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**BRIGHTER  
BOLDER  
BUSINESS**

November 15, 2017

## **HALIFAX INDUSTRIAL DEVELOPMENT AUTHORITY (IDA) REQUEST FOR TERM SHEETS FOR RESTRUCTURING OF ITS LONG-TERM DEBT**

### **Halifax IDA seeks Term Sheets for financing of up to \$16,500,000 based on the following:**

Halifax IDA has current real property assets valued at approximately \$33M, with associated long-term debt of approximately \$8.4M. Over the next 18 months the IDA will complete new projects valued at approximately \$10M. This will result in the IDA holding real property assets valued at approximately \$42M, with associated total debt of \$16.5M. The IDA will also increase its lease income to cover the cost of a holistic restructured long-term debt service and all of its annual operations and maintenance, with surpluses that will make it financially stable and secure without the use of public funds.

### **Considerations**

1. Halifax IDA reasonably believes its properties will appraise at approximately \$42M
2. Current Financing includes the following:
  - ABB Line 3, with a recent appraisal of \$17M and Current Balance of \$5M fully amortized to retirement in October 2023
  - SVTP Building 1, with a last appraisal of \$10.5M and Current Balance of \$3.4M fully amortized to retirement at July 2031.
3. IDA Goals for this Refinancing
  - Commitment by December 1, 2017
  - Closing by January 15, 2018
  - Zero (\$0) IDA Cash Down
  - Best Interest Rate
  - Lowest Closing, Appraisal and Other Associated Financing Costs
  - Interest-Only payments eighteen months from closing
  - Term Sheets to be good until January 1, 2018
  - Thereafter:
    - 15-Year full amortization
    - Fixed Rate
    - No early payment penalty
    - One Closing





- Five (5) to ten (10) years term
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4. IDA will also consider including other Banking Services as offered by the selected debt-servicer. The available services, their advantages and costs, and any and all requirements to use them as a condition of the Terms offered must be disclosed at the time the Terms are offered.
  5. IDA reasonably believes the Proforma of income and expenses for the next five fiscal years (attached) is accurate.

### **Financing Requested**

Term Sheets are **due by 2:00PM on Thursday, November 30, 2017** and can be delivered by email to Matt Leonard IDA Executive Director at [MLeonard@HalifaxVirginia.com](mailto:MLeonard@HalifaxVirginia.com), with copy to Kristy Johnson, IDA Deputy Director [KJohnson@HalifaxVirginia.com](mailto:KJohnson@HalifaxVirginia.com).

### **Attachments**

1. Most Recent Appraisals on all Current and Planned IDA Real Properties
2. Current Leases and Draft Leases Pending on New Construction
3. Draft Construction Contracts for Pending New Construction
4. IDA Audited Financials
5. Estimated Proforma for FY2018 - FY2024

