MINUTES

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
BOARD OF DIRECTORS MEETING - LOAN BUSINESS
May 16, 2007 - 12:00 P.M.
Eighth & Main Building, 3rd Floor Conference Room
Richmond, Virginia

I. Voting members present: Hattie Hamlin, Leon Moore, Jack Stephens, Robert Young (on behalf of The Honorable J. Braxton Powell), Pallabi Saboo, and Michael Joyce.
Others present: Scott Parsons, Jasen Eige (Senior Assistant Attorney General), Barbara Carter, Mary Jo Sisson-Vaughan, and Anna Mackley Cobb.

II. Approval of Minutes - On a motion by Leon Moore, seconded by Pallabi Saboo, the minutes of the February 21, 2007, Board of Directors Meeting - Loan Business were unanimously approved.

III. Industrial Development Bond Application

A. BleachTech L.L.C. - City of Petersburg - $10,000,000. Mary Jo Sisson-Vaughan reviewed for the Board this application for bonds to help finance a new bleach and industrial chemical manufacturing facility.

IV. PUBLIC HEARING

A. BleachTech L.L.C. - City of Petersburg - $10,000,000 IDB. On a motion by Jack Stephens, seconded by Bob Young, the Board of Directors unanimously adopted an inducement resolution authorizing the issuance of industrial development bonds to help finance a new manufacturing facility.

V. Board Review and Ratification of Loans Approved/Declined by Staff - On a motion by Leon Moore, seconded by Bob Young, the loan decisions of $500,000 or less approved and declined by staff for March, April, and May 2007 were unanimously ratified.

VI. Administrative Matters

A. Board Loan/Meeting Packages - Scott Parsons asked the Board if they would like to begin receiving board materials via email as opposed to providing hard copies. This will be a more efficient way to send the Board its materials as well as save postage costs and a considerable amount of paper. Board members agreed to receive its material electronically.

B. Business Appreciation Week (BAW) Events - Scott Parsons briefly talked about Business Appreciation Week. One week in May each year is declared by the Governor as Business Appreciation Week and is sponsored by the state and VDBA. Typically, within each locality there are one or more events usually run by the locality to thank the existing business community for doing business in their area. Mr. Parsons encouraged Board members to attend a BAW event in their local area.

C. APA Audit - Scott Parsons mentioned that the Financing Authority has received another excellent audit with no material changes or adverse comment for the June 30, 2006 year end. He expressed his thanks to staff members for their work towards this end.

D. Bank Activity - Scott Parsons told the Board of the staff's efforts to raise awareness of VSBFA and its programs, especially within the banking community, to help increase demand and the number of deals to bring before the Board. Because of the staff's marketing, four new banks have signed on to use the loan guaranty or the capital access program. Those banks are Smith River Bank in Southside, SonaBank based in Fredericksburg, Consolidated Bank in Richmond, and First Capital Bank in Richmond. BB&T, an extensive user of the VCAP program, recently submitted a request through the loan guaranty program. Mr. Parsons requested the Board's help with increasing awareness of VSBFA programs to the banking community.

E. Legislative/Budget Requests - Scott Parsons informed the Board that he will be providing a detailed progress report and review legislative initiatives, budget issues, and portfolio review at an upcoming meeting. Mr. Parsons will discuss with Louisa Strayhorn the legislative and budgetary requests and then present those ideas to the Board as well. Mr. Parsons brought to the Board's attention the following funding issues: (1) no money available from the EDLF for 55% of the state; (2) ECAF money is exhausted due to demand; and (3) TCAP funds are low but demand is low (need to correct awareness issue). Members were asked to advocate support to the Administration and give some thought to areas where they would like to see VSBFA focus.

VII. Vice Chairman Hamlin adjourned the meeting.