

**MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF
CAMPBELL, VIRGINIA**

October 12, 2023

The meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, was held in the Citizen Services Building first-floor conference room, Rustburg, Virginia, on
October 12, 2023

The Directors present were:

Vance Driskill, Chairman
Dennis Rosser, Vice Chairman
Jack Dean

Tommy Vaughan
Don Wooldridge

Also present:

Nina Rezai, Director of Campbell County Economic Development
Frank Wright, Esq., Overbey, Hawkins, Wright, & Vance, PLLC
Frank Rogers, County Administrator
Karen Wydner, Administrative Assistant, Campbell County Economic Development
Roland Kooch, Jr., Senior Vice President, Davenport & Company, LLC
Paul C. Jacobsen, Attorney, Sands Anderson PC

Call to Order

// Chairman Driskill called the meeting to order at 6:15 p.m.
Mr. Vaughan arrived at 6:30 p.m.

Review and Approval of Minutes

// All members acknowledged the review of the minutes of the Joint Board of Supervisors meeting on June 20, 2023. Chairman Driskill called for a motion to approve the minutes. Mr. Wooldridge motioned and Mr. Dean seconded. With all in favor and none opposed, the minutes were approved.

// All members acknowledge the review of the minutes for August 24, 2023. Chairman Driskill noted the correction of the name for calling for the approval of minutes from Chairman Rosser to Chairman Driskill. With that correction, Chairman Driskill called for the approval of minutes as corrected. Mr. Dean motioned and Mr. Dennis Rosser seconded. With all in favor and none opposed the corrected minutes were approved.

Public Comment

// There were no public comments.

Matters from Economic Development Staff

Brookville High School Financing

// Frank Rogers, County Administrator introduced Mr. Kooch, the County's financial advisor from Davenport and Mr. Anderson, the County's Bond Counsel from Sands Anderson.

// Mr. Rogers shared the Board of Supervisors moving forward on a two-part capital investment in the County. The first being the renovation of Brookville High School, which the Board has authorized the County to borrow up \$50 million. The school received a \$15 million grant which brought it down to \$35 million. Of the \$35 million, the County got a \$25 million Literary Loan locked in at 2% interest. All the financial modeling had been done at \$50 million with 5% interest when the budget was built to fund the renovation project. With having the additional debt capacity, Mr. Rogers approached the Board to see if there were other priorities that could be addressed. The shell building for Economic Development was proposed and accepted by the Board. Thus the 100,000 square foot building at Seneca Park. The IDA is already moving forward with site work on Lots J & K.

// Mr. Kooch spoke about the two part transaction. The first part is the Series A, the tax exempt part, which will fund the remaining balance of \$10 million for Brookville High School. The County and School Board were able to benefit from the grant and the \$25 million 2% borrowing leaves \$10 million is the only market rate financing component of Brookville High School. It is very similar to the process in 2020 taken for the Rustburg Middle School. Exact same concept of a lease bond revenue transaction that facilitates this funding.

// With the savings and budget, they are able to work in Series B, which is the taxable portion for the shell building for the Economic Development side. That is taxable and by combining the two together and we are to go the credit markets and the credit rating agencies taking advantage of the County's strong credit rating, Double A/ Double A 2 This is rated a Double A 3 one notch off the rating AA minus Double A Minus which is still a very strong category and take advantage of County's ability to sell in that credit rating range.

// The resolution authorizes the IDA to undertake and sell the bonds or act as a conduit for the transaction. The County is responsible for making the payments on the bonds. These are structured identical to the 2020 bonds. The resolution provides for the parameters to sell the bonds. The school bonds would be over a 20 year time frame and the shell building over a 25 year time frame. Two separate pieces but they are being worked together into one transaction.

// Mr. Wooldridge raised the question of the interest rates on the bonds. Mr. Kooch stated the estimated rate on the tax exempt is mid – 4's and the taxable is mid- 6's. Mr. Wooldridge followed up with a question about call provisions. Mr Kooch stated there is a standard public markets call lockout until year 10 then there is the ability to call at par with no penalty. There is an ability to refinance prior to that to take advantage if interest rates significantly decreased.

// Mr. Dennis Rosser asked Mr. Frank Wright about his review of the resolution. Mr. Wright confirmed he reviewed the resolution in the interest of the IDA and it is similar to the bond release of 2020.

// Chairman Driskill thanked everyone for their work to get to the funding of the school renovations and funding of the shell building.

// With no further questions presented, Chairman Driskill called for a motion to adopt the Public Facility Revenue Bonds Issuance Resolution Series 2023 Bonds. Mr. Dennis Rosser makes the motion to approve; seconded by Mr. Wooldridge.

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE COUNTY OF CAMPBELL, VIRGINIA APPROVING PUBLIC FACILITY
REVENUE BOND ISSUANCE**

WHEREAS, the County of Campbell, Virginia (**the “County”**) has a need to finance the acquisition, construction, installation and equipping of a variety of County and school capital projects, including, but not limited to, a portion of the costs of renovation and equipping Brookville High School in the County (**the “2023A Project”**) and an approximately 100,000 square-foot shell building for economic development purposes (**the “2023B Project,” and, together with the 2023A Project, the “Projects”**); and

WHEREAS, the Board of Supervisors (**the “Board”**) of the County has requested the Industrial Development Authority of the County of Campbell, Virginia (**the “Authority”**) to (a) issue, offer and sell its public facility revenue bonds in an amount of up to \$11,000,000 (**the 2023A Bonds”**) to finance a portion of the costs of the 2023A Project and its taxable public facility revenue bonds in an amount up to \$12,500,000 (**the “2023B Bonds,” and, together with the 2023A Bonds, the “Bonds”**) to finance the 2023B Project, plus costs of issuance of each respective series of Bonds, to accomplish certain purposes of the Virginia Industrial Development Revenue Bond Act (**the “Act”**), with the Board providing its moral obligation in support of the payment of the Bonds, and (b) secure the Bonds by a financing agreement between the Authority and the County pursuant to which the County agrees to make payments to or on behalf of the Authority sufficient to pay principal of and interest on the Bonds when due, subject to annual appropriation by the Board and assign such rights (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) to a corporate trustee to be selected by the County (**the “Trustee”**), under an indenture of trust between the Authority and the Trustee, which is to be acknowledged and consented to by the County, all in accordance with a bond purchase agreement among an underwriter or group of underwriters to be selected as described below (**the “Underwriter”**) based on input from Davenport & Company LLC (**the “Financial Advisor”**), financial advisor to the County, the County and the Authority; and

WHEREAS, the payments to be made to the Authority by the County pursuant to the Financing Agreement (as defined below) will be sufficient to pay the debt service with respect to the Bonds and will be pledged and assigned by the Authority, together with its other rights under the Financing Agreement (as defined below), as security for the Bonds, all as further described in the below-defined Indenture; and

WHEREAS, the payments to be made to the Authority by the County pursuant to the financing agreement will be payable solely from funds appropriated therefor by the Board from time to time and will not under any circumstances constitute a pledge of the full faith and credit or taxing power of the County; and

WHEREAS, there have been presented to this meeting drafts of the following documents (**collectively, the “Authority Financing Documents”**) to be executed and delivered by the Authority in connection with the plan of financing:

- a. an Indenture of Trust between the Authority and the Trustee, and approved by the County, relating to the issuance of the Bonds (**the “Indenture”**);

- b. a Financing Agreement between the Authority and the County establishing the County's payments sufficient to pay debt service on the Bonds (**the "Financing Agreement"**);
- c. a Bond Purchase Agreement, among the Authority, the County and the Underwriter, pursuant to which the Bonds are to be issued (**the "Bond Purchase Agreement"**); and
- d. a Specimen 2023A Bond and a Specimen 2023B Bond.

WHEREAS, there has also been presented to this meeting a copy of the Preliminary Official Statement (**the "Preliminary Official Statement"**) relating to the public offering of the Bonds that has been prepared by the County in connection with the issuance and sale of the Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF CAMPBELL, VIRGINIA:

1. The issuance and sale of the Bonds, pursuant to and upon the terms and conditions set forth herein, and in the Indenture and the Bond Purchase Agreement and the financing of the Projects for the benefit of the County are hereby approved and authorized. The following plan for financing the costs of the Projects is approved. The Authority shall use the proceeds from the issuance of the 2023A Bonds to finance the 2023A Project and the proceeds of the 2023B Bonds to finance the 2023B Project, along with respective costs of issuance. The County shall make basic payments under the Financing Agreement sufficient to pay when due the interest and principal on the Bonds. The obligation of the Authority to pay principal and interest on the Bonds will be limited to payments received from the County under the Financing Agreement. The obligation of the County to make payments under the Financing Agreement will be subject to the Board making annual appropriations for such purpose.

2. The Authority Financing Documents shall be in substantially the forms submitted to this meeting, which are hereby approved with such completions, omissions, modifications, insertions and changes, including, but not limited to rates, redemption premium, payment dates, amounts, prices, maturities, as may be approved, based on the recommendation of the Financial Advisor, by the Chairman or in his absence, the Vice Chairman, of the Authority (**together, the "Chairman"**), the County Administrator (**the "County Administrator"**) or the other officers executing them, their execution to constitute conclusive evidence of his or her approval of any such completions, omissions, modifications, insertions and changes.

3. The Chairman and all other appropriate officers of the Authority are each hereby authorized and directed to execute the Authority Financing Documents and to deliver the Authority Financing Documents to the other parties thereto and to execute all certificates and documents, including but not limited to a federal tax compliance certificate and agreement relating to the tax-exempt status of the interest on the 2023A Bonds and a continuing disclosure agreement relating to compliance with the below-described Rule, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Projects.

4. The Preliminary Official Statement in the form presented to this meeting is approved with respect to the information contained therein pertaining to the Authority. The Underwriter is

authorized to distribute to prospective purchasers of the Bonds, the Preliminary Official Statement in form deemed to be “near final,” within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (**the “Rule”**), with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman. Such distribution shall constitute conclusive evidence that the Authority has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, with respect to the information therein pertaining to the Authority. The Chairman is authorized and directed to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement that are necessary to reflect the terms of the sale of the Bonds, determined as set forth in paragraph 5, and the details thereof and that are appropriate to complete it as an official statement in final form (**the “Official Statement”**) and distribution thereof by the Underwriter shall constitute conclusive evidence that the Authority has deemed the Official Statement final as of its date within the meaning of the Rule, with respect to the information contained therein pertaining to the Authority.

5. The Authority hereby authorizes the sale of the Bonds to the Underwriter to be selected by the Chairman of the Board or the County Administrator (**the “County Representative”**) who is authorized and directed to enter into the Bond Purchase Agreement containing the terms and the price or prices upon which the Bonds shall be sold to the Underwriter, which terms and prices shall be established by the County Representative, upon negotiation with the Underwriter, based on the recommendations of the Financial Advisor, and not inconsistent with the provisions of this Resolution. The Bonds shall mature not later than June 30, 2049, with such shorter maturities and sinking fund and optional redemption provisions as the officers of the County approving such terms shall deem appropriate based on the recommendation of the Underwriter and the Financial Advisor but any redemption premium shall not exceed two percent (2%), and the true interest costs of the 2023A Bonds shall not exceed six percent (6.00%) per annum and the true interest costs of the 2023B Bonds shall not exceed seven and one half percent (7.50%) per annum.

6. If the County Representative determines that it is in the best interest of the County to sell any Bonds in a competitive sale rather than a negotiated sale, then the County Representative is authorized and directed to cause an official notice of bond sale to be issued and accept a qualifying bid or qualifying bids for the purchase of the Bonds which results in the lowest “true” or “Canadian” interest cost to the County, and the Bonds shall bear interest at such rate or rates and shall be sold at such price or prices as may be set forth in the bid(s) accepted by the County Representative. Notwithstanding anything to the contrary herein, by 5:00 p.m. on the date prior to the sale date of any Bonds identified in the official notice of sale for the Bonds, if any, if either no underwriter or only one underwriter has advised of its intention to bid on the Bonds, the County Representative, after consultation with the County's financial advisor and the County's bond counsel, is authorized to remove such series or maturities of Bonds from the bidding process and to pursue a negotiated sale for such series or maturities of Bonds. The approval of the final terms and conditions of the Bonds subject to the foregoing parameters shall be evidenced conclusively by the execution and delivery of the Bonds in accordance with Sections 1 and 5 of this Resolution. The County Representative shall then, based on the recommendation of the County's Financial Advisor (a) determine the principal amount of the Bonds, subject to the limitations set forth herein, (b) determine the interest rates of the Bonds, maturity schedule of the Bonds, and the price to be paid for the Bonds, subject to the limitations set forth herein, (c) determine the redemption provisions of the Bonds, and (d) determine the dated date, the principal and interest payment dates

and the Record Date of the Bonds, and whether municipal bond insurance is appropriate to secure the same, all as the County Representative determines to be in the best interests of the County.

7. If the County Representative, in consultation with the Financial Advisor and Bond Counsel, determines that it is in the best interest of the County to finance the Bonds through a lease/leaseback arrangement with the Authority, then the Authority is authorized to enter into a ground lease and financing lease whereby the County leases to the Authority and leases back from the Authority one or more County-owned properties (**the “Leased Property”**), to establish rental payments sufficient to pay debt service on the Bonds. Any such ground lease may have a term of up to forty (40) years and any such financing lease shall have a term equivalent to the final maturity for the Bonds. The Authority’s rights under the financing lease may be assigned to the Trustee for the benefit of the bondholder pursuant to an assignment agreement.

8. The Chairman is authorized and directed to execute, deliver and, as appropriate under Paragraph 7 hereof, record the Financing Agreement, any lease and assignment agreements and all necessary certificates and documents and to approve the terms of the Indenture and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Projects. The County Representative is authorized to select a corporate trustee to act as Trustee under the Indenture. The Chairman and all other officers of the Authority are hereby authorized and directed to work with representatives of the County, the Financial Advisor, Bond Counsel (Sands Anderson PC), the Underwriter and counsel to the Underwriter to perform all services and prepare all documentation necessary to bring the Bonds to market and to issue the same.

9. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

10. The Authority represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the 2023A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the “Code”**) or otherwise cause the interest on the 2023A Bonds to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the Authority shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the 2023A Bonds. The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in their sole and absolute discretion in connection with the issuance and sale of the 2023A Bonds, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the 2023A Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Code, and regulations thereunder, applicable to “arbitrage bonds,” (b) making any elections, at the request of the County that such officers deem desirable regarding any provision requiring rebate to the United States of “arbitrage profits” earned on investment of proceeds of the 2023A Bonds, (c) providing for the County on behalf of the Authority to pay any such rebate amount, (d) providing for the County on behalf of the Authority to make continuing disclosure of material information as required under the Rule, (e) filing Internal Revenue Service

Form 8038-G and (f) taking all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Projects. The 2023B Bonds are expected to be issued as taxable obligations for Federal income tax purposes.

11. Nothing in this Resolution, the Bonds, the Authority Financing Documents or the Bond Purchase Agreement shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bonds or the Authority Financing Documents except from payments made by or on behalf of the County under the Financing Agreement or similar lease arrangement pursuant to annual appropriation thereof in accordance with applicable law.

12. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the undertaking and financing of the Projects are ratified and approved.

13. This Resolution shall take effect immediately.

CERTIFICATION OF ADOPTION OF RESOLUTION

The Resolution set forth above was adopted by a majority of the Directors of the Industrial Development Authority of the County of Campbell, Virginia **(the “Authority”)** in an open meeting, during a regular meeting of the Authority on October 12, 2023 in which a majority of the Directors of the Authority were present at all times, by the following votes:

AYES: Driskill

D. Rosser

Dean

Wooldridge

NAYS: None

Absent during meeting: G. Rosser

Absent during vote: G. Rosser, T. Vaughan

Abstentions: None

// A question was raised as the next steps for the IDA members after passing the resolution. Mr. Jacobsen answered a formal statement of the bonds would be posted Tuesday, October 17, 2023 and work with the underwriters to go into the market on October 25th and close approximately 2 weeks later (November 8th or 9th).

// Mr. Wooldridge asked if there was a buyer for the whole set of bonds. Mr. Kooch said that was unknown but there could be a couple large investors for a large portion but usually it would be a wide range of investment firms, money managers, insurance companies, or mutual funds.

Matters from the Economic Development Staff:

Financial Report

// Chairman Driskill asked Ms. Rezai to present the financial report. The income statement as of September where the two money market accounts at Select Bank have shown growth and the CDs at First National Bank have also shown a change in interest rate. On the year review, there are a couple anomalies to be explained.

// Ms. Rezai stated there was a miscalculation on the Chick-Fil-A incentives and too much money was requested so there is a check to the Board of Supervisors to correct the over request.

// Ms. Rezai also pointed out the four months of rental income from CTP's lease of 265 Ewing Drive. CTP did request the grass in the neighboring lot be bush hogged and that would be arranged next month. The Economic Development office is also working with Public Works and CLC Landscaping to maintain the other lots in the park to include litter pick up and maintaining the tall grass areas. The sign is also up and CTP seems to be happy with it.

// Mr. Vaughan made the motion to approve the financial report; seconded by Mr. Dean. With all in favor and none opposed, the financial report was approved.

Project Update List

// Ms. Rezai stated Economic Development has been very busy with projects. By using the Marketing and Tourism grant the department worked with a local graphic design firm to produce these glossy publications. The Campbell County Visitors Guide brochure will appear in local hotels as the department has a contract with a vendor to place those. This guide is to plan someone's next visit to the area showing what Campbell County has to offer with local attractions and local restaurants. The other brochure is a fold out map Outdoor Guide showing all the hiking, biking, fishing, etc. opportunities in Campbell County. The Outdoor Guide is being placed throughout neighboring Visitors Centers and college campuses, Welcome Centers and other hospitality places at no charge or nominal fee. There is also a QR code to launch the Outdoor Guide from the Visitor's Guide online. The department is very proud of these documents as if culminates the network building over the last year and highlighting our local assets.

// Chairman Driskill and Mr. Vaughan commented on the quality of the brochures and importance of marketing for the County. Ms. Rezai stated the marketing budget is usually \$5,000 for one advertisement in the Virginia Travel Guide. This \$60,000 grant has been an excellent exercise in seeing what the department can do. There will be a full detailed report at the end of the grant but Economic Development was able to pay for space in the *Virginia Sportsman's Guide*, *Blue Ridge Outdoors*, and the *Virginia is for Lover's* website; giving the County print and web visibility. A large portion of the grant was spent getting people to know the hidden gems of Campbell County. It is difficult to track the end result of how an ad or location was marketed.

// Ms. Rezai continued with updates regarding the gas extension on Crowell Lane receiving public inquiry. It is slow process with Columbia Gas has submitted a site plan, VDOT doesn't want to tear up the road so there needs to be a backup plan and public utility easement. Discussion was had on parameters of the extension and if other businesses/addresses would be affected other than Crowell Lane. Ms. Rezai stated Crowell Lane is the only planned extension.

// Ms. Rezai stated the winner of the Start Small Campbell Grant, Huckleberry Knob Nursery, will be formally announced at the Campbell Connects at TRU by Hilton event on November 9.

// Ms. Rezai reported Economic Development received unanimous support from the Tobacco Commission to get half of the funding for the clearing and grading project for Lots J & K with a \$404,000 grant. An additional \$270,000 grant was received to extend the agricultural cost-share grant program. The cost-share program is being administered by Campbell County Economic Development for the 20 counties within the Tobacco Commission foot print. There was such a great interest in the program that there was a 60% waitlist. Under the initial grant only five grants were available for each county, the request was made to fund the waitlisted applications and the Tobacco Commission agreed to fund those. It has been a great partnership with the VA Cooperative Extension and the support of the Tobacco Commission to get this money to the farmers. Campbell County has a long history partnering with the Tobacco Commission to be the administrators of agricultural grant programs.

// The work that Economic Development and the IDA started on site-prep, research, and getting people to visualize the development of Seneca Park helped get the County's funding support and put the project in a good situation to apply to for grant funding to further off-set the cost. The County is receiving 50% of the 100% excavation cost estimate from the Tobacco Commission and in the running for an additional 25% SEID program run by the Southeastern Crescent Infrastructure Fund. That decision is expected in December. If the whole project is roughly \$800,000 the County could potentially only be responsible for \$200,000.

// Ms. Rezai included information on the Business Ready Sites Program as the state is taking 50% funding applications for industrial zoned grading projects of 50 acres or more. It can be used for feasibility or due diligence. It is one of the only grant funds available to private property owners. Economic Development can assist with the application process.

// Mr. Vaughan asked if a specific property in Brookneal had gone through an environmental study. Ms. Rezai confirmed it did complete phase I and was recommended for phase II. The property was also in the process of being sold but there was no information to confirm the finalization of the sale.

// Mr. Dean asked if fuel was available at the Brookneal Campbell County Airport. Ms. Rezai confirmed that is was. The airport is also moving forward to build their 10 unit hangar.

// Upcoming year meeting schedule was presented.

Future Projects

// A discussion was had amongst the IDA members for future projects. The options of projects included building onto the current IDA building to expand to 40,000 square feet to be shared among tenets, the expansion be built and leased by the current tenet, build a separate 10,000 square foot building, or a combination of expanding the current building at 265 Ewing Drive and building another 10,000 square foot building.

// Ms. Rezai would invite representatives from Glass and Associates and Perkins and Orrison to review expansion plans as currently written.

Matters from the Chairman

// No matter were brought.

Matters from the IDA Members

// No matters were brought.

Adjourn

// Hearing no other matters, Chairman Driskill called for a motion to adjourn. Mr. Vaughan made the motion, seconded by Mr. Dean. With all in favor and none opposed, the meeting adjourned at 7:20 p.m.

**MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF
CAMPBELL, VIRGINIA**

October 12, 2023

Vance Driskill, Chairman

Dennis Rosser, Vice Chairman