Minutes of Meeting - Nelson County Economic Development Authority

July 19, 2022

Present: Deb Brown, Natt Hall, John Bruguiere, Alphonso Taylor, Carlton Ballowe (present for the second vote only)

Guests: Ben Wilson, Dan Siegel, Candy McGarry

Chairman Deb Brown called the meeting to order.

Deb Brown outlined her thoughts on the Resolution to Approve Issuance of the EDA's up to $2.6 million Lease Revenue Bond Anticipation Note, regarding County property purchase:

* The decision to purchase the property has been made, approved, and the contract signed by the Board of Supervisors.
* Our role in the EDA is not to decide whether to purchase the property or not.  Our role is only to is to review the bond presented by Davenport.
* The county has full financial capability to purchase the property outright without financing.   The reason for financing is to take advantage of very favorable interest rates and save the cash on hand for emergencies.
* If the EDA does not approve this bond the county has two options to finance the purchase agreement contract.  #1 – use county cash on hand or #2 – acquire another bond at a higher rate.

She noted that she was not completely prepared for the July 13th meeting and felt uncomfortable making any decisions or signing any documents until she had a better understanding of the facts and figures.  Further, EDA members have opinions about the need for the purchase, the intended use, the purchase price, etc.  However, regardless of those opinions about purchasing the property, that decision is not an EDA privilege and it has already been made.  The decision before the EDA members is to approve or not approve the bond anticipation note.

John Bruguiere questioned the timing of the request. Documents were sent to the EDA the Saturday before a Tuesday meeting.

Candy McGarry confirmed that an appraisal was done and that the County paid more than the assessed value and/or the appraisal price. She explained that the Board approved the purchase contract, then re-affirmed the contract at the June 14, 2022 meeting. No public hearing was required for this action.

John Bruguiere pointed out that while the duties of an EDA in the Code of Virginia are outlined clearly, it also states that and EDA has discretion on matters that it may deem necessary. His concern is a lack of transparency.

Alphonso Taylor said that he came to the first meeting to process the information and was surprised that the Board was expecting action that day. He said that the EDA is comprised of members who represent the business community and hasty decisions are not usual and customary for business matters.

Dan Siegel explained the roles and responsibilities of the EDA as the leaseholder.

Motion: To approve the resolution that the Economic Development Authority of Nelson County (a) issue, offer and sell its lease revenue bond anticipation note in an amount not to exceed $2,600,000 **(the “Note”)** to finance the Project and pay certain costs of issuing the Note, (b) lease the Property under a Ground Lease for the Larkin Property, and in turn, lease the Property back to the County for a term not less than the term of the Note under a Lease Agreement with the Authority and (c) secure the Note by an assignment of its rights under such Lease Agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) and the Ground Lease under an Assignment Agreement, which is to be acknowledged and consented to by the County, all in accordance with a Note Purchase Agreement. (Hall-Taylor)

Roll Call Vote: Deb Brown, aye; John Bruguiere, nay; Alphonso Taylor, aye; Natt Hall, aye.

Dan Siegel explained that four (4) affirmative votes were needed.

Carlton Ballowe arrived at the meeting, explaining that he was late because his phone calendar defaulted to the usual 3 pm meeting time and the location changed from the first meeting.

Dan Siegel advised the EDA has the ability to vote again and the group agreed on that course of action.

Chairman Deb Brown asked for a motion to amend the previous action, which if it passed would rescind the previous action..

Such a Motion, which if successful would amend the outcome of the previous motion, was made and duly seconded: To approve the resolution that the Economic Development Authority of Nelson County (a) issue, offer and sell its lease revenue bond anticipation note in an amount not to exceed $2,600,000 **(the “Note”)** to finance the Project and pay certain costs of issuing the Note, (b) lease the Property under a Ground Lease for the Larkin Property, and in turn, lease the Property back to the County for a term not less than the term of the Note under a Lease Agreement with the Authority and (c) secure the Note by an assignment of its rights under such Lease Agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) and the Ground Lease under an Assignment Agreement, which is to be acknowledged and consented to by the County, all in accordance with a Note Purchase Agreement. (Hall-Taylor)

Roll Call Vote: Deb Brown, aye; John Bruguiere, nay; Alphonso Taylor, aye; Natt Hall, aye; Carlton Ballowe, aye. Chairman Deb Brown indicated that with four affirmative votes the Motion was adopted.

There being no further business, the meeting was adjourned.