



GREENE COUNTY ECONOMIC DEVELOPMENT AUTHORITY

Board Meeting Minutes

Tuesday, July 16, 2019, @ 6:30 p.m., 40 Celt Rd, Stanardsville, VA

CALL TO ORDER

- A meeting of the Economic Development Authority Board of Directors was held at the County Administration Building at 40 Celt Rd, Stanardsville, Virginia on July 16, 2019. Call to order at 6:30p.m., with Mr. Michael Payne, Chairman, presiding.

RECORD OF ATTENDANCE

- **Members in Attendance:** Don Pamenter, Michael Payne, Gretchen Scheuermann, Whitt Ledford, Julia Roberts, James Tsikerdanos
- **Members not in Attendance:** Matt Dillon
- **Non-Members in Attendance:** Diana Gamma, Jay Willer, Bill Martin, Alan Yost, Daniel Lauro

ACCEPTANCE OF MINUTES

Minutes from May (5.21.19) and June (6.4.19) were distributed electronically to all board members. Julia Roberts moved to approve the minutes. Whitt Ledford seconded. Motion Passed.

FINANCIALS

- P & L and Balance sheets for EDA and Tourism were distributed electronically to all board members. Mr. Ledford had a question about the status of the payback plan for the Bein Hospitality loan. Ms. Roberts explained that Bein Hospitality is currently renting the facility and knows that the EDA is currently renegotiating the terms of loan and waiting for approval from the EDA board. There were no other questions.

REPORTS OF OFFICERS, COMMITTEES, and the ECONOMIC DEVELOPMENT and TOURISM DIRECTOR

- Mr. Yost noted that he submitted his monthly report to the BOS for May & June and that he will email it to the EDA after it goes before the BOS.

OLD BUSINESS

NEW BUSINESS

- Public Hearing - Taxable Lease Revenue Bond for the proposed County Visitor Center facility
 - Mr. Yost cleared up confusion regarding the price of the loan which appeared to change from \$800,000 to \$1,040,000 in the eyes of the public. The initial hope was to get a commercial loan for \$800,000 with

\$200,000 down. But the purchase price was always \$1M. The additional \$40,000 is to cover closing costs and associated attorney fees.

- o Daniel Lauro, the bonding attorney, presented the Taxable Lease Revenue Bond, explaining that it is taxable financing not tax-exempt financing. This also frees up the use of the facilities; there aren't tax-exempt restrictions on it. USDA has offered a 3.5% fixed interest rate for 40 years. The loan is based upon a typical lease/lease-back financing that the County has been done in the past. There will be a lease of the facilities that the county will own to this EDA and the EDA will lease it back so the County can own and operate it and insure it. There will be an assignment of rents and leases which will match the payment on the bond. So, the EDA will issue a bond to the USDA but under these leases, the rental payments that the County is to pay the EDA will match the payments on the bond. The assignment form assigns all those payments directly from the County to USDA so there are no funds transferring through the EDA. This bond is not considered a debt of the County; it is considered a current expense under Virginia law because it's subject to appropriation annually by the BOS for the rental payments and any other payments that come up and as typical in this financing, there is limited liability of the authority. The resolution gives general approval for chair, vice-chair, secretary/treasurer to sign documents and any changes that may occur. Mr. Lauro asked for questions from the EDA. Mr. Pamenter asked what the new rate will be with the lower interest amount. Mr. Lauro said the lower amount is \$48,704, yearly. The USDA asked the County to fund a debt service reserve fund of 10% for 10 years so that's \$4,870.40. When the County makes the annual payment, they will also make a \$4,870.40 into an account that the county itself. This fund has restricted use to make sure they pay off the loan; this is also subject to appropriation. With this loan, there is the right of prepayment without penalty at any time. Mr. Pamenter asked when is the anticipated closing and will be likely to be subsequent to the Fed lowering the interest rate and how quickly will the USDA change their rates after the Fed changes theirs? Mr. Lauro explained that the USDA changes their rates quarterly so you are locked in to this rate. The USDA rate is good through the end of September. If on October 1, they lower their rates and closing hasn't happened, we'll automatically get that new lower rate. Mr. Pamenter asked when anticipated closing will be? Mr. Lauro said anticipation of closing is end of August/beginning of September but very much in flux. Mr. Pamenter asked when we would get the required appraisal? Mr. Yost said that it is being ordered and they should have already visited the site; he said that we were told 3 weeks and it's been one week already so we should know soon. First payment is due one year from date of closing. Mr. Payne asked Mr. Yost if he was going to instigate the 10% fund? Mr. Yost answered no, that he would have a separate account for unexpected repairs. Mr. Pamenter asked if there were any material changes to the resolution that was sent out via email? Mr. Lauro said that the only changes to the resolution sent out via email were related to the amended date for July 11 for that letter from

USDA and the payment amounts. Also, there was a change to the real estate legal description related to the acreage and the survey records.

- Comments from the Public regarding the bond
 - Mr. James Henshaw spoke. Mr. Henshaw thinks research should be done and alternate sites looked at. He doesn't believe the site is appropriate and he thinks the building and property need too much work. He thinks it will be just a public restroom for 29 traffic. He mentioned the visitor center in another locality that is hardly ever open. He sees no reason to use that site for a visitor center. He thinks this is a terrible idea.
- Resolution
 - Ms. Roberts made the recommendation to accept the resolution as written. James Tsikerdanos seconded; roll call vote was taken with each board member present responding aye.
- Mr. Ledford asked to speak. He would like to suggest, as we move forward on this project, that the words "Visitors Center" be changed to ""Welcome Center"". He noted that the facility is for everyone and should be made available as much as possible to both visitors and the community. Mr. Yost explained that the current visitors center is an official certified state tourist information center and that the road signs must indicate this. However, the signage on the building can be whatever we want. Mr. Yost thinks it's a great thing to be discussed; Mr. Lauro mentioned that one of the benefits of this being USDA financing is that the property can be opened up for other uses.

COMMENTS FROM THE PUBLIC

- No Comments

NEXT MEETING DATE

- The next meeting will be on Tuesday, September 17, 2019, at 6:30 p.m. at Town hall, 19 Celt Rd.

ADJOURNMENT

- 6:55 PM