

**MINUTES OF MEETING
OF THE
ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF LYNCHBURG, VIRGINIA**

December 21, 2023

The meeting of the Board of Directors of the Economic Development Authority of the City of Lynchburg, Virginia, was held in the Conference Room of the Office of Economic Development & Tourism, 2nd Floor, City Hall, 900 Church Street, Lynchburg, Virginia, at 8:30 a.m. on Thursday, December 21, 2023, on call of the Chairman and upon written notice to all of the Directors. A copy of the notice of the meeting is filed with these minutes.

The following Directors were present:

Sean M. Huyett
Patricia F. Mosby
Kimberly F. Soerensen
John M. Stone
Richard J. Tugman
R. Sackett Wood

Absent: Georgeann V. Snead

Also present were the following:

- Theodore J. Craddock of Caskie & Frost, P.C., counsel for the Authority;
- Marjette Upshur, Director, Office of Economic Development and Tourism;
- Clayton Copper of the Office of Economic Development and Tourism;
- Alisha Meador of the Office of Economic Development and Tourism (electronically);
- Keesha Simon of the Office of Economic Development and Tourism.

John M. Stone, Chairman of the Authority, acted as Chairman of the meeting, and Patricia F. Mosby, Secretary/Treasurer of the Authority, acted as Secretary of the meeting.

The Chairman of the meeting called the meeting to order and after the roll call declared a quorum present and the meeting open for business.

The Directors considered the minutes of the Authority's meeting held on November 16, 2023, which had previously been distributed to the Directors. Thereafter, on motion duly made by Ms. Soerensen, seconded by Ms. Mosby, the Directors present unanimously approved the minutes of the November 16, 2023 meeting of the Authority as submitted, with the following voting:

Aye: Sean M. Huyett
Patricia F. Mosby
Kimberly F. Soerensen
John M. Stone
Richard J. Tugman
R. Sackett Wood

Nay: None

Absent: Georgeann V. Snead

The Chairman asked Ms. Upshur to review with the Directors the Performance Agreement for the Virginia Industrial Revitalization Fund Mixed Use on Main Street "MUMS" Project. Ms. Upshur advised the Directors that Mr. Craddock had prepared a draft Loan Agreement and Promissory Note, and Deed of Trust to be used with the property owners of 400 12th Street in the City. Ms. Upshur reported that the Authority had been awarded \$500,000 for AC Capital LLC for revitalization of the Mixed Use on Main Street project program. The MUMS project was awarded as a grant to the Authority, who will in turn make a loan for the said amount for the project. Both the principal and interest will be paid back to the Authority to be reinvested in other local mixed-use projects. Ms. Upshur reported that the Virginia Department of Housing and Community Development must agree to the terms of the loan to MUMS and the EDA has suggested a 4% interest rate with amortization over 20 years with a 10-year balloon. This proposal will be presented to the developers. There must be an environmental review of the project and the Department of Housing and Community Development will draft and execute a Performance Agreement with both the AC Capital LLC and the Authority. The Authority previously reviewed a resolution to support the application for this loan program on May 20, 2023. Ms. Upshur reported that she will review this project with the Authority's Finance Committee, which will make a recommendation.

The Chairman asked Ms. Upshur to review the status of the Delta Star Performance Agreement. Ms. Upshur reviewed with the Directors the project by which Delta Star announced the expansion of its headquarters facility in Lynchburg in 2023. She described Delta Star's production facilities in Lynchburg, California, and Canada and that Lynchburg has been chosen for the headquarters. The project in the City will invest \$30,150,000 (\$15 million for building improvements, \$5.3 million for machinery and tools, and \$9 million in furniture, fixtures, and equipment) for an 80,000 square-foot expansion. The project is scheduled to create 149 new jobs while retaining 460, with an average salary of \$67,450 with benefits. The Authority has informally agreed to invest \$600,000 in the project with an additional \$250,000 in infrastructure support. She reported that formal action will be taken once the performance agreement is in place and the incentive from the Authority will be a cash grant. After a discussion of the matter, on motion made by Mr. Tugman, seconded by Ms. Soerensen, the Directors present unanimously authorized the Chairman to execute the Performance Agreement with Delta Star in accordance with the terms of the Performance Agreement, with the following voting:

Aye: Sean M. Huyett
Patricia F. Mosby
Kimberly F. Soerensen
John M. Stone
Richard J. Tugman
R. Sackett Wood

Nay: None

Absent: Georgeann V. Snead

Ms. Upshur then provided a review of results for the workforce development programs the Authority supported. These programs include Cloudfit/JobFit internship program, the Small Business Development Center, Beacon of Hope, and SHE Week's Pilot Program.

Thereafter, on motion made by Mr. Tugman, seconded by Mr. Wood, the Board went into closed session to discuss: (i) consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, and (ii) a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business's interest in locating or expanding its facilities in the City, pursuant to Section 2.2-3711(A)(5) of the Virginia Code. The motion was adopted, with the following voting:

Aye: Sean M. Huyett
Patricia F. Mosby
Kimberly F. Soerensen
John M. Stone
Richard J. Tugman
R. Sackett Wood

Nay: None

Absent: Georgeann V. Snead

Thereafter, the Board resumed in open session and Ms. Soerensen made the following motion, which was seconded by Ms. Mosby, and unanimously passed:

WHEREAS, the Board of Directors of the Economic Development Authority of the City of Lynchburg, Virginia has 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 Authority that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Economic Development Authority of the City of Lynchburg, Virginia certifies that, to the best of each member's knowledge (1) 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, (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

Aye: Sean M. Huyett
Patricia F. Mosby
Kimberly F. Soerensen
John M. Stone
Richard J. Tugman
R. Sackett Wood

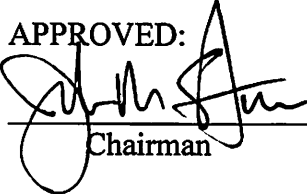
Nay: None

Absent: Georgeann V. Snead

The Directors took no action upon the matters for which they went into closed session.

There being no further business to come before the meeting, the meeting was adjourned at 10:00 a.m.


Secretary

APPROVED:

Chairman