

**Virginia Port Authority Board of Commissioners**  
**Growth Committee Meeting**  
**October 31, 2013**  
Open Session Minutes

Committee Members Present:

John R. Pullen, Committee Chair  
Jennifer D. Aument, Committee Vice Chair  
James M. Boyd  
Martin J. Briley  
Frank E. Laughon, Jr.  
Robert M. Stanton

Committee Members Absent:

Juliann J. Clemente  
Ting Xu

VPA Staff:

Rodney W. Oliver, Interim Executive Director  
Jeffrey L. Florin, Deputy Executive Director, Operations and COO  
Heather Wood, Vice President, Government Affairs  
Gregory Edwards, Vice President, Government Affairs  
Russell Young, Vice President, Economic Development  
Nine Malone, Vice President, Business Analysis and Strategy  
Stephanie Allman, Economic Development Manager  
Debra J. McNulty, Clerk to the Board  
Carla Welsh,

VIT Staff:

Joseph R. Ruddy, Chief Operations Officer  
Thomas D. Capozzi, Chief Commercial Officer  
Shawn Tibbetts, Vice President, Operations and Maintenance  
Cary Hagen, Vice President, Cargo Sales  
Matthew Barnes-Smith, Director, Business Intelligence  
Joseph O'Brien, Director, Ocean Carrier Sales  
Ron Babski, General Safety Manager

Guests:

David Tyeryar, Deputy Secretary of Transportation  
James W. Noel, III, Assistant Attorney General, Transportation Section

Pursuant to call by Mr. Pullen, the Growth Committee convened an open session on this date at 1:10 p.m., in the Authority's Conference Room, 600 World Trade Center, Norfolk, Virginia.

Mr. Babski conducted the safety briefing.

Ms. Stephanie Allman discussed generally the impact a Conduit Bond Financing Program, if implemented, would have on the Virginia Port Authority given its industrial development authority powers. The presentation and hand-out are attached to the minutes.

A discussion ensued.

There were no action items.

At 1:22 p.m., Mr. Pullen read the following motion to go into closed session:

“I move that the Growth Committee convene a closed meeting in accordance with the Virginia Freedom of Information Act, Code §2.2-3711(A)(5), to discuss prospective businesses or industries or the expansion of an existing business or industry; and pursuant to §2.2-3711(A)(6), to discuss the investment of public funds where competition is involved; and pursuant to §2.2-3711(A)(38) and the provisions of §62.1-132.4, to discuss proprietary information and data furnished to the VPA in confidence.” The motion was seconded by Mr. Briley.

At 3:15 p.m., the Committee came out of closed session and the following resolution was read by Mr. Pullen:

“Whereas, the Virginia Port Authority Growth Committee had convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Committee members that such closed meeting was conducted in conformity with Virginia law;

Now, therefore be it resolved, that the Growth Committee hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Committee.”

The resolution was seconded by Ms. Aument and passed by a roll call vote of the Growth Committee members as follows:

Ayes: 4 (Aument, Boyd, Laughon, Pullen)

Nays: 0

Absent During Vote: 4 (Briley, Clemente, Stanton, Xu)

Absent During Meeting: 2 (Clemente, Xu)

Mr. Pullen thanked everyone for their input and he advised that the Growth Committee would report to the full Board at the meeting scheduled for Tuesday, November 19, 2013.

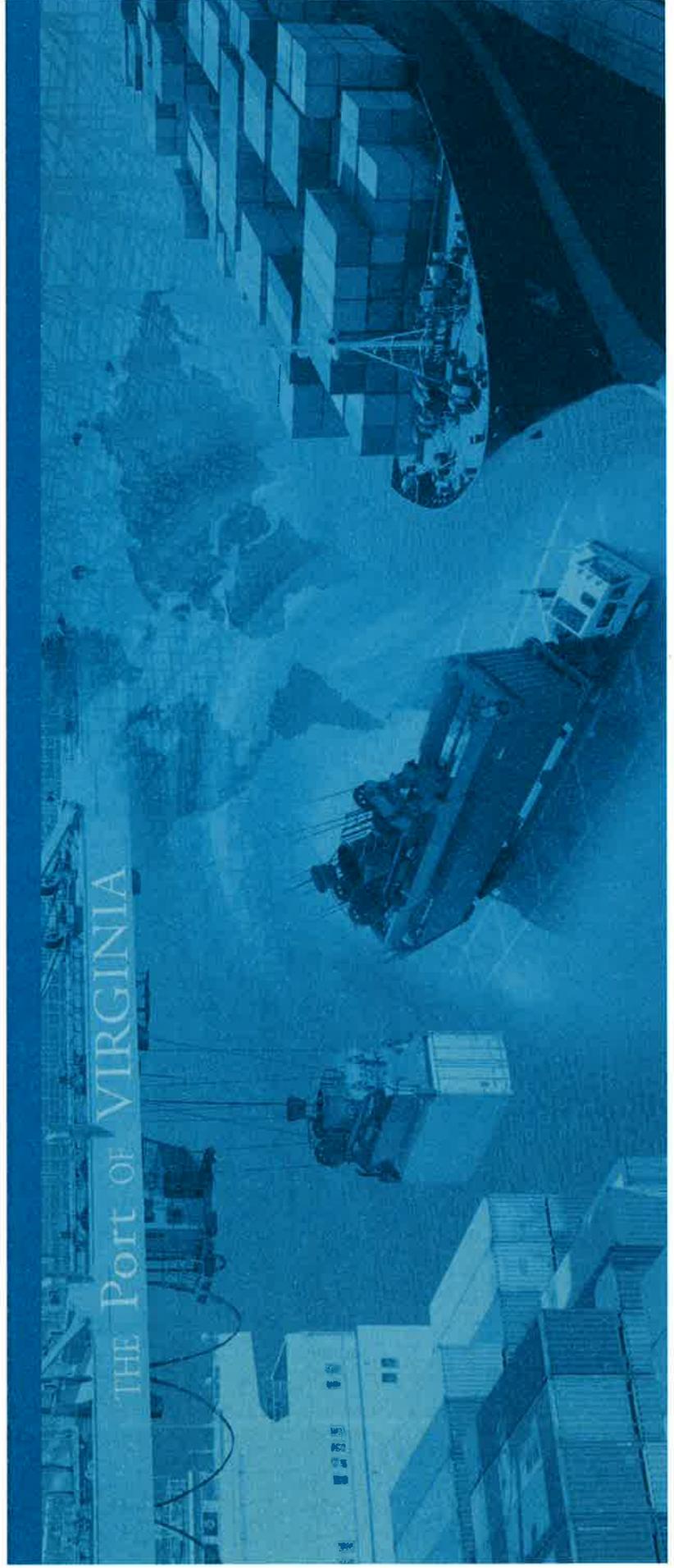
There were no public comments and the meeting adjourned at 3:15 p.m.

Respectfully submitted,

  
Debra J. McNulty  
Clerk to the Board



## IDA Bond Conduit Program





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# IDA Bond Conduit Program

- Revenue Bonds for Private Companies
  - Manufacturing (IDB)
  - Exempt Facilities
  - Charitable Facilities (501(c)3)
- Since the VPA acts as a conduit, there is no financial impact to the VPA or Virginia
- Commonly used tool for IDA/EDA's to assist private companies
  - Can be used to assist a port user locating or expanding in the Commonwealth
- The VSBFA is the only other state authority that can provide bond financing
  - Have a similar approval structure as VPA (see handout)



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## IDA Bond Conduit Program

- Recommend that the VPA offer bond financing
  - Can be used as a tool for a port user locating or expanding in the commonwealth
  - Annual fees collected can be used for Port Economic Development Projects
- Recommend that the VPA require the same fees as VSBFA
  - \$1,000 application fee
  - IRB and taxable bonds: 1/8 of 1% of the of the outstanding principle of the bonds each year at the anniversary of the bond closing
  - Tax exempt: 1/10 of 1% not to exceed \$250,000 annually
- Recommend that VPA enter into the same local revenue sharing agreement as the VSBFA if necessary



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# IDA Bond Conduit Program

- VPA is working with the AG's office to prepare for the following documents for this program:
  - Application
  - Sample Public Notice
  - Agreement for borrower to pay all VPA Cost and Expense related to bond financing
  - Program Fact Sheets
  - Revenue sharing agreement

**Virginia Port Authority**  
**Conduit Bond Financing Program**  
**Approval Process**

- 1) Application is received by the Virginia Port Authority
  - a. Application is sent to the Attorney General's office for review
  - b. Virginia Port Authority sends a notice to the locality in which the facility will be located.
  - c. Virginia Port Authority sends a notice to VSBFA if a manufacturing or exempt IDB
  
- 2) The company attends the next meeting of the Virginia Port Authority Board of Commissioners meeting for board approval of an Inducement Resolution. The board meeting also acts as the required public hearing.
  - a. For tax exempt financings, bond counsel for the applicant must issue public notice of the public hearing no less than 6 days and no more than 21 days prior to the date of the VPA's meeting.
  - b. The meeting gives the borrower the opportunity to present the project and allows the board and issuer's counsel (AG or its agent) to ask questions of the borrower to determine if the project meets the specs of the financing program and has a public purpose.
  - c. The public can also offer comment.
  - d. The board votes on the Inducement Resolution
  
- 3) A passed Inducement Resolution allows the applicant to seek the financial commitment to back the bond and work with issuer's counsel (AG or its agent).
  
- 4) VPA sends the Inducement Resolution to the Governor
  - a. VPA prepares and attaches a memo detailing the project to the Inducement Resolution and
    - i. Sends to the Secretary of Transportation for review
    - ii. Secretary of Transportation sends it to the Chief of Staff for the Governor's signature.
  
- 5) The company attends a second VPA Board meeting once it has secured financing and the VPA has received the signed resolution from the Governor. Bond counsel, issuer's counsel, and the board make sure nothing has changed about the project. If nothing has changed, the Board provides final approval of the resolution to provide financing.
  
- 6) The entire process takes 60 to 120 days.