

# Economic Development Authority of Patrick County

Meeting of April 21, 2008

Present: Glenn Roycroft, Chairperson; Gail Harding, Vice Chairperson; Terry Dalton; Felecia Shelor; Steve Swartz; Noel Wood; and Dale Puckett

Also Present: Tom Rose, Economic Development Director; Wilma Pendleton, Administrative Assistant; Terry Tilley; Nancy Lindsey, Jamie Clark, Alan Black and Karl Weiss

Absent: Carolyn Beale

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A meeting of the Economic Development Authority of Patrick County was held on Monday April 21, 2008, at 7:00 PM in the Second Floor conference room of the Patrick County Veteran's Memorial Building.

Mr. Roycroft called the meeting to order. The agenda was presented for approval. On motion by Mr. Swartz, seconded by Mr. Dalton and carried the board approved the agenda as presented.

Voting Aye: Glenn Roycroft, Noel Wood, Gale Harding, Felecia Shelor, Terry Dalton and Steve Swartz

Voting Nay: N/A

Abstaining: Dale Puckett (not present during vote)

The minutes of March 17, 2008 regular meeting were presented for approval. On motion by Mr. Wood, seconded by Mr. Swartz and carried the board approved the minutes.

Voting Aye: Glenn Roycroft, Steve Swartz, Noel Wood, Terry Dalton, Gail Harding, and Felecia Shelor

Voting Nay: N/A

Abstaining: Dale Puckett (not present during vote)

## **OFFICE UPDATES:**

### **SCHOOL BOND ISSUE**

Mr. Tom Rose introduced Mr. David Rose and Mr. Dan Siegel, of Davenport & Company LLC, to the EDA board. They presented to the board information concerning the bond issuance for the Patrick County Schools. Mr. David Rose informed the board that the county's current debt is low which works in favor of the county. Having low debt means a higher bond rating which could mean lower interest rates. Davenport & Company LLC will underwrite for the financing and Sands Anderson Marks & Miller will act as bond counsel. A bond council will be selected in accordance with resolutions to be adopted by the BOS and the EDA.

The EDA will act as a 3<sup>rd</sup> party conduit. The financing will be for 30 years on a fixed rate basis with the lowest interest rate possible, hopefully in the 4% range with the high side being 5-5 ½ % depending on the stock market. The total cost of the project is \$24 million with \$14 million being funded by the BOS, and \$10 million being funded from state school construction and

lottery funds; however, there is also \$3 million that sets in a debt service reserve fund taking the total amount to \$27 million. However, the \$3 million is not an added cost to the county because it sets in reserve drawing interest in what is called a SWAP Account at the interest rate equal to the borrowing rate. On the 30<sup>th</sup> year that money makes the payment.

Mr. Tom Rose and Dr. Morris will be going to Standard & Poor's in New York City the first week in June to apply for the bond rating.

Mr. Daniel (Dan) Siegel informed the board that Davenport & Company LLC would be working with Mr. Alan Black, the County Attorney concerning the legal terms including making certain that the titles are clear for the schools that will be used as collateral. There is limited liability to the EDA. If the county would default, the EDA members are not liable. Mr. Siegel said that drafts would be sent to Mr. Black.

This financing structure is much larger than the \$10 million that local banks compete for. Since most local banks do not have corporate trusts and even banks in Richmond would not handle this type of loan; when it comes to picking a corporate trustee it will be put out to bid and see who responds.

The next scheduled date for Davenport & Company LLC to update the EDA board is Wednesday, June 25 at 6:00 p.m.

#### **FINANCE REPORT (BILLS):**

Mr. Rose presented the EDA finance reports for March billings. (Finance report is available). On motion by Ms. Harding seconded by Mr. Dalton and carried the board approved to pay the bills.

Voting Aye: Glenn Roycroft, Terry Dalton, Gail Harding, Felecia Shelor, Dale Puckett and Steve Swartz  
Voting Nay: N/A  
Abstaining: Noel Wood

#### **OFFICE UPDATES:**

##### **PSA UPDATE**

Mr. Black informed the board that the only title searches needed was for the two pump stations. They have approximately 15-16 easements drafted. Mr. Black stated that if we do not obtain the easements that a cut-off date is needed. If the easements are not in hand, then we need to file a certificate of take which puts the land owners on notice that the properties can be condemned and ascertained, but it does not mean that the voluntary signing of the easements will cease. We just need to be at a place where we are satisfying Rural Development.

##### **MASS MAILING FOR EASEMENT AGREEMENT**

Mr. Rose passed around the letter of intent to be sent out for the signing of the easements. The date scheduled for the signing and notarizing of the easements is May 2, 2008 at the Patrick Springs Fire Department at 6:00 p.m. Mr. Rose stated that it was not a public meeting for discussion, but any questions would be answered.

#### **OTHER BUSINESS:**

##### **BLUE RIDGE HERITAGE UPDATE**

Mr. Swartz updated the board with a brief overview concerning Blue Ridge Heritage, INC. The consulting team is made up of Virginia Tech and Clemson professors. Mr. Swartz

informed the board that a press release had been sent out updating the public about the Rocky Knob Project. Congress recently approved and provided over \$1 million to conduct feasibility studies and support initial planning. State and local funds also have been provided. The first use of the Federal and State money is being used for the study. It is a two year feasibility study costing a quarter of a million dollars to analyze what the traveling public wants to see and what they are willing to spend their money on. Once the study is completed a recommendation will be made as to what the people are willing to travel to see. The feasibility study will determine what shops, restaurants, hotels, etc. will be needed. After the study is completed the acreage will be decided and then grants will be applied for. The County money is being used for office supplies, stamps, etc.

**EXECUTIVE SESSION:**

On motion by Mr. Dalton and seconded by Mr. Swartz and carried unanimously, the meeting was called into Executive Session under the appropriate codes of Virginia to discuss legal matters [Section 2.2-3711(A)(7), 1950 Code of Virginia, as amended]; prospective business matters [Section 2.2-3711(A)(5), 1950 Code of Virginia, as amended]; and personnel matters [Section 2.2-3711(A)(1), 1950 Code of Virginia, as amended]. On motion by Ms. Harding and seconded by Ms. Shelor, and carried unanimously the meeting was reconvened by the appropriate codes. A roll call vote was taken with unanimous vote that only the items listed above were discussed during Executive Session.

Being no further business to discuss, on motion by Mr. Swartz, seconded by Mr. Wood, and carried the meeting was adjourned.

Voting Aye: Glenn Roycroft, Gail Harding, Felecia Shelor, Terry Dalton, Noel Wood,  
Dale Puckett and Steve Swartz

Voting Nay: N/A

Abstaining: N/A

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Chairperson

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Date

**NEXT MEETING: May 19, 2008**