



Agenda
Industrial Development Authority
Special Meeting
Wednesday, September 3 2025, at 3:00 PM
Administration Building Auditorium
414 North Main Street, Madison, Virginia 22727

Roll Call/Determine Presence of a Quorum/Adoption of Agenda

Minutes of Previous Meeting Read and Action Theron

1. Approve Minutes from June 2, 2025 (Annual Meeting)

Report of the Chairman

Unfinished Business

New Business

1. Davenport's Presentation (Bank Proposals) – Davenport Staff
 - a. Resolution

Information/Correspondence

Adjourn

MADISON COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY ANNUAL MEETING MINUTES

Date: 6:00PM — Monday, June 2, 2025
Location: Admin. Building Auditorium, 414 N. Main Street

At the annual meeting of the Industrial Development Authority on Thursday, June 10 at 6:00PM in the Admin. Building Auditorium:

PRESENT: Steve Hoffman, Chairman
Douglas Parsons, Secretary/Treasurer
Frank Berry, Assistant Secretary/Treasurer
Paul Utz, Director
William Hale, Director
Steve Grayson, Director
David Jones, Director
Hannon Wright, County Attorney
Jonathon Weakley, County Administrator

ROLL CALL/DETERMINE PRESENCE OF A QUORUM/ADOPTION OF AGENDA/ELECTIONS

The Parliamentarian, Hannon Wright, called the Authority to order.

The Parliamentarian advised that a quorum was present and made a motion to approve the agenda, seconded by Director Hoffman. *Aye: Hoffman, Parsons, Utz, Hale, Grayson, Berry, and Jones. Nay: (0) Abstain: (0) Absent: (0).*

The next order of business was to elect Directors to various positions.

The Parliamentarian asked for nominations for Chairman. Steve Grayson nominated and seconded by Paul Utz, the nomination of Steve Hoffman to serve as Chairman. A vote was ordered and the motion passed. *Aye: Hoffman, Parsons, Utz, Hale, Grayson, Berry, and Jones. Nay: (0) Abstain: (0) Absent: (0).*

Chairman Hoffman next asked for the Pledge of Allegiance and a moment of silence.

The Chairman then asked for nominations for Vice-Chairman. William Hale nominated, and Paul Utz seconded, the nomination of Steve Grayson. A vote was ordered and the motion passed. *Aye: Hoffman, Parsons, Utz, Hale, Grayson, Berry, and Jones. Nay: (0) Abstain: (0) Absent: (0).*

The Chairman then asked for nominations for Secretary-Treasurer. Billy Hale nominated, and Paul Utz seconded, the nomination of Doug Parsons to serve as Secretary-Treasurer. A vote was ordered and the motion passed. *Aye: Hoffman, Parsons, Utz, Hale, Grayson, Berry, and Jones. Nay: (0) Abstain: (0) Absent: (0).*

Next was discussion and election of the Assistant Secretary-Treasurer. Doug Parsons nominated, and Steve Grayson seconded, the nomination of Frank Berry to serve as Assistant Secretary-Treasurer. A vote was ordered and the motion passed. *Aye: Hoffman, Parsons, Utz, Hale, Grayson, Berry, and Jones. Nay: (0) Abstain: (0) Absent: (0).*

MINUTES OF PREVIOUS MEETING READ AND ACTION THERON

1. Approve Minutes from June 10, 2024

Steve Hoffman made a motion to approve the minutes, seconded by Steve Grayson. A vote was ordered and the motion passed. *Aye: Elliott, Parsons, Utz, Hale, Hoffman, Grayson, and Snider. Nay: (0) Abstain: (0) Absent: (0)*

REPORT OF THE CHAIRMAN

The two new members, Frank Berry and David Jones were introduced and welcomed to the IDA. There was a general briefing for the new members of the responsibilities of the IDA, the time commitment required, and a discussion of ethics and Freedom of Information requirements.

UNFINISHED BUSINESS

Jonathan Weakley reported that the Agriculture and Forestry Industries Development Fund (AFID) Performance Agreement funds were delivered to Revelation Vineyards and Hidden Pines Meat Processing LLC, and at a future meeting, the IDA will need to review compliance with the requirements under the funding. There was general agreement that an update on the grants will take place at the next meeting of the IDA.

NEW BUSINESS

Jonathan Weakley reported that Madison County is currently reviewing the need to finance various projects, including mechanical repairs at the schools. If the future financing needs to be bonded, a meeting of the IDA would be called. It is possible this meeting will occur in August or September.

INFORMATION/CORRESPONDENCE

None

ADJOURN

With there being no further business to conduct, Steve Hoffman made a motion to adjourn, seconded by Billy Hale. The motion passed. *Aye: Hoffman, Parsons, Utz, Hale, Grayson, Berry, and Jones. Nay: (0) Abstain: (0) Absent: (0).*

Respectfully submitted,

Douglas Parsons, Secretary/Treasurer

RFP Results Summary

Madison County, Virginia



August 26, 2025



Bank RFP Process | Overview

- The County is moving forward with multiple County and School Projects and purchase of vehicles for approximately \$4,160,000*. The exact timing and amount of these projects and purchases is unknown, so the County has decided to move forward with interim financing to provide flexibility.
- On behalf of the County, Davenport & Company LLC (“Davenport”) distributed a request for proposals (“RFP”) to local, regional, and national banks for a Direct Bank Loan to provide interim financing in an amount up to \$4,160,000 in the form of either a Drawdown Line of Credit or Bond Anticipation Note to be paid off or permanently financed by the County on or before May 1, 2028 (the “2025 Financing”).
- Ahead of the deadline on August 26, the County received four (4) proposals for the 2025 Financing from the following institutions:
 - Atlantic Union Public Finance (“Atlantic Union”);
 - Huntington Public Capital Corporation (“Huntington”);
 - Truist Bank (“Truist”); and,
 - Webster Bank.
- The following pages outline and compare the proposals received.



Bank RFP Process | Recommended Proposal

- Based on the proposals received, the remainder of this analysis focuses on the Webster Bank Proposal for the following reasons:

1. Fixed rate through the life of the loan;
2. Flexible prepayment provisions (prepayable with no penalty on or after May 1, 2026);
3. Competitive interest rate (3.73%); bank counsel fee (\$3,500); and,
4. Security in-line with requested collateral structure.

- The other three (3) proposals received were missing one or more of the above attributes and included the following:

1. Atlantic Union – slightly lower interest rate (3.549%) but collateral structure was too restrictive; higher fee (\$7,500)
2. Huntington – later prepayment without penalty provision (after May 1, 2027) and higher interest rate (4.150%); same fee (\$3,500)
3. Truist – higher interest rates (3.740% for make-whole prepayment provision and 4.150% for prepayable anytime provision); higher fee (\$7,500)

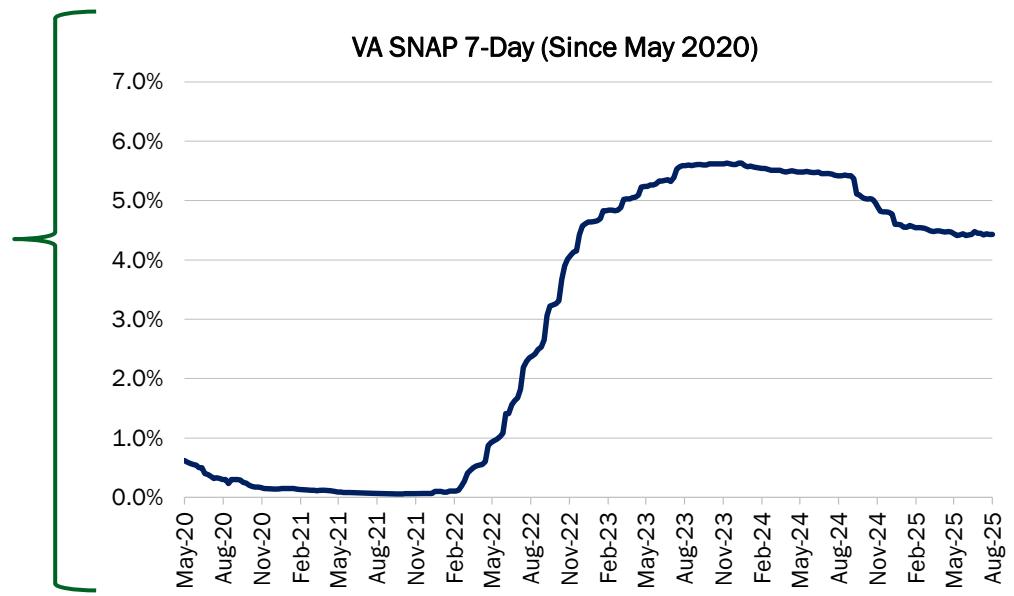
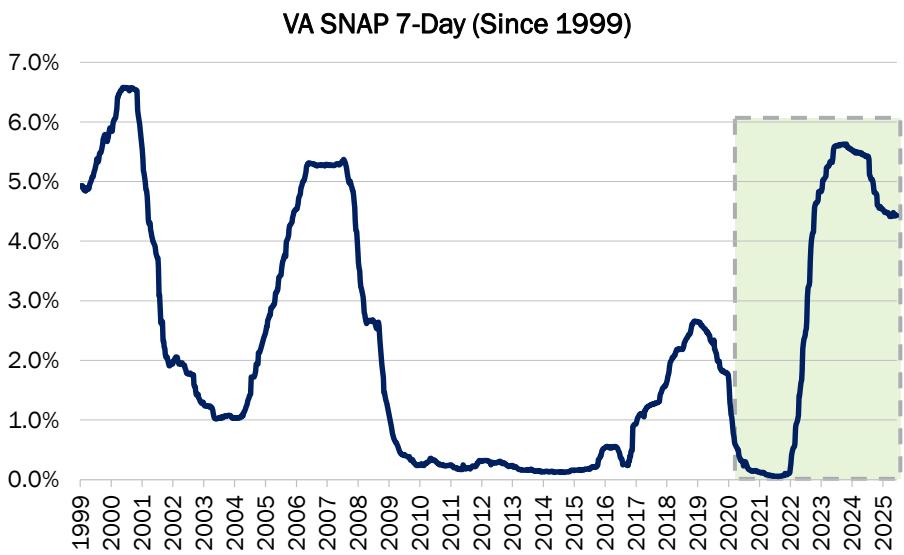
Bank RFP Process | Debt Service Comparison



A	B	C
Preliminary Results	Planning Estimate	Webster Bank May 2026 Call
1 Key Assumptions		
2 Par Amount	\$ 4,160,000	\$ 4,160,000
3 Interest Rate	5.000%	3.730%
4 Estimated Debt Service*		
5 2026	\$ 132,311	\$ 98,704
6 2027	208,000	155,168
7 2028	208,000	155,168
8 Total Interest	\$ 548,311	\$ 409,040
9 Additional Fees	\$ -	\$ 3,500
10 Total Cost to the County	\$ 548,311	\$ 412,540
11 Difference vs. Planning Estimate		\$ (135,771)

*Preliminary, subject to change.

Historical Rates | SNAP



Current SNAP Rate – 4.43%



Next Steps / Timeline

Date	Task
August 26 6:00 pm	County Board of Supervisors Meeting <ul style="list-style-type: none">▪ Davenport presents summary of bank proposals.▪ County Board considers selecting the winning lender.▪ County Board considers adopting Final Resolution and forms of financing documents.
September 3 3:00 pm	IDA Board Meeting <ul style="list-style-type: none">▪ IDA considers adopting Final Resolution and forms of financing documents.
Early September	<ul style="list-style-type: none">▪ Working Group coordinates to finalize numbers and documents.▪ Davenport and County Treasurer/Staff work to open SNAP account.▪ Bond Counsel and County Attorney/Staff work to obtain Title Certificate.
On/About September 12	Closing on Direct Bank Loan.



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**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF MADISON COUNTY, VIRGINIA**

WHEREAS, the Board of Supervisors (**the “Board of Supervisors”**) of the County of Madison, Virginia (**the “County”**) directed Davenport & Company LLC (**the “Financial Advisor”**) to prepare and distribute a Request for Proposals (**the “RFP”**) to obtain financing proposals to finance various County and School Board capital projects, including, but not limited to, County and school facility renovations, school buses and County vehicles (**the “Project”**);

WHEREAS, the Financial Advisor reviewed responses to the RFP for the financing of the Project and, along with the County’s Bond Counsel, Sands Anderson PC, Richmond, Virginia (**“Bond Counsel”**) and the County Administrator, recommended that the Board of Supervisors accept the proposal dated August 14, 2025 (**the “Proposal”**) from Webster Bank, National Association (**the “Lender”**) for such financing with an interest rate as set forth in such Proposal and subject to such other terms as set forth therein;

WHEREAS, the Board of Supervisors has requested the Industrial Development Authority of Madison County, Virginia (**the “Authority”**) to assist the County in providing funds to pay certain costs of the Project by the issuance of the Authority’s public facilities lease revenue bonds to accomplish certain purposes of the Virginia Industrial Development and Revenue Bond Act (**the “Act”**); and

WHEREAS, the Authority proposes to (a) issue, offer and sell its lease revenue bond in an amount of approximately \$4,160,000 (**the “Bond”**) to provide for the financing of a portion of the cost of the Project, including cost of issuing the Bond, (b) lease to two County administration buildings, or such other property of the County selected by the Chairman of the Board of Supervisors if it is determined that such property is not available or appropriate to be leased (**the “Leased Property”**) from the County for a not to exceed approximately ten year term under a ground lease, and in turn, lease the Leased Property to the County for a term not to exceed the term of the Bond under a lease agreement with the Authority and, (c) secure the Bond by an assignment of its rights under such lease agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its annual fee and administrative expenses) and such ground lease under an assignment agreement, which is to be acknowledged and consented to by the Lender and the County, all in accordance with a bond purchase agreement; and

WHEREAS, there have been presented to this meeting drafts of the following documents (**collectively, the “Documents”**) in connection with the transactions described above, copies of which shall be filed with the records of the Authority:

- a. a Ground Lease, dated as of September 1, 2025, between the County and the Authority conveying to the Authority a leasehold interest in the Leased Property described therein (**the “Ground Lease”**);

- b. a Lease Agreement, dated as of September 1, 2025, between the Authority and the County (**the “Lease Agreement”**) conveying to the County a leasehold interest in such Leased Property;
- c. a Bond Purchase Agreement, dated as of September 1, 2025 among the Authority, the County and the Lender, pursuant to which the Bond is to be issued (**the “Bond Purchase Agreement”**);
- d. an Assignment Agreement, dated as of September 1, 2025 between the Authority and the Lender, assigning to the Lender certain of the Authority’s rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County (**the “Assignment Agreement”**); and
- e. a Specimen Bond.

NOW THEREFORE, BE IT RESOLVED by the Industrial Development Authority of Madison County, Virginia:

- 1. The Authority hereby finds and determines that the undertaking of the design, acquisition, installation and equipping of the Project will be consistent with the purposes of the Act and that the Project and the Leased Property are “authority facilities” within the meaning of the Act.
- 2. All costs and expenses in connection with the issuance of the Bond, including but not limited to the Authority’s expenses and fees, the fees and expenses of the County, and the fees and expenses of the Bond Counsel, the Financial Advisor and the Lender for the sale of the Bond, shall be paid from the proceeds therefrom or other funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.
- 3. The Authority hereby accepts the Proposal as requested by the Board of Supervisors and instructs the Financial Advisor and Bond Counsel to take all such action as necessary or appropriate to conclude the financing by the issuance of the Bond of the Authority at the request of the Board of Supervisors.
- 4. The following plan for financing a portion of the cost of the Project is approved. The Authority shall use the proceeds from the issuance of the Bond to provide for the financing on behalf of the County of a portion of the cost of the Project and to lease the Leased Property from the County for a lease term of not to exceed approximately five years longer than the term of the Lease Agreement and to lease the Leased Property to the County for a lease term not less than the term of the Bond at a rent sufficient to pay when due the interest and principal on the Bond. The obligation of the Authority to pay principal and interest on the Bond will be limited to rent payments received from the County under the Lease Agreement. The obligation of the County to pay rent under the Lease Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the

County has adopted a resolution as its moral obligation to the repayment of the Bond. The Bond will be secured by an Assignment Agreement to the Lender as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Lender may terminate the Lease Agreement or otherwise exclude the County from possession of the Leased Property. The issuance of the Bond on the terms set forth in a Bond Purchase Agreement is hereby approved.

5. The Authority hereby approves the Documents and the form of the Bond in the principal amount of up to \$4,160,000, with a fixed interest rate not to exceed 3.73%, maturing no later than December 31, 2028, subject to other terms as set forth therein and in the Proposal with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his approval of the same.
6. The Chairman or Vice Chairman of the Authority, or either of them, and Secretary of the Authority are each hereby authorized and directed to execute the Documents and such other instruments and documents as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Lender, to issue the Bond, and to lease the Leased Property.
7. The officers, agents and representatives 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 Bond, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bond to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (**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 Bond, (c) providing for the County to pay any such rebate amount and (d) filing Internal Revenue Service Form 8038-G, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bond, the financing of the Project and the leasing of the Leased Property.
8. 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 Bond to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the “Code”**) or otherwise cause the interest on the Bond 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 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 Bond; provided, however, the Authority is relying upon all such actions and payments, if any, to be done and made by the County.

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. 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 Bond and the undertaking of design, acquisition and construction of the Project are hereby approved, ratified and confirmed.
11. The County by acceptance of this financing, to the extent permitted by law, will be deemed to have agreed to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Authority and the issuance of the Bond, the financing of a portion of the costs of the Project or the leasing of the Leased Property.
12. Nothing in this Resolution, the Bond, or the Documents 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 Bond or the Documents except from payments made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.
13. This resolution shall take effect immediately.

ADOPTED THIS ____ DAY OF SEPTEMBER, 2025.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Secretary of the Industrial Development Authority of Madison County, Virginia hereby certifies that the Resolution set forth above was adopted in an open meeting on September __, 2025, by the Authority with the following votes:

Aye:

Absent:

Nay:

Abstentions:

Signed this ___ day of September, 2025.

By: _____
Secretary