby asked if there be any more questions. Being none, he then asked if there be a motion to approve the Resolution Authorizing the Issuance and Sale of Lease Revenue

Bonds and Providing for the Form, Details, and Payment of the Bonds. Mr. Griffin made a motion to approve, which was seconded by Mr. Emry and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith

NAYES: None

ABSENT: Mr. Alderson

ABSTAINING: None

Mr. Kilby then asked for the following motions:

Motion to go into closed session to discuss the acquisition and disposition of real property for purposes of economic development, in the Amsterdam (including Greenfield), Blue Ridge, and Buchanan districts where discussion in an open meeting would adversely affect the Authority's bargaining positions or negotiating strategy, pursuant to Section 2.2-3711 (A) (3) of the Code of Virginia of 1950, as amended.

Motion to go into closed session to discuss prospective businesses or industries or the expansion of existing businesses or industries, in the Amsterdam (Greenfield) and Fincastle districts where no previous announcement has been made of the businesses' or industries' interest in locating or expanding facilities in the community, pursuant to Section 2.2-3711 (A) (5) of the Code of Virginia of 1950, as amended.

Mr. Hayth made the motion, which was seconded by Mrs. Smith and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith

NAYES: None

ABSENT: Mr. Alderson

ABSTAINING: None

Mr. Kilby read the following resolution:

BE IT RESOLVED, it is certified that to the best of each Authority member's knowledge only public business matters lawfully exempt from open meeting requirements and only such matters as were identified in the motions to go into Closed Session were heard, discussed or considered during the Closed Session.

The EDA then returned to open session with Roll Call:

AYES: Mr. Hayth, Mr. Bryan, Mrs. Smith, Mr. Griffin, Mr. Kilby, Mr. Emry

NAYES: None

ABSENT: Mr. Alderson

ABSTAINING: None

Mr. Kilby mentioned the thank you card sent by Susan Fain who said she enjoyed working with the EDA during her time with the County.

Being no other business, Mr. Kilby asked if there be a motion to adjourn. Mr. Hayth made the motion, which was seconded by Mr. Griffin and which carried unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith

NAYES: None

ABSENT: Mr. Alderson

ABSTAINING: None