

Councilman Hubbard	aye
Councilman Padgett	aye
Councilman Stanley	aye
Councilman Tharp	aye
Councilman Wandrei	aye
Councilman Messier	abstained

The Clerk administered the Oath of Office to E. Thomas Messier as Mayor.

Mayor Messier opened the floor for nominations for the office of Vice Mayor.

Councilwoman Flood nominated W. D. Tharp for the office of Vice Mayor. Councilman Padgett seconded the nomination.

On motion by Councilman Padgett, seconded by Councilman Hubbard, voted upon and carried unanimously, the nominations for Vice Mayor were closed.

Upon a roll call vote, W. D. Tharp was elected Vice Mayor. Roll call vote follows:

Councilman Hubbard	aye
Councilman Padgett	aye
Councilman Stanley	aye
Councilman Tharp	abstained
Councilman Wandrei	aye
Councilwoman Flood	aye
Mayor Messier	aye

The Clerk administered the Oath of Office to W. D. Tharp as Vice Mayor.

Mayor Messier stated that agenda item “Appointment of City Council Committees and Representatives of Boards and Commissions” would be deferred until the next regular Council meeting.

Vice Mayor Tharp moved that Council adjourn into closed session pursuant to Section 2.2-3711(a)(5) of the Code of Virginia of 1950, as amended, to discuss a prospective business or industry where no previous announcement has been made. Councilman Padgett seconded the motion. The motion was voted upon and carried by the following roll call vote:

Councilman Padgett	aye
Councilman Stanley	aye
Vice Mayor Tharp	aye
Councilman Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Mayor Messier	aye

Council adjourned into closed session at 6:07 p.m. The following non-council members attended: City Manager Meadows, City Attorney Berry, Director of Planning & Community Development Warner, and Elizabeth Berry-Mosley.

Council reconvened into open session at 6:23 p.m.

The Clerk of Council read aloud the following resolution:

BE IT RESOLVED that the Council of the City of Bedford hereby certifies that (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 Council.

On motion by Vice Mayor Tharp, seconded by Councilman Padgett, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Stanley	aye
Vice Mayor Tharp	aye
Councilman Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Padgett	aye
Mayor Messier	aye

City Manager Meadows reported that the Bedford Joint Industrial Development Authority (BJIDA) plans to renovate the shell building in the Bedford Center for Business to accommodate multiple tenants, including the Central Virginia Community College and a yet unnamed manufacturing concern. In order to finance these renovations at an acceptable interest rate, which would be supported by the tenants' lease payments, BJIDA is required by SunTrust Bank to provide non-binding support agreements from City Council and the Board of Supervisors. The Board of Supervisors considered and unanimously adopted a resolution authorizing signing the support agreement at its June 28 meeting.

On motion by Councilman Wandrei, seconded by Vice Mayor Tharp, voted upon and carried by a roll call vote, Council adopted a resolution authorizing the execution of a support agreement providing for a non-binding obligation of the City to support financing of the shell building renovations for the benefit of the Bedford Joint Industrial Development Authority. Roll call vote follows:

Vice Mayor Tharp	aye
Councilman Wandrei	aye
Councilwoman Flood	aye

Councilman Hubbard	aye
Councilman Padgett	aye
Councilman Stanley	aye
Mayor Messier	aye

The resolution follows as adopted:

RESOLUTION AUTHORIZING THE EXECUTION OF A SUPPORT AGREEMENT PROVIDING FOR A NON-BINDING OBLIGATION OF THE CITY OF BEDFORD, TO CONSIDER CERTAIN APPROPRIATIONS FOR THE BENEFIT OF THE BEDFORD JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

WHEREAS, the Bedford Joint Industrial Development Authority has determined to issue and sell a Public Facility Revenue Note, Series 2004A (the “2004A Note”), and a Taxable Public Facility Revenue Note, Series 2004B, in the aggregate principal amount not to exceed \$1,400,000 (collectively, the “Notes”), to SunTrust Bank, Richmond, Virginia (“the Bank”), in accordance with the terms of a Note Purchase and Financing Agreement (the “Financing Agreement”), pursuant to which the Authority will issue the Notes and use the net proceeds thereof to construct, renovate and equip an existing building located in the Bedford Center for Business for purposes of leasing space therein to certain tenants (the “Project”);

WHEREAS, the Bank has requested that the County of Bedford, Virginia (the “County”), and the City of Bedford, Virginia (the “City”), each enter into a support agreement to provide credit support for the Notes to the extent rental revenues related to the Project are insufficient to enable the Authority to pay debt service due on the Notes;

WHEREAS, the City Council (the “Council”) desires to enter into a support agreement with the Authority, with respect to the Notes, setting forth the City’s agreement to undertake such a non-binding obligation;

WHEREAS, there has been presented to this meeting a draft form of a Support Agreement between the City and the Authority (the “Support Agreement”), to be used for the Notes; and

WHEREAS, pursuant to Section 265(b)(3)(C)(iii) of the Internal Revenue Code of 1986, as amended (the “Code”), the Authority, the City and the County have agreed to allocate the “bank-qualification” designation of the 2004A Note between the City and the County.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, VIRGINIA:

1. In consideration of the Authority's undertakings with respect to financing the Project, the City Council hereby determines that it is in the best interests of the City and its citizens for the City to enter into a Support Agreement in connection with the issuance of the Notes.

2. The Mayor and Vice-Mayor, either of whom may act, are hereby authorized and directed to execute and deliver a Support Agreement in connection with the issuance of the Notes. The Support Agreement shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this resolution as may be approved by the Mayor or Vice-Mayor, the execution thereof by the Mayor or Vice-Mayor to constitute conclusive evidence of such officer's approval of such completions, omissions, insertions or changes.

3. The City Manager is hereby authorized and directed to carry out the obligations imposed by the Support Agreement on the City Manager.

4. As provided by the Support Agreement, the City Council hereby undertakes a non-binding obligation to appropriate to the Authority such amounts as may be requested from time to time pursuant to the Support Agreement, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The City Council, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Councils do likewise during the term of the Support Agreement.

5. The City agrees to irrevocably allocate the final amount of the 2004A Note for purposes of "bank-qualification" under Section 265(b)(3)(C)(iii) of Code as set forth below:

City	50%
County	50%

6. The City represents that the allocation set forth above bears a reasonable relationship to the respective benefits to be received by the Authority, the City and the County from the issuance of the 2004A Note within the meaning of Section 265(b)(3)(C)(iii) of the Code.

7. The City represents and covenants as follows:

(a) The City will in no event designate more than \$10,000,000 of obligations as qualified tax-exempt obligations in calendar year 2004, including its allocated portion of the 2004A Note, for the purpose of such Section 265(b)(3);

(b) The City, all its "subordinate entities," within the meaning of such Section 265(b)(3), and all entities which issue tax-exempt obligations on behalf of the City and its

subordinate entities have not issued, in the aggregate, more than \$10,000,000 of tax-exempt obligations in calendar year 2004 (not including "private activity bonds," within the meaning of Section 141 of the Code, other than "qualified 501(c)(3) bonds," within the meaning of Section 145 of the Code), including the City's allocated portion of the 2004A Note;

(c) Barring circumstances unforeseen as of the date of delivery of the 2004A Note, the City will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the City and such other entities in calendar year 2004, result in the City and such other entities having issued a total of more than \$10,000,000 of tax-exempt obligations in calendar year 2004 (not including private activity bonds other than qualified 501(c)(3) bonds), including the City's allocated portion of the 2004A Note; and

(d) The City has no reason to believe that the City and such other entities will issue tax-exempt obligations in calendar year 2004 in an aggregate amount that will exceed such \$10,000,000 limit;

provided, however, that if the City and the Authority receive an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (a) or (c) above is not required for the 2004A Note to be a qualified tax-exempt obligation, the City need not comply with such covenant.

8. All resolutions or parts thereof in conflict herewith are hereby repealed.
9. This resolution shall take effect immediately.

Mayor Messier adjourned the meeting at 6:26 p.m.