



## BOARD OF DIRECTORS MEETING MINUTES

September 13, 2022, 12:00 P.M.  
101 N. 14<sup>th</sup> Street, 11<sup>th</sup> Floor Board Room  
Richmond, Virginia 23219

Available by Public Teleconference: (866) 845-1266, 65069804#

- I. Chairman Bew called the meeting to order 12:08 p.m. and welcomed the Board and guests.
- a) Board Directors present: Chairman Ronald Bew, Vice Chairman Linh Hoang, Mses. Mary Margaret Kastelberg and Victoria Vasques; and Messrs. Ronald Hobson, Matthew James, Ronnie Johnson, Michael Joyce, Jay Mahone (designee) and William Smith.
  - b) Board Directors absent: Messrs. John Dane, David Richardson
  - c) VS BFA Staff present: Mses. Cheryl Bostick, Angela Reese, Linda Tackett and Karen White; and Messrs. Donald Jacubec, Howard Pisons, and Terrence Rogers.
  - d) Others present: Ms. Christy Lowman (Vice President and Corporate Controller, Valley Health Systems) and Messrs. Arthur E. Anderson II (Partner, McGuireWoods), John Coan (Managing Director, Piper Sandler), Mike Culpeper (Developer, Venture Realty), Greg Fawcett (Secretary, P3 Foundation), Dan Gengwish (Managing Director, Piper Sandler), Mike Graff (Partner, McGuireWoods), Jake Smith (Vice President, Piper Sandler), and Don Ferguson (Senior Assistant, Attorney General of Virginia)

### II. Approval of Minutes

On a motion made by Mr. Hobson and seconded by Ms. Vasques, the July 12, 2022 Board of Directors Meeting Minutes were unanimously approved. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Hoang, Hobson, James, Johnson, Joyce, Mahone, and Smith. Voting nay: None

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

### IV. Tax-Exempt Bond Project

- a) Valley Health Systems (“Valley”) – Tax exempt 501c3 Deemed Reissuance of up to \$12,918,670

Mr. Pisons, presented Valley’s request to adopt the subject deemed reissuance resolution, followed by comments from Ms. Lowman, Valley VP and Corporate Controller and Mr. Graff, Partner, McGuireWoods.

Mr. Pisons explained the request for the deemed reissuance of allocable bonds resulted from the recent sale of the former Warren Medical Hospital and Linn Care Center facilities at favorable terms. When a 501(c)(3) sells assets that were originally financed with tax-exempt bond proceeds, under the tax code, an allocable portion of the sale proceeds needs to either be reimbursed to pay for other qualifying costs or to pay down bonds. Valley asserts the

requested deemed reissuance is a much better use of its resources, versus paying down bonds, and is more effective in furthering its charitable purposes. Valley identified \$12,918,670 of expenditures it made on new qualified assets, an amount equal to the allocable portion of the proceeds of the sold assets that it could remediate with the deemed reissuance.

Pursuant to the presentation by Mr. Pisons and comments by Ms. Lowman and Mr. Graff, Chairman Bew called for questions from the Board. Hearing none, Chairman Bew called for the motion to adopt the deemed reissuance resolution. Mr. Hoang 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, Hoang, Hobson, James, Johnson, Joyce, Mahone, and Smith. Voting nay: None

b) P3 Foundation Inc. (“P3”)– Tax-exempt 501c3 Inducement Resolution of up to \$75,000,000

Mr. Pisons presented the request from P3 to adopt the resolution for a \$75 million tax-exempt bond issuance to finance the Wavegarden Surf Park (“Surf Park”), a tourist component of the Atlantic Park Development (“APD”) in Virginia Beach. The \$300 million APD will be built on the former Dome site with Surf Park the focal point and initial component of the plan of development to be constructed.

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 presentations by Mr. Pisons and Messrs. Anderson, Coan, Culpepper, Fawcett and Smith of P3 Foundation, Chairman Bew called for questions from the Board. The Board posed, and P3 responded to, a variety of questions about the project, such as, the anticipated completion date of the Surf Park and APD on the whole; the interrelation of the Surf Park to the rest of the APD, and reliance if any, on the timing to complete the other development phases; green energy construction and solutions; and the contingency and fee components of the proposed use of funds. The Board was also interested in P3’s plan, if any, for educational mentorship/internships; inclusion of small, woman and minority owned businesses; and low income housing. After a period of Q&A, Chairman Bew called for the motion to adopt the subject inducement resolution. Ms. Vasques motioned for adoption which was seconded by Mr. Joyce and adopted unanimously by the Board. Voting aye: Mses. Kastelberg and Vasques, and Messrs. Bew, Hoang, Hobson, James, Johnson, Joyce, Mahone and Smith. Voting nay: None

V. The Public Hearing was declared closed at 12:57 p.m.

VI. Board Review and Ratification

- a) VSBFA staff, Mr. Jacubec and Ms. Tackett commented on three (3) credit support transactions in aggregate of \$949,873 and Ms. White commented on three (3) Microloans in aggregate of \$85,000, approved by management for ratification.

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

- b) Ms. White also presented four (4) Microloan applications in aggregate of \$109,800 declined by management for ratification.

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

VII. Other Business

- a) Rebuild! VA Grant Fund Program – Mr. Pisons updated the board on Rebuild! VA: The number of awards and the value of grants awarded to small businesses from inception (8/10/2020) to date is 8,145 and \$426.7 million, respectively; average grant is \$52,400. We are awarding \$8-10 million of grants/week and expect to exhaust the current \$130 million funding allocation by early November 2022; 1,535 applications are in the pipeline for decisioning.
- b) SSBCI 2.0/\$230.4 million and Technical Assistance Grant (TAG)/\$4.0 million: Revised SSBCI 2.0 application is being sent to the US Treasury review team on 9/16/2022. We do not anticipate comments before 9/26/2022. We are moving forward with the TAG application having officially being designated the grant recipient and administrator by the Governor. The application is due 10/14/2022.
- c) Activity: VSBFA has eight (8) financing, credit enhancement and bond transactions totaling \$491,795,000 that are approved and pending closing compared to \$491,700,000, last reported. VSBFA has fourteen (14) financing and credit enhancement transactions totaling \$362,918,670 in the application pipeline that are pending approval compared to \$289,536,923 last report. At the end of calendar Q2, 427 jobs have been created or retained in small businesses; 392 as a result of loan and credit support transactions and 35 resulting from bond activity; 281 businesses are located in rural areas.
- d) Systems: Transition to our two new platforms for core loan processing (CommonGoals) and general ledger accounting (AccuFund) 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) Fund Utilization: A strategic discussion for the use of program funding and how they can best be utilized was entertained. The Executive Director will return to the Board in October to make

a formal presentation of his recommendations to the Board for approval.

- f) Organization: The job posting for Loan Administration Specialist was placed on 9/12/2022 for two weeks. This is a key operation position.

VIII. Public Comment Period

Chairman Bew called for comments from the public. Hearing none the comment period was closed at 2:41 p.m.

- IX. Having no further business the meeting was adjourned at 2:41 p.m.

FINAL