

**Town of Amherst
Industrial Development Authority
January 2, 2007**

A meeting of the Town of Amherst Industrial Development Authority was called to order by Chairman Bailey on January 2, 2007 at 5:15 PM in the Council Chambers of the Town Hall. IDA attendance was as follows:

P Jacob Bailey, Chairman	P Richard Wydner
P Gary Jennings, Vice Chairman	P Marshall Mays
P Vernon Wood	P Jim Meade
P C. Manly Rucker, III	

The Chair noted that a quorum was present. Town Manager Jack Hobbs was present in his capacity as Secretary to the Authority.

On a motion by Mr. Rucker which was seconded by Mr. Wood and carried 7-0, the minutes of the November 6, 2006 meeting were approved. Messrs. Bailey, Jennings, Mays, Meade, Rucker, Wood, and Wydner voted in favor of the motion.

Bond Fee Policy

The Authority discussed assessing bond fees as a way to generate funds to support the Authority's activities. On a motion by Mr. Wydner which was seconded by Mr. Wood and carried 7-0, a resolution to establish a bond fee policy was adopted. Messrs. Bailey, Jennings, Mays, Meade, Rucker, Wood, and Wydner voted in favor of the motion. The resolution is attached and made a part of these minutes.

Centra Health Bond Financing Request

The Secretary reported that Kevin Cash, on behalf of Centra Health, has requested that the Authority issue an \$8,000,000 "bank qualified" bond to support new cancer center and assisted living facilities in Lynchburg. On a motion by Mr. Mays which was seconded by Mr. Wood and carried 7-0, a resolution to initiate the bond issuance process was adopted. Messrs. Bailey, Jennings, Mays, Meade, Rucker, Wood, and Wydner voted in favor of the motion. The resolution is attached and made a part of these minutes.

Region 2000 Economic Development Council Fundraising

The Secretary reported on the commencement of the Region 2000 Economic Development Council's multi-year fundraising cycle and a potential request for a contribution by the Town of Amherst. A 5-year commitment for \$1.25 per capita per year for each of the Town's 2,251 residents (\$2,814) was indicated. On a motion by Mr. Rucker which was seconded by Mr. Meade and carried 7-0, the

Authority agreed to fund the request as requested. Messrs. Bailey, Jennings, Mays, Meade, Rucker, Wood, and Wydner voted in favor of the motion.

Brockman Park Recoupment Program

A status report per the October 2, 2001 agreement whereby Amherst County would direct monies to the Town to offset Brockman Park development costs was discussed. By consensus, the Secretary was directed to forward the report to Amherst County. A copy of the report is attached and made a part of these minutes.

Brockman Park Property Maintenance and Billing

The Secretary gave a report on Brockman Park maintenance expenses for 2006 and reminded the Authority that, as envisioned in the Brockman Park deed restrictions, all tenants are to contribute to maintenance of the common area. By consensus, the Secretary was directed to forward the report to Centra Health and MTS. A copy of the report is attached and made a part of these minutes.

2007 Meeting Calendar

The IDA agreed to meet on the first Monday of each month at 5:15 PM in 2007 except for January 2, the January 15, 5:15 PM extra meeting due to the Centra matter, and on September 4 (due to Labor Day).

Brockman Park

The Secretary reported that there has been no reportable activity at Brockman Park since the last Authority meeting and suggested that the Authority may want to begin thinking about developing its FY08 budget.

There being no further business, the Authority adjourned its meeting at 5:57 PM.

Jacob P. Bailey, Chairman

ATTEST: _____
Secretary

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE TOWN OF AMHERST, VIRGINIA
ADOPTING A FEE POLICY**

Whereas, the Industrial Development Authority of the Town of Amherst, Virginia, a political subdivision of the Commonwealth of Virginia (“Authority”), has been duly created by the Town of Amherst, Virginia, (the “Locality”) pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended ("Act"); and,

Whereas, in furtherance of the Act's purposes, the Authority, desires to establish a policy pursuant to which the Authority will collect certain fees from applicants which desire to issue debt instruments through the Authority and from applicants on behalf of which the Authority issues its debt instruments; and,

Whereas, an informal review of the policies of Industrial Development Authorities and Economic Development Authorities in the Central Virginia area conducted by the Secretary of the Authority and Counsel for the Authority shows that the majority of Authorities in the area collect fees that include ongoing maintenance fees from applicants while debt instruments are outstanding; and,

Whereas, applicable federal law allows issuing authorities to charge maintenance fees of up to 1/8 of 1% of the outstanding principal balance of the debt instrument which equals \$1,250 per \$1,000,000 in principal or 0.125%; by way of example, such a fee establishes an effective interest rate of 4.625% for a debt instrument on which the bank acquiring the debt instrument is charging an interest rate of 4.5%; and,

Whereas, the Authority has ongoing expenses related to its operations including but not limited to (i) audits of its accounts, (ii) funding to support the Brockman Park project such as marketing materials, web site improvements and brochures and hosting events to improve local awareness of the development and (iii) fiscal support of Region 2000 and the variety of services provided by it as the Authority’s regional economic development group.

NOW, THEREFORE, IT IS RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE TOWN OF AMHERST, VIRGINIA:

1. The Authority hereby adopts for all debt instruments issued on or after January 1, 2007, the Fee Policy attached to this Resolution as Exhibit A.
2. This resolution shall take effect immediately upon its adoption, subject to the conditions stated herein.

EXHIBIT A

FEE POLICY

OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
TOWN OF AMHERST VIRGINIA (the "IDA")

The IDA operates on a no-net-cost basis and, as such, applicants are required to reimburse the IDA for direct costs associated with processing a request. The IDA will assess a \$500 per issue fee to compensate for staff time and use of the Town Hall. IDA attorney expenses and other out-of-pocket expenses shall be directly billed to the applicant. IDA members shall receive a \$50 per meeting per member fee from the applicant. In addition, an annual fee there will be assessed to applicants, for which a debt instrument is issued, a fee of $1/8^{\text{th}}$ of 1% of the outstanding amount of the debt instrument to recover operating costs of the IDA, including without limitation, costs associated with auditing the IDA's accounts. These fees may be waived or modified on a case-by-case basis for good cause at the discretion of the IDA for matters relating to a public institution.

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE TOWN OF AMHERST, VIRGINIA
ACCEPTING APPLICATION AND AUTHORIZING PUBLIC HEARING CONCERNING \$8,000,000
HOSPITAL FACILITIES REVENUE BOND (CENTRA HEALTH, INC.) SERIES 2007**

The Industrial Development Authority of the Town of Amherst, Virginia, a political subdivision of the Commonwealth of Virginia ("Authority"), has been duly created by the Town of Amherst, Virginia, (the "Locality") pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended ("Act"). In furtherance of the Act's purposes, the Authority, desires to accept the application of Centra Health, Inc. ("Centra"), requesting that the Authority issue its revenue bond ("Bond") to assist in a plan of financing for the construction and equipping of a regional cancer center located at 2216 Langhorne Road, Lynchburg, Virginia 24501 and the construction and equipping of an assisted living facility adjacent to the Summit Nursing Home, both of which are located in the City of Lynchburg, Virginia. (the "Project") and costs of issuance as may be necessary for the proposed issuance of the Bond. Centra has represented that the estimated cost of the plan of financing and all expenses of issuance will require the issue of a revenue bond in the aggregate principal amount of \$8,000,000 which is to be issued by the Authority. The Authority desires to hold a public hearing pursuant to applicable law concerning the issuance of the Bond.

The Authority now desires to accept the application, set a public hearing and designate an authorized representative to conduct the public hearing, request that the Town Council of the Town of Amherst approve the issuance of the Bond, and set a meeting for the Authority to give its final approval of the issuance of the Bond..

NOW, THEREFORE, IT IS RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE TOWN OF AMHERST, VIRGINIA:

3. The Authority hereby accepts the application of Centra requesting that the Authority issue the Bond in the amount of \$8,000,000 to assist in a plan of financing for the construction and equipping of a regional cancer center located at 2216 Langhorne Road, Lynchburg, Virginia 24501 and the construction and equipping of an assisted living facility adjacent to the Summit Nursing Home, both of which are located in the City of Lynchburg, Virginia and to cover the costs of issuance as may be necessary for the proposed issuance of the Bond.

4. The Authority hereby sets, affirms, ratifies, and approves the holding of a public hearing as set forth in the Notice attached to this resolution and does hereby appoint Jack Hobbs, Secretary of the Authority, as the Authority's representative under applicable law to conduct the hearing as set forth in the Notice.

5. The Authority hereby requests that the Town Council of the Town of Amherst, after the public hearing, approve the issuance of the Bond at its January 10, 2007 meeting.

6. The Authority hereby sets a meeting of the Authority for January 15, 2007 at 5:15 PM for the purpose of considering final approval of the issuance of the Bond.

7. This resolution shall take effect immediately upon its adoption, subject to the conditions stated herein.

Brockman Park Investment Recoupment Report				Printed: 01/02/07
				Approved: 01/02/07
<i>Prior to the transfer of any amount by the Town, the IDA shall prepare an annual activity report on the Fund in January of each year for the prior calendar year and submit it to the Town along with estimates for the then-current year. A copy of this report and any accompanying documentation shall be concurrently submitted to the County.</i>				
Total Basis Per Agreement				\$3,000,000.00
Less:	Land Sale, Lot 11 (Centra/Fairmont Crossing)			(250,000.00)
	RBEAG Grant			(199,900.00)
Balance, 12/31/2003				2,550,100.00
County PILOT Agreement - Initial Payment		\$ 29,500.00		
	Less - FY98 Assessment		(2,740.65)	
County PILOT Agreement - January 1, 2004 Payment		23,500.00		
	Less - FY98 Assessment		(2,740.65)	
	Total FY04 from County		47,518.70	(47,518.70)
Town PILOT Agreement - Initial Payment		2,750.00		
Town PILOT Agreement - January 1, 2004 Payment		2,000.00		
	Total FY04 from Town		4,750.00	(4,750.00)
Balance, 6/30/2004				\$ 2,497,831.30
County PILOT Agreement - January 1, 2005 Payment		17,000.00		
	Less - FY98 Assessment		(2,740.65)	
	Total FY05 from County		14,259.35	(14,259.35)
Town PILOT Agreement - January 1, 2005 Payment		1,750.00		
	Total FY05 from Town		1,750.00	(1,750.00)
Balance, 6/30/2005				\$ 2,481,821.95
County PILOT Agreement - January 1, 2006 Payment		15,000.00		
	Less - FY98 Assessment		(2,740.65)	
	Total FY06 from County		12,259.35	(12,259.35)
Town PILOT Agreement - January 1, 2006 Payment		1,500.00		
	Total FY06 from Town		1,500.00	(1,500.00)
*Note: Due to the grading incentive, no net revenue resulted from the sale of Lot 10 to Mutual Telecom Services.				
*Note: Does not include amounts for county's twice per year tax billing for Lot 10/Mutual Telecom Services.				
Balance, 6/30/2006				\$2,468,062.60
County:	Centra PILOT Agreement - January 1, 2007 Payment	10,000.00		
	Steven D. Clancy, LLC (MTS) Real Estate Taxes	5,382.64		
	Less - FY98 Assessment		(2,740.65)	
	Total FY07 from County		12,641.99	(12,641.99)
Town:	PILOT Agreement - January 1, 2007 Payment	1,500.00		
	Steven D. Clancy, LLC (MTS) Real Estate Taxes	476.49		
	Total FY07 from Town		1,976.49	(1,976.49)
Projected Balance, 6/30/2007				\$2,453,444.12
<u>Anticipated Future Activity:</u>				
	Centra PILOT Monies: \$10,000 County for FY08 & FY09; \$1,500 Town for FY08 & FY09			
	MTS Real Estate Taxes			
	MTS Personal Property Taxes			
Projection FY 07 Activity:				
Lot 11 (Centra/Fairmont Crossing)				
County Pilot Agreement: January 1, 2007 Payment		\$ 15,000.00		
	Less - FY98 Assessment		(2,740.65)	12,259.35 (12,259.35)
Town Pilot Agreement: January 1, 2007 Payment			1,500.00	(1,500.00)
Lot 10 (Mutual Telecom Services)				
County Taxes	(Value on January 1 @ \$300,000; Tax rate 59¢	1,770.00		(1,770.00)
Town Taxes	(Value on January 1 @ \$300,000; Tax rate 5.4¢	\$ 162.00		(162.00)
Ref: Acct#10-3320-0000				

Brockman Park Owners Association - Maintenance Reimbursement for CY06				
Date	Vendor	Description	Invoice Amount	CY06 Billing
1/20/2006	American Electric Power	Sign Electricity	27.03	
2/27/2006	American Electric Power	Sign Electricity	21.95	
3/28/2006	American Electric Power	Sign Electricity	18.83	
4/30/2006	American Electric Power	Sign Electricity	24.86	
5/24/2006	American Electric Power	Sign Electricity	29.87	
7/31/2006	American Electric Power	Sign Electricity (2 mo)	38.42	
8/22/2006	American Electric Power	Sign Electricity	18.71	
9/18/2006	American Electric Power	Sign Electricity	20.18	
10/24/2006	American Electric Power	Sign Electricity	22.85	
11/21/2006	American Electric Power	Sign Electricity	26.72	
12/26/2006	American Electric Power	Sign Electricity	31.04	
		Subtotal, Sign Electricity		\$ 253.43
4/12/2006	Dalton's Lawn Care	Mow Entrance Road Banks	691.40	
5/17/2006	Dalton's Lawn Care	Mow Entrance Road Banks	691.40	
6/14/2006	Dalton's Lawn Care	Mow Entrance Road Banks	691.40	
7/17/2006	Dalton's Lawn Care	Mow Entrance Road Banks	691.40	
8/15/2006	Dalton's Lawn Care	Mow Entrance Road Banks	691.40	
9/13/2006	Dalton's Lawn Care	Mow Entrance Road Banks	691.40	
		Subtotal, Mowing		\$ 4,148.40
Jan-Dec 2006	American Electric Power	Street Lights: 6*12*12.85/mo		\$ 925.20
			Total	\$ 5,327.03
			# Lots	16
			Per-Lot Assessment	\$ 332.94
Note: Bushhogging TOA-owned lots and TOA crew time was not billed to other tenants in CY06.				
			Approved:	01/02/07
			Printed:	01/02/07
		Ref Acct# 10-4500-6100		