

AT A REGULAR MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, IN THE COUNTY GOVERNMENT CENTER, 101 MOUNTS BAY ROAD, BOARD ROOM, AT 4:00 P.M. ON THE NINTH DAY OF AUGUST, NINETEEN HUNDRED AND SEVENTY-NINE.

1. ROLL CALL

Mr. Paul Dresser, Chairman
Ms. Diane L. Abdelnour, Vice-Chairman
Mr. Kenneth H. Axtell
Mr. John Barnett, Jr.
Mr. C. Hammond Branch
Mr. Harold N. Poulsen

OTHERS:

Mr. James B. Oliver, Jr.
Mr. Henry H. Stephens, Secretary-Treasurer
Mr. Frank Morton, III

2. MINUTES

The minutes of the July 31, 1979 meeting were deferred.

3. PRESENTATION BY MR. HARRY FRAZIER

Mr. Dresser introduced the Authority members to Mr. Frazier, a bond council from the firm of Hunton and Williams.

Mr. Frazier explained the powers of the Industrial Development Authority. He said that Authorities in Virginia range from those who function solely as a pass through for bond financing to those who attempt to become involved in the applicant's business decisions. He said that the Authority had to make up its own mind on how it would function. The law allows the Authority to operate independent of the wishes of the Board of Supervisors, the County planner, and the County administrator. "If it is legal you can do it regardless of what the County Board or administration wants." He said that the Authority may wish to have a formal application and a set of by-laws, but that these were not necessary. He also said that the substance of the information provided by the applicants to the Authority was more important than the form. He recommended that the Authority remain flexible in the beginning.

Mr. Frazier explained the industrial revenue bond procedure. He said that an inducement resolution must be passed by the Authority before any cost are incurred by the applicant which will be reimbursed

by the bond proceeds. He said that although the original intent of the Industrial Revenue Bond Act was to encourage industrial development, the law had been written loosely and some commercial projects had been financed. He said that his firm insisted that commercial projects be validated by the courts prior to its signing off on the bonds as bond council. He stated that bond issued had been made for as little as \$100,000, but he felt that economically \$500,000 was about the minimum which should be done.

Mr. Frazier explained the limits placed on the bonds by the Internal Revenue Service. He said there was a \$1,000,000 limit to the bond issue which did not restrict future investment and a \$10,000,000 limit which required restricts on future investment. The \$10,000,000 limit on the bond issue requires that investment of the 36 months preceding the bond issue, plus the investment for the 36 months after the bond issue, plus the bond issue must total less than \$10,000,00. Violation of these restrictions could result in the bonds being recalled and loss of the tax free status of the bonds.

Mr. Frazier explained the role of the bond council. He said the bond council offers his opinion on the legality of the bonds and their tax free status. The bond council is usually hired by the applicant, but performs his services for both the investor and the Authority. The council must be acceptable to both the Authority and the investor. He prepares all necessary documents for the bond issue.

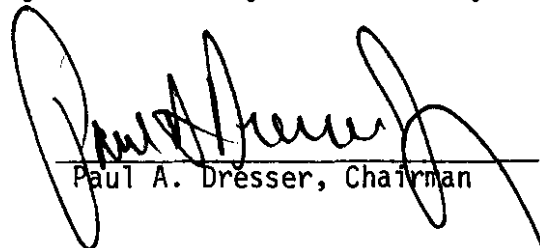
4. MEETING DATE

The next meeting was set for 3:30 P.M. on Thursday, August 23, 1979 at the County Government Center.

5. ADJOURNMENT

There being no further business, the August 9, 1979 meeting of the Industrial Development Authority of the County of James City was adjourned at 6:15 P.M.


Henry H. Stephens
Secretary-Treasurer


Paul A. Dresser, Chairman