

5/7/80

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 3:30 P.M. ON THE TWENTY-THIRD 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. Frank Morton, III  
Mr. Robert Murphy  
Mr. Henry Stephens, Secretary-Treasurer

2. MINUTES - July 31, 1979 and August 9, 1979.

Upon a motion by Mr. Axtell, seconded by Mr. Branch, the minutes of the July 31, 1979 meeting of the Authority were approved as presented.

Upon a motion by Mr. Branch, seconded by Mr. Poulsen, the minutes of the August 9, 1979 meeting of the Authority were approved as presented.

3. ADOPTION OF POLICIES AND PROCEDURES

Mr. Dresser began the discussion of the Policies and Procedures by request that the Authority agree to keep the discussion on general policies and avoid specific discussion on any pending application. He said to facilitate this he proposed that the Authority agree in advance not to act today on the Jolly application and to set a date next week for specific consideration of the application.

By consensus, the Authority decided to meet on Thursday, August 30, 1979 at 3:30 P.M. for the expressed purpose of acting upon the Jolly application.

Mr. Dresser read the staff's proposed policies and procedures statement.

Mr. Poulsen suggested that the application fee was too low and proposed raising the fee.

Mr. Axtell agreed stating that \$100 would not absorb much of the Authority's general operating expenses.

By consensus, the Authority raised the proposed application fee from \$100 to \$200.

Mr. Barnett expressed concern that funding commercial projects may cause the Authority to become little more than a savings and loan for big developers. He said by their nature, industrial revenue bonds must be fairly large issues which leaves out the little guy. He also said that industrial development may be located regionally and thus may be induced to choose one location over another in an area. Commercial development must locate with regards to demand and cannot be induced to locate to a different place within a region.

Ms. Abdelnour said that she felt that the intent of the Code was to allow the inducement of business to locate or expand in a jurisdiction. She said if money is available through conventional sources, then revenue bonds should probably not be used. She also stated that commercial uses might be reasonable projects for revenue bond financing and should be considered on a case by case basis.

Mr. Poulsen said that he agreed with Ms. Abdelnour on the principal of a case by case review of the projects. He said inducement to encourage commercial development in a depressed area of the County may be a good project to finance.

Mr. Dresser stated he would like to include in the policy, statements that the Authority would not issue bonds for projects outside of the County.

Mr. Oliver said that he hoped the Authority would not preclude consideration of bond issues outside of the County. He said that according to the proposed policies, the Authority had the right to refuse to finance any project. He asked the Authority not to do away with the right to say yes to any project.

Mr. Morton stated that a statement to the effect that the applicant would pay all cost had inadvertently been left off the final draft of the Statement of Policies and Procedure. He read a draft of the wording which had been left out and requested it be included in the policy and again in the application form.

By consensus, the Authority agreed to include the draft wording by Mr. Morton which required the applicant to bear all cost of processing the application and the bond issue.

Mr. Dresser stated that he would like the Authority's policy statement to include wording to the effect approval of an inducement resolution was not to imply endorsement by the Authority of the applicant

or his project. He said that he foresaw the Authority being placed in the situation where it would be passing inducement resolutions before projects were approved by the Planning Commission and the Board of Supervisors, and he did not feel that the inducement resolution should be used to infer County approval of the project.

Mr. Poulsen agreed with Mr. Dresser, and said such language should be near the beginning of the policy statement.

By consensus, the Authority agreed to include language suggested by Mr. Dresser to clearly state Authority approval of an inducement resolution did not constitute approval of the project or the applicant's policies.

Upon a motion by Mr. Poulsen, seconded by Ms. Abdelnour, the Authority unanimously approved the Policy and Procedure Statement as amended.

#### 4. ADOPTION OF AN APPLICATION

Mr. Poulsen suggested the Authority use the same application as used by Prince William County Industrial Development Authority. He said he had reviewed it and felt it was a very complete application.

Ms. Abdelnour questioned if it might not be too complete requiring unnecessary information.

The Authority went through the application part by part.

Ms. Abdelnour asked why question U-2 of Part 3 was necessary. She said she did not see the need for information on operating cost.

Mr. Dresser said that according to the Code, operating cost of the new section of an existing facility may effect the amount of the bond issue.

Mr. Poulsen suggested the information be limited the first year of operation and not require detailed breakdown of operating cost.

By consensus, the Authority agreed to change U-2 of Part 3 as suggested by Mr. Poulsen and ask for first year lump sum operating cost of the new and the existing facility.

Mr. Poulsen said that Part 4 (e) should be amended to include a statement that the financial statement does not include a personal financial statement.

By consensus, the Authority agreed to add a statement to Part 4 (e) which clearly says that a personal financial statement is not required.

The Authority agreed that page 11 of the Prince William County Industrial Authority revenue bond financing application did not apply to James City County and was deleted.

Upon a motion by Mr. Poulsen, seconded by Ms. Abdelnour, the application form was adopted as amended.

5. COMMENTS FROM THE AUDIENCE

Mr. A. B. Smith, an attorney representing the Williamsburg Hotel and Motel Association, addressed the Authority. Mr. Smith noted that the York County Industrial Development Authority had adopted a set of guidelines for the approval of commercial bond issues. He urged the Authority to adopt similar guidelines. He pointed out the section of the York guidelines which stated that bonds would only be issued for unique projects and only when they did not create unfair conditions in the market place.

Mr. Poulsen said he had reviewed the guidelines and agreed they were good.

Mr. Oliver stated that he hoped the Authority would not adopt additional restraints on their action than were approved earlier in the general policy statement. He said that the Authority should maintain as much flexibility as possible.

Mr. Dresser said that he agreed with Mr. Oliver that flexibility was important and that the individual members could weigh the factors of each application on a case by case basis in their own minds. If they chose to, the individual members could consider uniqueness and unfair competition before casting their vote.

Mr. Smith said that he did not want to be placed in the position of opposing a specific application, but he felt that a motel in Williamsburg was not a unique project and revenue bond financing of one motel would be disadvantageous to existing motels in the area.

Mr. T. R. Vermillion, a local motel owner, addressed the Authority to say that there was plenty of money available for motels and he felt that if convention financing was available, then revenue bond could not be issued. He referred to information he was given when financing his newest motel which said that revenue bonds would not be made available to him because conventional funds were available. He said financing a competitor's business would be unfair.

Mr. Oliver said that Mr. Vermillion was told the County did not have an active Authority at the time he requested financing and was given the name of a contact at the Ports Authority which issued bonds in the County.

Mr. Dresser said that at the outset, the Authority had said that it was not going to discuss any specific application today and had set next Thursday for that discussion.

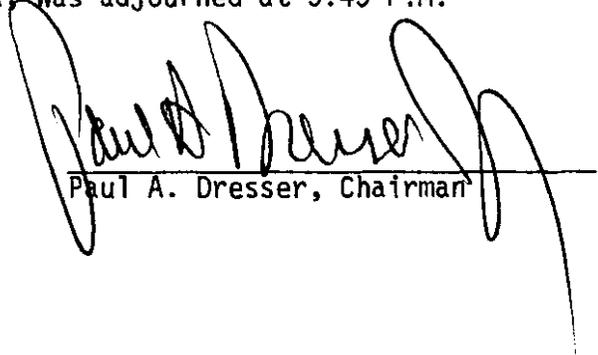
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6. ADJOURNMENT

Upon a motion by Mr. Poulsen, seconded by Mr. Barnett, the August 23, 1979 meeting of the Industrial Development Authority of the County of James City, Virginia, was adjourned at 5:45 P.M.



Henry H. Stephens  
Secretary-Treasurer



Paul A. Dresser, Chairman