

AT A REGULAR MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, IN THE COUNTY GOVERNMENT CENTER BOARD ROOM AT 3:30 P. M. ON THE TENTH DAY OF JUNE, NINETEEN HUNDRED AND EIGHTY-ONE.

1. ROLL CALL

Mr. Paul Dresser, Chairman  
Ms. Diane Abdelnour  
Mr. Kenneth Axtell  
Mr. Hammond Branch  
Mr. John Zimmerman

ALSO PRESENT:

Mr. Henry H. Stephens  
Mr. Frank M. Morton, III

2. MINUTES

Consideration of the minutes of April 29, 1981 were deferred.

3. ADMINISTRATIVE COST

Mr. Stephens presented a staff report on administrative cost. He said that each meeting cost approximately \$50.00 in clerical and copying costs. He also stated that there were other miscellaneous expenses which accrued to the Authority which amounted to approximately \$345.00. If an audit is necessary, it would cost another \$250.00. The total annual indirect expenses of the Authority was about \$800.00, assuming there were four meetings during the year. Mr. Stephens suggested, since the Authority had expressed the desire not to require a subsidy from the County, an increase in the application fee, a closing fee, or both. He recommended adoption of a \$500.00 closing fee.

Mr. Dresser said that he liked the idea of a closing fee instead of an increase in the application fee because it did not become effective until the successful conclusion of an application. This, he said, should be more favorable to the developer because at that time bond proceeds are available to pay the fee.

Mr. Axtell said that he also preferred the closing fee although he would prefer a percentage fee rather than a flat fee. He said that a percentage would be fairer to the small issues. He suggested a fee of .0002% of the principle of the bond at closing.

Mr. Zimmerman said that he felt the concept of keeping the application fee as low as possible, and using the closing fee to help provide a reserve to cover indirect administrative costs, was good.

Upon a motion by Mr. Axtell, seconded by Mrs. Abdelnour, a closing fee of .0002 percent of the face value of the bonds was approved to become effective immediately.

4. 1981 LEGISLATION

Mr. Stephens pointed out the various bills which were adopted in 1981 which impact the Authority. He said that one bill would most likely eliminate the audit expense for the Authority. He said another bill limited the Authority's activity outside of James City County. The limitation made mandatory the Authority's policy of receiving a written request from another jurisdiction's governing body before bonds could be issued within its boundaries.

5. INDUSTRIAL AUTHORITY SEAL

Mr. Stephens requested permission to order a corporate seal for the Authority. He said that he had received a quotation from the National Seal Company in Richmond of \$17.50 for a simple seal without logo.

Upon a motion by Mr. Axtell, seconded by Mr. Branch, a corporate seal consisting of the wording, "The Industrial Development Authority of the County of James City, Virginia" was approved. Mr. Stephens was instructed to order the seal from the National Seal Company in Richmond.

6. RESOLUTION OF APPRECIATION - THOMAS VAUGHAN

Mr. Stephens read the appended resolution of appreciation for Mr. Thomas Vaughan who had resigned from the Authority in May.

Upon a motion by Mr. Axtell, seconded by Mr. Branch, the resolution appended hereto was adopted unanimously.

7. CASE NO. IRB-2-81. MOUNT PLEASANT ASSOCIATES

Prior to the discussion of Case No. IRB-2-81, Mr. Zimmerman indicated that he would abstain from the discussion and any vote on the case because his employer expected to be involved in the financing of the project.

Mr. Joseph F. Phillips, Jr. introduced Mr. Featherstone, a bond council with Hunton & Williams law firm. Mr. Featherstone explained that the proposed resolution of inducement had been reviewed on behalf of the Authority by Mr. Morton and all changes he suggested have been included in the resolution which he distributed. Mr. Morton indicated he had reviewed the resolution and it was acceptable as now worded.

Mr. Featherstone stated that medical offices, the proposed project, were specifically permitted in the Code to be financed by revenue bonds. He said that a small portion of the floor area was for rent and might not be rented to doctors. If so, he said that his firm may recommend a validation suit for the bonds.

Mr. Dresser asked how much of the project might be rented for other than medical uses.

Dr. Henderson stated that 80% of the project was to be used by the principles in the project for medical offices. The second floor in two of the buildings will be available for rent. Because the rental space is on the second floor, he did not want to commit that it would be used for medical offices.

Mr. Dresser asked whether the fact that the site is now owned by a corporation which is controlled by the principles would make land cost non-reimbursable from the bonds.

Mr. Featherstone said that his preliminary opinion was that it would not; however, if it did create a problem, land cost would be eliminated from the final bond resolution.

Mr. Dresser stated that the new jobs and increased tax base alluded to in the application were reasons to support the application; however, this site was within the proposed annexation area of the City of Williamsburg. He asked if this would impact the bonds.

Both Mr. Featherstone and Mr. Morton indicated it should not.

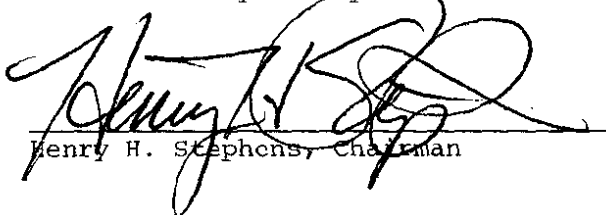
Mr. Morton indicated that any annexation could not be completed prior to January 1983, and that he understood this project would be constructed before then.

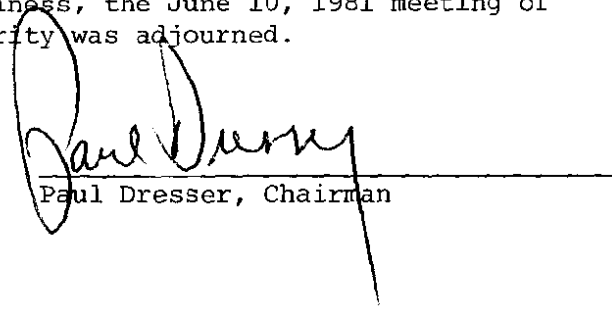
Upon a motion by Mr. Axtell, seconded by Mrs. Abdelnour, the resolution of inducement for Case No. IRB-2-81, Mount Pleasant Associates, was approved as presented.

Mr. Zimmerman abstained from the vote.

8. ADJOURNMENT

There being no further business, the June 10, 1981 meeting of the James City County Industrial Authority was adjourned.

  
Henry H. Stephens, Chairman

  
Paul Dresser, Chairman