

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 TWENTY-SEVENTH DAY OF MAY, NINETEEN HUNDRED AND EIGHTY.

1. ROLL CALL

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

OTHERS:

Mr. Frank Morton, III
Mr. Henry H. Stephens, Secretary-Treasurer

2. MINUTES

Upon a motion by Mr. Branch, seconded by Mr. Poulsen, the minutes of the May 7, 1980 meeting were approved as presented.

3. CASE NO. IRB-1-80. CONSIDERATION OF AN APPLICATION OF Mr. Ivan Stern for revenue bond financing of a factory outlet shopping center.

Mr. Dresser noted that the Authority had received a letter from Mr. Stern indicating his desire to withdraw his application. He said if there was no objection from any Authority members, this case would be considered withdrawn.

4. CASE NO. IRB-3-80. CONSIDERATION OF AN APPLICATION OF Mr. David W. Ware for revenue bond financing of a factory outlet shopping center.

Mr. David W. Ware Jr. made the presentation on behalf of the applicant Mr. David W. Ware Sr. He explained that they were negotiating with a developer from Memphis who had experience in the development of factory outlet shopping center. He passed out a sketch of a building built in the shape of a cross which had been developed in Memphis by the firm. He said that the Williamsburg mall would be twice as big as the one in the sketch and would consist of two crosses.

The purpose for this was to get enough space to provide a good product mix. He said that he would request that the figures in the application be doubled since they were based upon the original single cross concept. Since the Authority had recently reviewed the factory outlet concept with another application, Mr. Ware said he would not go through it again. He said that he would prefer to respond to questions if the Authority had any.

Mr. Poulsen said that doubling the figures was too simplistic. He said he felt much more refinement must be done to get a good cost estimate. He also said that he did not feel the application was complete and should not be considered at this time.

Mr. Dresser suggested that the Authority go forward with its questions.

Mr. Dresser asked Mr. Ware to clarify if any bond money would be applied toward existing shops in Colonial Towne Plaza shopping center.

Mr. Ware replied, "None."

Mr. Poulsen, commenting upon the sketch passed out by Mr. Ware, asked who would be the architect on the project.

Mr. Ware said he was not at liberty to say at this time.

Mr. Axtell asked Mr. Ware to explain the difference, if any, from the proposed project and the Reading, Pennsylvania concept.

Mr. Ware said that the shopping center in Memphis was the first center built solely for factory outlet sales. The Williamsburg project would be closely modeled after that center. Reading was developed in many older existing buildings in a downtown area.

Mr. Poulsen said he wanted to confirm that Mr. Ware was looking for a partner to participate in the project.

Mr. Ware said that was correct.

Ms. Abdelnour said that she was troubled in the resolution by the phrase "or entity chosen by him" which referred to who would benefit from the bonds.

Mr. Ware said he felt that phrase was included to cover the potential partners with whom he was now negotiating.

Ms. Abdelnour stated that she felt the Authority intended to be approving applicants and that without the negotiations with Mr. Ware's potential partners complete, that there was no single applicant at present.

Mr. Poulsen said that he too was troubled by the resolution of inducement. He said that the resolution seemed to use "and" and "or" interchangeably and also changed in several places to refer to the applicant as "company." He read through several examples.

Mr. Ware said that his attorney could not be present and he could not answer any legal questions about the resolution.

Ms. Abdelnour expressed concern that Mr. Ware's attorney was not present. She asked Mr. Morton, the County Attorney, if he had discussed any of these problems with bond council.

Mr. Morton said he had not.

Mr. Ware said he would have been less than honest if he had not told the Authority about the potential partnership; however, if it would make any difference in the resolution he would be willing to amend it to make it exclusively apply to Mr. David W. Ware Sr.

Mr. Dresser said that everyone knew that the Authority had approved one resolution for a similar project several weeks ago. He asked Mr. Ware if he planned to go forward if the other shopping center began construction first.

Mr. Ware said that he felt that there would only be one mall in the Williamsburg area and that whichever one began first would cause the other to reevaluate their plans.

Mr. Barnett asked if any leases or lease agreements had been signed.

Mr. Ware said no, that was a major reason for trying to establish a partnership since the Memphis people have the contacts.

Mr. Poulsen asked about the potential impacts of the pending law suit against the applicant.

Mr. Ware said the potential financial loss as the result of an unfavorable judgement was less than \$10,000.

Mr. Branch said that he continued to be concerned about the lack of information about the potential partnership.

Mr. Ware again offered to amend the application and resolution if the Authority would approve it immediately.

Mr. Poulsen said he would prefer that it be amended and resubmitted at a later date.

Ms. Abdelnour asked if it would not be proper to have Mr. Ware's wife sign the application or deleted from the financial statements.

Mr. Dresser said that the application should reflect the financial strength of the financial entity which will guarantee the bonds.

Upon a motion by Mr. Poulsen, seconded by Mr. Barnett, the Authority voted unanimously to defer Case No, IRB-3-80 until the appropriate amendments to the application were made and reviewed.

Mr. Dresser instructed the staff to work with the applicant to make arrangements for another meeting. He said a special meeting will be scheduled if necessary, so as not to unduly delay the applicant.

5. OTHER BUSINESS

A. Fiscal Year

Mr. Dresser read the resolution which would set the fiscal year as running from July 1 to June 30 which is the same year as the County government uses. He said he felt that for convenience that the Authority ought to be consistent with the County.

Upon a motion by Mr. Axtell, seconded by Ms. Abdelnour, the resolution establishing July 1 to June 30 as the Authority's fiscal year was adopted unanimously.

B. Bonds

Mr. Stephens said that it was customary to get bonds for the Authority's protection, covering those with signatory power over funds. He suggested that the Authority get a \$5,000 bond, but presented quotations for bonds of \$1,000, \$5,000, and \$10,000. The quotes were from the County's insurance agents, Higgins & Johnson of Richmond.

Upon a motion by Mr. Poulsen, seconded by Mr. Axtell, the Authority authorized the staff to purchase a \$5,000 bond covering the Chairman, Vice-Chairman and the Secretary-Treasurer with a three-year prepaid premium of \$185.00.

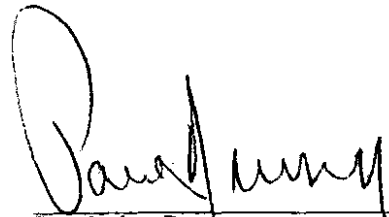
C. Procedure

After some discussion, Mr. Dresser instructed Mr. Morton and Mr. Stephens to get together and develop a proposed set of operating procedures for the Authority to be presented at the next Industrial Development Authority meeting.

6. ADJOURNMENT

There being no other business, the May 27, 1980 meeting of the Industrial Development Authority of the County of James City was adjourned at 5:30 P.M.


Henry H. Stephens
Secretary/Treasurer


Paul A. Dresser
Chairman