

RESOLUTION

CREATION OF THE NEW TOWN COMMUNITY DEVELOPMENT AUTHORITY

AND THE NEW TOWN COMMUNITY DEVELOPMENT AUTHORITY TAX DISTRICT

- WHEREAS, the Board of Supervisors of James City County, Virginia, ("County Board") has received a petition ("Petition") requesting the creation of the New Town Community Development Authority ("Authority") and the New Town Community Development Authority Tax District ("District") pursuant to Virginia Code Section 15.2-5152 *et seq.* from landowners representing at least fifty-one percent of the acreage of all the land within the boundaries of the proposed District ("Petitioners"); and
- WHEREAS, the Petition complies with the requirements of Virginia Code Section 15.2-5154 *et seq.*; and
- WHEREAS, notice has been given pursuant to Virginia Code Section 15.2-5156, by publication for three successive weeks in a newspaper of general circulation in James City County; a public hearing was held on the question of the adoption or approval of the resolution creating the Authority and the District and a copy of this resolution was delivered to the Petitioners; and
- WHEREAS, the County has approved a rezoning of the land of C. C. Casey Limited Company ("Casey"), one of the Petitioners, within the District from M-1, Limited Business/Industrial, to MU, Mixed Use, with proffers and from M-1, Limited Business/Industrial, and R-8, Rural Residential, to R-8, Rural Residential, with proffers, and in conjunction therewith has approved Master Plans for the development of the land within the District (the "Master Plans"); and
- WHEREAS, the development of the Property generally in accordance with the above described Master Plans, as amended from time to time, will benefit the County in a number of ways as set forth herein; and
- WHEREAS, the Petitioners and the County desire to provide for the orderly and appropriate development of the Property in a comprehensive and coordinated way generally in accordance with the Master Plans described above, as the same may be amended from time to time, so that the desired balance between neo-traditional urban/village design, land development, transportation, public improvements, and economic considerations can be maintained; and
- WHEREAS, the Petitioners and the County have determined that a Community Development Authority has the greatest opportunity for providing for the desired coordination and balanced development of the Property; and
- WHEREAS, the Petitioners wish to join with the County to forge an important public-private partnership designed to implement a carefully balanced plan for the development of the Property; and
- WHEREAS, the proposed improvements to be financed and constructed by the Authority would be in accordance with the County's Comprehensive Land Use Plan for the development of the land within the District and would promote development of the land within the District in a neo-traditional urban/village design avoiding many of the issues with traditional suburban development and would promote economic development by creating new construction jobs

and increasing the real estate tax rolls. In addition, the proposed improvements will provide services adequate to support the neotraditional urban/village development, including the business development therein, envisioned by the County's Comprehensive Plan for this area and will allow the Property to be developed in a more orderly manner than would be possible with traditional financing methods; and

WHEREAS, the proposed transportation improvements would substantially improve traffic movement through the land within the District years earlier than otherwise possible and improve transportation access for County residents; and

WHEREAS, the proposed commercial development in the District would maintain the appropriate balance between desirable growth and economic development; and

WHEREAS, the creation of new stormwater management facilities and the widening of certain floodplain channels contribute to the health, welfare and safety of residents of the County and contribute to the protection of the environment; and

WHEREAS, the proposed improvements will result in increases in the County's tax base, which benefit all residents in the County; and

WHEREAS, the improvement of civic spaces within the Property will benefit all residents in the County; and

WHEREAS, the development of the Property as envisioned by the aforementioned Master Plans, as amended, will create a town center for the County enhancing the civic and economic vitality of the County; and

WHEREAS, the creation of the proposed district is in the best interests of the residents and owners of the property within the District and in furtherance of the public health, safety and general welfare.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby:

1. Creates the New Town Community Development Authority and the New Town Community Development Authority Tax District pursuant to Virginia Code Section 15.2-5152 *et seq.* The District includes the Tax Map Parcels listed on attachment A-1 and the boundaries of the District are shown on attachment A-2.
2. Declares that the purpose of the District is to finance and construct certain infrastructure and public improvements, including, public sewers; stormwater management ponds and facilities; public floodplain channels; water lines; and public road improvements (roads, sidewalks and related facilities); and improvements to civic spaces (the civic green and the civic square) and a trail system. A specific list of the facilities and improvements to be provided by the Authority is attached as Exhibit C. The Authority will not finance or construct any other facilities or improvements without the prior approval of the Authority Board and the County Board. The Petitioners shall cooperate in granting each other the necessary easements in mutually agreeable locations to provide access to the facilities and improvements constructed by the Authority. The Authority will not own or maintain any facilities or improvements on a long-term basis and shall convey all facilities and improvements to the appropriate public entity or to a property owners association within

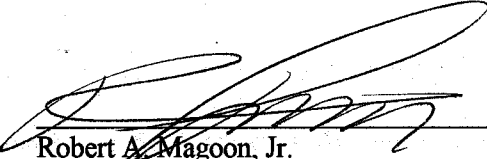
a reasonable time after their completion. The Authority shall not provide services which are provided by, or are obligated to be provided by, any authority already in existence whose charter requires or permits service within the District, unless the existing authority first certifies to the County Board that the services provided by the Authority will not have a negative impact on the existing authority's operational or financial condition.

3. Provides that the board of the Authority ("Authority Board") be structured and appointed as follows. The Authority Board shall consist of five members. Two members shall be appointed by the County Board without restriction as to their identity (the "County Members"). Initially, two members shall be designated by Casey for appointment by the County Board (the "Landowner Members"). Casey shall retain the right to designate two members for appointment to the Authority Board until the later of (i) the date upon which the liquidity requirements imposed upon Casey by the bondholder have terminated as described in Section 8 of this Resolution and any other obligations of the Authority to Casey have been satisfied or (ii) the date Casey ceases to own at least 25 percent of the real property designated on attachment A-1 as the Casey Parcel. Thereafter, the right to designate the Landowner Members for appointment to the Authority Board shall vest in the Board of Directors of the master property owners association for the land within the District. The Petitioners and the County may agree upon another method of appointing the successors to the Landowner Members. The fifth member of the Authority Board shall be appointed to the Authority Board by a majority of the other four Authority Board members. The County Members and the Landowner Members shall each serve a term of four years, provided, however, that the initial term of such members may be less than four years to establish staggered terms for Authority Board members. The fifth member of the Authority shall serve a one year term. Members of the Authority Board may succeed themselves and may serve an unlimited number of terms. Any vacancy on the Authority Board shall be filled by appointment of a new member in the same manner as the departing member was appointed. Alternate Board members may be appointed in accordance with Va. Code §15.2-5113.
4. States that upon the written request of the Authority Board, (i) the County Board should adopt a resolution to impose an annual special real estate tax assessment ("District Tax") commencing on the later of (a) January 1, 1998, or (b) the closing of the bond issuance described herein at a maximum rate of twenty-five cents per \$100 of the assessed fair market value of any taxable real estate within the District at the time the District is created and (ii) the County Board should adopt a resolution to impose a special assessment on all real estate within the District payable at the time of the initial sale or transfer thereof by any of the Petitioners ("District Assessment") in the amount of 10 percent of the purchase price or value of the consideration for the transfer. In addition, Petitioners request that upon the written request of the Authority Board, the Board impose a special supplemental assessment (the "Supplemental Assessment") upon real estate within the District sold to governmental entities or not-for-profit organizations exempt from annual real estate taxes in the amount requested by the AUTHORITY Board representing that parcels' prorata share of infrastructure and public improvement costs in lieu of the District Tax and request that the initial Supplemental Assessment be set at \$23,000.00 per acre. All revenue received by the County pursuant to the District Tax, the District Assessment and the Supplemental Assessment shall be paid over to the Authority for its use in accordance with the Act and this resolution creating the District, subject to annual appropriation.

5. Directs the Authority to reimburse the Petitioners for all reasonable costs and expenses incurred in the formation of the Authority and the District, including legal, consulting, engineering fees, and other reasonable and appropriate costs in an amount not to exceed \$75,000.00.
6. Provides that the District may be abolished at any time by a resolution passed by the County Board (i) upon its own motion or (ii) upon the joint petition of the Authority Board and the owners of land constituting at least fifty-one percent (51%) of the acreage or the assessed value of the land area located within the District; provided that the District may not be abolished while any District obligation remains outstanding.
7. The facilities and improvements shall be constructed by the Authority upon availability of funding and the Authority will not commence construction of a facility or improvement until the Authority Board is satisfied sufficient funding is available to the Authority to for the completion of such facility or improvement. The Authority Board shall consult with the Petitioners regarding the timing of the construction of facilities and improvements and take into account the land sales and development needs of Petitioners. Authority may contract for the construction of the planned facilities and improvements. The total estimated costs of the facilities and improvements is approximately \$7,425,450.00. The Authority will obtain the necessary financial resources to provide funding for such facilities and improvements through the issuance of revenue bonds as described herein, through the proceeds of the District Assessment and the Supplemental Assessment or contractual payments in lieu of the District Assessment and through other funds available to the Authority, if any. The Authority will issue revenue bonds in a private placement secured by a pledge of the revenue received by the Authority from the County from the District Tax, the District Assessment and the Supplemental Assessment. Currently, a single bond issue of approximately \$4,000,000.00 is expected in 1998. However, timing and phasing of the bond issue could be adjusted to meet development requirements. Bond proceeds will be used for purposes permitted under Virginia law, including, the construction and acquisition of the facilities and improvements described herein, payment of interest during construction, and payment of bond issuance costs. It is anticipated that the bonds will be deemed "bank-qualified" bonds within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986 and will be purchased by a local bank(s) in a private placement. Bond proceeds will not be funded at closing but will be funded as necessary to make Authority construction payments. As a condition of advances of bond proceeds, the bondholder will require Casey to enter into a separate liquidity agreement with the bondholder under which Casey will agree to (i) meet certain liquidity requirements and (ii) to provide for debt service payments on the bonds if the Authority is unable to make such payments. In addition, the amount of bond proceeds advanced by bondholder will be limited by the separate liquidity agreement. The bonds will pay interest only for the four-year development period and will amortize thereafter over a 20-year period. The Authority will make every effort to prepay the bonds prior to their scheduled maturity with any excess funds, if any, from the District Tax, the District Assessment and the Supplemental Assessment payments and through other funds available to the Authority, if any. Following the end of the four year development period, at such time as the annual District Tax is generating sufficient funds, net of District operating costs, to pay an amount equal to 120 percent of annual debt service on the Authority bonds, the liquidity requirements imposed upon Casey will terminate. Funds received by the Authority from the proceeds of the District Tax will be used by the Authority only to fund Authority operating expenses, reserves and to repay Authority

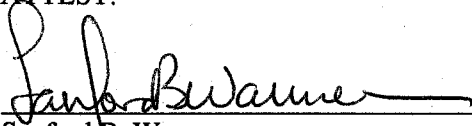
obligations. The Authority shall reimburse the Petitioners for amounts paid by Petitioners to bondholder pursuant to the liquidity agreement to meet obligations of the Authority which the Authority is not able to meet at the time when due. In no event will land or real property assets outside the District be taxed or assessed, nor shall the County be obligated to make payments from the County's revenue sources or assets in order to pay debt service on the Authority bonds. The Authority's revenue bonds shall not constitute a pledge of the full faith and credit of or constitute an obligation of the County but shall be payable solely from revenues received by the Authority.

8. Confirms the intention of the Williamsburg-James City Courthouse and the Authority to enter into a contract pursuant to which the Williamsburg-James City Courthouse will make a payment to the Authority in the amount equal to \$23,000.00 per acre for the total acreage in the parcel upon which the Williamsburg-James City Courthouse is to be constructed and the Authority will finance and construct certain utilities and stormwater management facilities that will serve the Williamsburg-James City Courthouse.



Robert A. Magoon, Jr.
Chairman, Board of Supervisors

ATTEST:



Sanford B. Wanner
Clerk to the Board

<u>SUPERVISOR</u>	<u>VOTE</u>
EDWARDS	AYE
BRADSHAW	AYE
SISK	AYE
DEPUE	AYE
MAGOON	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 22nd day of December, 1997.

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