

ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY MINUTES

December 14, 2021

4:00 PM

Electronic Meeting

EDA Directors Present: Don Long, John Mottola, Stuart Munson, George Ray, David Shreve

Staff Present: Jim Bowling, EDA Counsel; Roger Johnson, Economic Development Director; J.T. Newberry, Business Development Manager; Ashley Perry, Economic Development Management Analyst; Richard DeLoria, Senior Assistant County Attorney; Diantha McKeel, Board of Supervisors Liaison to the EDA, Jack Jouett District; Ned Gallaway, Chair of the Board of Supervisors, Rio District

Guests Present: Anne Saunders, Bond Counsel for Westminster-Canterbury, McGuireWoods LLP; Gary Selmeczi, President and CEO of Westminster-Canterbury of the Blue Ridge; T.W. Bruno, Partner, McGuireWoods LLP

1. Establish Quorum and Call to Order

Chair Long convened the meeting at 4:00 p.m. read the following statement:

Notwithstanding any provision in the EDA Bylaws to the contrary, as permitted under Virginia Code §2.2-3708.2(A)(3), Albemarle County's Continuity of Government Ordinance and declaration of a local state of emergency, and the EDA Resolution of April 21, 2020, we are holding this meeting by real time electronic means with no Authority member physically present at a single, central location. This is because the pandemic's catastrophic nature makes it impracticable or unsafe to assemble in a single location. All Authority members are participating electronically. All Authority members will identify themselves and state their general physical location by electronic means during the roll call which we will hold next.

This meeting is being recorded and will be uploaded to the County's website.

The public has real time audio-visual access to this meeting over Zoom and real time audio access over telephone, both as provided in the lawfully posted meeting notice. The public is also invited to offer live comment during the meeting's Public Comment period. Comments are limited to three minutes and must be germane to matters on today's agenda.

Mr. DeLoria provided the roll call and confirmed a quorum.

2. Matters from the Public

Mr. Newberry confirmed no speakers signed up or raised their hand to speak.

3. Approval of Minutes

The minutes for November 16, 2021, were reviewed. Chair Long asked to remove Mr. Bowling from the list of attendees as he wasn't present. Mr. Munson motioned to approve the minutes, which was seconded by Mr. Ray.

MOTION: The motion passed unanimously.

4. Financial Report

Mr. Shreve confirmed that no material changes since last reporting period.

5. New Business

a. New EDA Director

Chair Long welcomed new EDA Director John Mottola, representing the White Hall District, to the Authority. Mr. Johnson introduced Mr. Mottola, COO of Perrone Robotics, who then acquainted himself to the EDA and was welcomed by the other Directors and staff.

b. Virginia's Counties Conference (VACo) Conference Update from Board of Supervisor's Chairman Ned Gallaway

Via phone, Chair Gallaway reported he recently attended a VACo Conference where Virginia Economic Development Partnership (VEDP) President, Stephen Moret, gave an update with incoming Governor Glenn Youngkin on a recent update on the outgoing Governor Northam's budget. He said it was worthwhile to mention that both Governors target or have cited site preparedness or site readiness an area for budgets and budget prioritization and grants to go out.

Chair Gallaway reinforced that site readiness is key in attracting economic development activity to the area and it's worthwhile to keep on the EDA's radar that grants could be available and to be in line with, what hopefully, the State's prioritization will be.

He said he found interesting that when an applicant comes in, they want it ready to go and that they only have about 12 - 16 months to finish getting the site ready. He suggested that the County may lose out to other areas around the Commonwealth or other States, because their sites are ready for companies to get set up in quick fashion.

Chair Gallaway invited Mr. Johnson and Mr. Newberry to add additional thoughts to his recommendation if they had more information and added that he also presented the issue to the Thomas Jefferson Planning District Commission meeting. He reinforced that regionally, we should focus on this issue, just as we have found success in attracting grants for transportation and regional housing.

He offered to answer any questions and thanked the EDA for the opportunity to share the information.

Director Long thanked Chair Gallaway and extended the opportunity to Mr. Johnson to respond. Mr. Johnson asked Mr. Newberry to discuss North Fork Discovery Park, as it relates to the Tier 4 Site, as well as the Virginia Business Site Readiness Grant.

Mr. Newberry reinforced Chair Gallaway's points and referred to the Virginia Business Ready Sites Program (VBRSP) on VEDP's website. He outlined that the State provides grants for site development and site characterizations for properties that are a minimum of 100 acres. There are grants to characterize properties (as Tier 3, Tier 4, Tier 5) and site development grants to advance those properties to a higher tier level.

Mr. Newberry cited the EDO's work with the University of Virginia Foundation to submit a VBRSP grant application and expect to learn the outcome by the end of December. He added that North Fork is the County's only 100+ acre non-residential site, which made it easy to select for this process.

He added the State has been expediting the review of the grant program to inform the upcoming budget process. A number of localities across the state submitted grants that can't be funded.

Mr. Newberry reported the County's total grant request to advance the property to Tier 5 was \$6 million (out of a total grant budget of \$7 million). While full funding isn't expected, the EDO is excited to be a part of the process and looks forward to working more with the Foundation.

Chair Long requested that Mr. Newberry explain the different tiers.

Mr. Newberry offered the following general explanation:

- Tier 5 is a shovel ready site, ready for a developer to pull building permits and begin construction.
- Tier 4 goes down from that. All infrastructure is in place or will be deliverable within 12-18 months. All permit issues have been identified and quantified.
- Tier 3 sites are zoned for commercial or industrial development, but has minimal to no infrastructure. Due diligence studies have been completed. Estimated costs of development have been quantified.
- Tier 2 sites are designated in the Comprehensive Plan for commercial/industrial development. The site is publicly owned or optioned. Site has minimal or no infrastructure and little to no due diligence has been performed.
- Tier 1 sites are designated in the Comprehensive Plan for commercial/industrial development, but not zoned. Site has minimal or no infrastructure and little to no due diligence has been performed.

Mr. Ray asked if the Albemarle Business Campus site is looking to attract a senior assisted living facility. Mr. Newberry responded not to his knowledge.

After no further questions, Chair Long called on Mr. DeLoria to address the next item on the agenda.

c. Amendment of Rules and Procedures

Mr. DeLoria commented that his presentation may look familiar to the Directors, as it is a direct result of the last meeting's Bond Fee Schedule Adoption.

He said, in finalizing those documents, staff noticed an uncodified section at the end of the Rules and Procedures, called "Notes to Application" -origin unknown- but has been there for, if not decades at least one decade. Concerned about the rules they control, staff investigated further to determine that one of the following sections in the "Notes to Application" applied limits on bond fees and therefor was inconsistent with the Rule.

Mr. DeLoria established that it is staff's intention in the coming year to review the rules -line by line - to modernize them.

He pointed out that Rule 4.1 requires applicants to file “nine full and accurate completed applications” with all the bond documents and which does not happen and suggested the following changes:

1. Delete the “Notes to Application”

2. Submission Process Changes

-If applicants wish to submit hard copies, we changed the 10-day notice to 14 days, which although tight, can be expanded later.

-Rather than having applications submitted to the Clerk of the Board of Supervisors, they be directed to the EDA (in care of the EDO). He added that the Clerk of the Board of Supervisors cleared this change.

- The County will allow electronic versions of the applications to be filed to the EDA via email providing tracking in a more contemporary format.

Mr. DeLoria confirmed that we are changing the Rules to 1) Delete the “Notes to Application” section and 2) Updating Rule 4.1, so the motion would be to adopt the Resolution Amending Rule 4.1 of the Rules and Procedures and deleting “Notes to Application” as attached.

Mr. DeLoria asked if there were any questions.

Chair Long suggested that moving forward with future changes, the EDA should consider consulting with the attorneys present today who have experience dealing with authorities throughout the Commonwealth to improve the process.

Mr. DeLoria agreed and offered thanks.

Chair Long asked if there were any other questions or comments and with none, asked if there was a motion.

With that knowledge, Mr. Shreve moved to approve the “Resolution Amending Rule 4.1 of the Rules and Procedures and Deleting Notes to Application” which was seconded by Mr. Munson.

MOTION: The motion passed unanimously

Chair Long reiterated that the EDA will examine the Rules in the new year and additionally adopt new Rules the beginning of each year to ensure they are current, and we don't run into any problems.

d. Westminster-Canterbury of the Blue Ridge Bond Refinancing

Anne Saunders, Bond Counsel for Westminster-Canterbury; McGuireWoods LLP

TW Bruno, Bond Counsel for Westminster-Canterbury; McGuireWoods LLP

Jim Bowling, Bond Counsel to the EDA; St. John, Bowling, Lawrence & Quagliana LLP

Gary Selmeczi, President and CEO of Westminster-Canterbury of the Blue Ridge

Anna Buchanan, CFO and Treasurer of Westminster-Canterbury of the Blue Ridge

Chair Long asked to promote attendees representing Westminster-Canterbury of the Blue Ridge and welcomed Anne Saunders.

Ms. Saunders, of McGuire Woods LLP and Bond Council on the Westminster-Canterbury of the Blue Ridge financing- greeted the Directors and offered her thanks for having her and Westminster-Canterbury of the Blue Ridge (WCBR) at the meeting. She introduced Gary Selmeczi, President and CEO of WCBR, Anna Buchanan, CFO and Treasurer of WCBR and her colleague T.W. Bruno.

Ms. Saunders referred to the materials in the Directors' packet stating Westminster Canterbury of the Blue Ridge has requested that the Authority issue up to \$73 million of its Revenue Bonds to assist with refinancing of its outstanding bonds, previously issued by the Authority, to assist with financing and refinancing of certain improvements at its community in Albemarle County and to assist with financing other capital projects.

She pointed out they expect it to ultimately be a refunding only, and that there won't be any borrowing for new money projects.

Ms. Saunders presented two Resolutions:

1.) Inducement Resolution acknowledging that a public hearing has been held on this financing.

Ms. Saunders and Chair Long agreed to address public comment after her presentation.

Ms. Saunders added that the notice of public hearings required, under both Federal and State laws related to tax exempt bonds, were published twice in *The Daily Progress*.

She said the Resolution also provides that the Authority's recommendation that the County Board of Supervisors approve of the financing is the next step, provided approval this evening.

2.) Authorizing Resolution provides authorization for the Authority to issue the bonds, it approves of the forms of the financing documents, it authorizes certain officers have the authority to execute the principal bond documents and to take other actions to affect the transaction, and it also sets certain parameters on the rates and maturity of the bonds.

Ms. Saunders stated they requested the Authorizing Resolution be adopted, subject to one amendment, which was to add a sentence in paragraph seven allowing for certain amendments to be made to the bond documents for the Authority's outstanding bonds that have been issued for the benefit of WCBR.

She explained that it's become apparent that amendments to certain of those documents may prevent WCBR from having to pay substantial penalties for prepaying its outstanding debt.

Ms. Saunders concluded, recognizing the importance to the Authority, that both Resolutions provide that any bonds issued will not be the general debt of the Authority or the County but payable from funds pledged in the bond documents which will be the payments and security provided by WCBR and that any cost of the financing will be paid by WCBR

She opened for questions for herself and her colleagues to which Chair Long opened the Public Hearing.
on the Westminster Canterbury the Blue Ridge Bond Refinancing.

Hearing no comments from the public, Chair Long closed the Public Hearing and opened for questions from the Authority.

Mr. Munson asked Ms. Saunders why they are coming to the EDA for a bond rather than going to a bank.

Ms. Saunders responded that the anticipation right now is that these these will be publicly issued bonds and for Tax Exempt Status, they must request the EDA issue the Bonds.

Mr. Johnson addressed the attorneys present requesting they speak to the number of monies saved to explain the request.

Ms. Saunders responded that it's not savings, but flexibility in the in the long run, as WCBR is restructuring their outstanding debt. She said it will allow, in the first 10 years after the issuance, a reduction in debt service payments of between \$2 million and \$2.5 million over the first 10 years that will ultimately be made up on the back end as they get closer to final maturity.

Chair Long asked Mr. Selmeczi if he had comments then Mr. Selmeczi thanked the EDA for considering this request and looks for their favorable action.

With no further questions or comments, Chair Long asked if there was preference to separate votes on the Resolutions. Ms. Saunders offered their preference of separating the votes.

Chair Long accommodated and requested the Resolution be pulled up for reference in voting.

Mr. DeLoria confirmed with Ms. Saunders that the first vote will be on the initial approval.

Chair Long asked if there was a Motion on the "Resolution to the Economic Development Authority of Albemarle County, Virginia Providing Initial Approval of the Issuance of up to \$73,000,000 of Revenue Bonds for the benefit of Westminster Canterbury of the Blue Ridge."

Mr. Ray offered the Motion to approve the Resolution read, which was seconded by Mr. Shreve.

Chair Long asked if there was any discussion on this Motion to approve the Resolution and after hearing none initiated a roll call vote administered by Mr. DeLoria.

MOTION: The motion passed unanimously by roll call vote.

Mr. DeLoria reconfirmed that Directors Imhoff and McNaughton had not joined the meeting and Chair Long moved on to the next Resolution.

Chair Long read the "Resolution to the Economic Development Authority of Albemarle County, Virginia Authorizing the Issuance of up to \$73,000,000 of Revenue Bonds for the benefit of Westminster Canterbury of the Blue Ridge."

Mr. Ray moved to approve the Resolution which was seconded by Mr. Shreve.

Chair Long asked if there was any discussion on this Motion to approve the Resolution and after hearing none initiated a roll call vote administered by Mr. DeLoria.

MOTION: The motion passed unanimously by roll call vote.

6. Unfinished Business

Chair Long confirmed that there was no Unfinished Business on the agenda.

7. Other Matters

a. Draft 2022 EDA Meeting Schedule

Chair Long presented the 2022 EDA Draft Meeting Schedule and encouraged all to check their calendars to avoid conflicts.

b. Reminders:

Chair Long reminded the Authority of the following:

- Statement of Economic Interests are due February 1st to the Clerk of the Board of Supervisors.
- EDA Directors are required to complete the Virginia Conflict of Interest Training using the link on the agenda.
- Officer Elections will occur at the January meeting.

Chair Long asked for other matters and Mr. Johnson offered his acknowledgement and thanks for everyone's participation today to provide quorum with the bond refinancing. Mr. Johnson extended his appreciation of the EDA's dedication and volunteerism and wished everyone happy holidays.

8. Adjournment

There being no further business, Mr. Long thanked the Authority, wished everyone happy holidays and adjourned the meeting.

Teste: _____
Donald Long, Chairman

Approved: _____
Roger D. Johnson, Assistant Secretary