



**SPECIAL MEETING OF THE  
PRINCE EDWARD COUNTY BOARD OF SUPERVISORS**

**March 27, 2012  
3:00 p.m.**

3:00 p.m.

1. The Chairman will call the Special Called Meeting to order.
  
2. Granite Falls Hotel and Conference Center Project
  - Recommendation from Granite Falls CDA
  - Resolution of Support Regarding the Granite Falls CDA
  
3. Presentation of County Administrator Recommended Budget for FY 13

Note: The Board will recess until 2:00 p.m. on Tuesday, April 3, 2012.

**RESOLUTION OF SUPPORT REGARDING  
THE GRANITE FALLS COMMUNITY  
DEVELOPMENT AUTHORITY**

RECITALS:

1. By Ordinance creating the Granite Falls Community Development Authority, dated November 17, 2009, the Board of Supervisors of Prince Edward County, Virginia (the "Board") created the Granite Falls Community Development Authority (the "CDA").
2. The application for creation of the CDA was forwarded by petition received from the Industrial Development Authority of Prince Edward County, Virginia (the "IDA") and from Prince Edward Development, LLC (together with Granite Halls Hospitality, LLC, the "Developer").
3. The Developer, CDA and IDA and certain other parties jointly intend to develop a Hotel/Conference Center and related amenities (the "Project") on approximately 92 acres of land (the "Property") currently owned by the IDA.
4. The preliminary financing package for the Project includes the issuing of approximately \$17,000,000 of CDA bonds by the CDA pursuant to Section 15.2-5158 of the Code of Virginia (the "CDA Bonds").
5. The proceeds of the CDA Bonds will be utilized to finance the construction of certain public infrastructure related to the Project, including, without limitation, (i) approximately 35,000 square feet of the proposed conference center component of the Project and (ii) the related project and site infrastructure costs.
6. Pursuant to the CDA Bonds, a Debt Service Reserve Fund (the "DSR Fund") is intended to be established in the approximate amount of the lesser of 1) 10% of the par amount of the bonds issued, 2) maximum annual debt service, or 3) 125% of average annual debt service. The current estimated amount of the DSR Fund to be established is \$1,700,000. If insufficient revenues are available to service the debt on the CDA Bonds, this DSR Fund may be drawn down on an annual basis so as to service debt payments due on the CDA Bonds.
7. To enhance the marketability of the CDA Bonds the Developer has requested and the Board has determined it is in the best interest of the County to provide its indication of support for the County to replenish all or any deficient portion of the DSR Fund in the event Project funds and other reserve streams pledged or to be pledged to support the repayment of the CDA Bonds (including, without limitation, payment by the owner of any required special tax assessments) are insufficient to pay annual payments of principal and interest on the CDA Bonds. Any such commitment to replenish all or a portion of the DSR Fund shall be made "subject to appropriation" in accordance with Virginia law.

8. Such resolution of support is subject to finalization of the proposed transaction in form and substance acceptable to the Board and to the CDA.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Prince Edward County, Virginia as follows:

A. Subject to the finalization of the complete financing package sufficient to finance all elements of the Hotel/Conference Center in a form and substance, acceptable to the Board and CDA, the Board acknowledges its intention, in principle, to enter into a contractual agreement, SUBJECT TO ANNUAL APPROPRIATION, as provided by applicable state law, to replenish the DSR Fund as established for the CDA Bonds, on an annual basis, to the extent such fund becomes depleted.

B. This is only a preliminary expression of support. Upon finalization of the CDA Bond financing and related Project financing, this Board, by separate meeting, shall approve and authorize the specific manner by which it will agree, subject to appropriation, to replenish the DSR Fund and approving all of the agreements putting such mechanism into place, all of which must be acceptable to the Board and CDA in all regards.

C. No final commitment shall exist with respect to the Board unless and until final Bond and Project documents have been presented to the CDA and the Board and a separate Board meeting is held approving the final form of such documents.

D. The commitments expressed herein are premised upon representations from the Developer that the anticipated principal amount of CDA Bonds to be issued shall be in the amount of approximately \$17,000,000 and the DSR Fund shall be approximately 10% of this amount.

Adopted at a duly called and held meeting of the Board of Supervisors of the County of Prince Edward, Virginia.

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Clerk, Board of Supervisors  
Prince Edward County, Virginia

Dated: \_\_\_\_\_