

AT A REGULAR MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, IN THE COUNTY GOVERNMENT CENTER BOARD ROOM AT 4:00 P.M. ON THE NINTH DAY OF OCTOBER, NINETEEN HUNDRED AND EIGHTY-FIVE.

1. ROLL CALL

Mr. Kenneth Axtell, Chairman  
Mr. Hammond Branch  
Mr. Paul Dresser  
Mr. C. Forrest Miller  
Mr. Harold Poulsen  
Mr. John Zimmerman

OTHERS:

Mr. John E. McDonald, Secretary/Treasurer  
Mr. Frank M. Morton, III, County Attorney

2. PUBLIC HEARING - WILLIAMSBURG OXFORD ASSOCIATES, FIRST MORTGAGE GROSS RECEIPT BONDS, \$25,000,000

Mr. Axtell opened the public hearing.

Mr. Jerry Glaser presented the application of Williamsburg Oxford Associates for the purposes of IDA approval for \$25,000,000 in first mortgage gross receipt bonds to allow for the construction and equipping of the Monticello Avenue Retirement Center. Mr. Glaser indicated that he had previously provided to the Board a copy of the prospectus, a description of the project, and an indication of the use of the proceeds. He indicated that he would be happy to answer any questions.

There being no further comments, Mr. Axtell closed the public hearing.

In response to a question from Mr. Poulsen, Mr. Glaser indicated that rentals would generally range between \$1,070 to \$1,650 a month and that Federal law required the set-aside of 20 percent of the units as low-income rentals as a condition of the bond. In addition, there would be some operating reserve requirements and site development costs covered in the issuance of the bonds. In response to a question from Mr. Branch, Mr. Glaser indicated that rental to the elderly would be restricted to the elderly. These rentals would not be offered up to the general public for several reasons. The first reason is the condition of the bond issue that the IDA was marketing bonds under a separate category for "homes for the aged." He also indicated that the amenities provided by the retirement community would not be

of benefit to the normal public given the cost of the units. He also indicated that conditions had been placed on the rezoning by the Board of Supervisors that prohibited the company from renting units to anyone other than the elderly.

In response to questions from Mr. Dresser, Mr. Glaser indicated that the financing package of \$300,000,000 was placed for projects across the country and that \$300,000,000 had been fully subscribed. Mr. Dresser commented on the "Country Club" service, the availability of a restaurant, and the one meal a day provided in the basic rent. He also indicated that a 16 percent investment return seemed extraordinarily high for a tax-exempt issue and there appeared no doubt that this issue would sell very quickly. Mr. Glaser indicated that the basic interest was 8-3/4 and that the residual interest pushing the investment return to 16 percent would occur only in the circumstances of an excess cash flow or the sale of the property. Mr. Poulsen commented on the idea that Oxford Associates is only a 15-year partnership and asked what would happen at the end of 15 years. Mr. Glaser indicated that the project could be sold, but probably would be refinanced after 15 years. The project requirements would continue to exist after the bonds are retired under the County's planned unit development requirements.

There being no further discussion, and on a motion by Mr. Poulsen to approve the project, seconded by Mr. Branch, the Board voted on a roll call vote of 5-0 to approve the motion, with one abstention. Mr. Zimmerman indicated that United Virginia Bank had recently been asked to serve in a financial advisory capacity to the project and noted that he had abstained from both the discussion and the vote on the project.

3. PUBLIC HEARING, BURNT ORDINARY, \$2,100,000

Mr. Axtell opened the public hearing.

Mr. Harry Costel, representing the applicant, presented the proposal for Burnt Ordinary. He indicated that the proposal being presented was less than that requested in the initial application. The project had been downsized from 75,000 planned square feet to 60,000 planned square feet, and with the revised cost estimate and the revised market study, the request had been downsized. The formal August 1st letter of commitment from United Virginia Bank continues to exist, but the requirements are reduced.

There being no further comments, Mr. Axtell closed the public hearing.

Mr. Dresser indicated that the project was proposed for financing with a 77 percent mortgage and a 23 percent partner equity. He indicated that, although the project would go to the State reserve for funding, the equity contribution was important. Mr. Poulsen agreed and said he considered the project as a commercial retail project in the Upper County to be a good one.

Mr. Branch indicated that he had some concern that the news release relating to the project disturbed citizens in Toano. This relates to the low-income housing proposed as part of the Beacon Development project. Mr. Costel indicated that the Farmers Home financing for middle-income housing

called for a range of rentals of \$300 a month for what would be very small apartment units. It is directed at middle income, rather than low-income families.

A motion by Mr. Dresser, seconded by Mr. Poulsen, the application for Burnt Ordinary was approved on a 5-0 roll call vote. Mr. John Zimmerman abstained from both the discussion and the vote due to United Virginia Bank's involvement with the project.

4. PUBLIC HEARING - MLB CORPORATION, \$2,950,000

Mr. Axtell opened the public hearing.

Mr. David Richardson and Mr. Beverly Armstrong made a presentation on the part of the applicant for the project. Mr. Armstrong indicated that MLB is the fifth largest bowling center operator in the country and that, should the resolution be approved, the project would involve the relocation from the current Colony Lanes Bowling Center in the Williamsburg Shopping Center to a location at the intersection of Richmond Road and Olde Towne Road. The current facility is old, undersized, and the corporation is unable, in leased facilities, to provide for the upgrade and amenities necessary to make the current facility attractive as a bowling alley. He indicated that bowling is the highest participation sport in the County, that the facility would attract tournaments with visitors from all over the State and requested the Board's participation and approval in the financing. Mr. Armstrong, in response to a question from Mr. Branch, indicated that the corporation would use only that part of the 12-acre tract identified that was necessary for the bowling center. Existing buildings on the property, which provide rental housing, would either be moved or torn down. Mr. Armstrong indicated that this was the first bowling center where they were looking for industrial revenue bond financing, but that their corporate equity and corporate cash flow was sufficient to allow for 100 percent bond financing through United Virginia Bank for the project.

There being no further comments, Mr. Axtell closed the public hearing.

Mr. Poulsen indicated that he agreed with the assessment that the current facility was inadequate as to its size, its conditions and location. The corporation doesn't own it, the current lease is expiring and little improvements can be made to the property. Mr. Armstrong, in response to a questions from Mr. Poulsen, indicated that the majority of the employees would be part-time, but with the expansion from 20 to 40 lanes, there would be the equivalent addition of 10 full-time positions. He also indicated that the proposed facility was not too far out of town because many of the bowlers were coming from the Upper County and from New Kent and Charles City as well.

Mr. Dresser indicated that he thought the project to be a good one, but that he could not approve financing of 100 percent. On a motion by Mr. Dresser, seconded by Mr. Poulsen, the resolution was amended from \$2,950,000 to \$2,250,000, or 75 percent of the estimated investment in the project. On a roll call vote, the amendment was approved on a 5-0 vote, with one abstention.

On a motion by Mr. Dresser, seconded by Mr. Poulsen, the amended motion was passed on a 5-0 vote, with Mr. Zimmerman abstaining. Mr. Zimmerman indicated that he is required to abstain from both the discussion and the vote due to United Virginia Bank's involvement in the financing for the project.

After some discussion, Mr. Poulsen agreed to represent the IDA in the upcoming meeting of the Board of Supervisors for the purposes of presenting the Oxford, MLB, and Burnt Ordinary resolutions to the Board of Supervisors for their approval.

5. BOND CLOSING - SERVICE METAL FABRICATORS, \$500,000

Mr. David Richardson presented the resolution for approving the bond closing for Service Metal Fabricators, Inc. On a motion by Mr. Zimmerman, seconded by Mr. Miller, the resolution passed on a 6-0 roll call vote.

There being no further business, the meeting was adjourned at 5:00 p.m.

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John E. McDonald  
Secretary/Treasurer

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Kenneth H. Axtell  
Chairman

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## Minutes

1. On a motion by Mr. Zimmerman, seconded by Mr. Branch, the minutes of the August 28, September 11, and October 9, were approved on a 6-0 vote.
2. Posing resolution for C & N Partnership was presented by Mr. George Consolvo for \$2,500,000 in Industrial Revenue Bonds. In response to a question from Mrs. Abdelnour, Mr. Consolvo indicated that the deed would be conveyed to the IDA, but not recorded, and then sold in the form of two deeds of trust. It would not be a deed of assumption as is sometimes done in Industrial Revenue Bond closings. There being no further discussion and on a motion by Mr. Zimmerman, seconded by Mr. Dresser, the resolution was approved on a 6-0 vote.
3. Closing resolution for MLB, Inc. in the amount of \$2,250,000 was presented by Mr. Bill Strickland, Bond Counsel for MLB. There being no discussion, the motion to approve the resolution was made by Mr. Branch, seconded by Mr. Dresser, and the resolution was adopted on a 5-0 vote. Mr. Zimmerman abstained.
4. Bond resolution for Burnt Ordinary was presented by Mr. Conway Sheild and Mr. Herb Kelly. Upon discussion of the allocation process by which the principals of Burnt Ordinary were advised only one week previously that funding was available for this fiscal year. Mr. Morton and Mr. Sheild clarified certain issues in the preliminary documents and there being no further discussion, Mrs. Abdelnour moved the approval of the resolution, seconded by Mr. Dresser and the resolution passed on a 5-0 vote. Mr. Zimmerman abstained.

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Discussion centered on establishing a meeting date for January. The Chairman indicated that he would be out of town on the regularly scheduled date of January 8th and suggested the meeting be rescheduled to January 15th. There being no disagreement, the meeting date was set for January 15th, at 4:00 p.m. for the next meeting of the IDA.

Mr. McDonald advised that Mr. John Brown would probably assume responsibility of Secretary for the IDA beginning at the first of the year.

There being no further business, the meeting adjourned at 4:30 p.m.

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