

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 FIFTH DAY OF AUGUST, NINETEEN HUNDRED AND EIGHTY.

1. ROLL CALL

Mr. Paul Dresser, Chairman
Mr. John Barnett
Mr. Hammond Branch
Mr. Harold Poulsen
Mr. Thomas Vaughan
Mr. Kenneth Axtell*

OTHERS

Mr. Henry H. Stephens
Mr. Frank M. Morton
Mr. James B. Oliver, Jr.

*Mr. Axtell was not present during the discussion or vote of Case No. IRB-3-80.

2. MINUTES

Upon a motion by Mr. Poulsen, seconded by Mr. Branch, the minutes of the May 27, 1980 meeting were approved as presented.

3. CASE NO. IRB-3-80. CONSIDERATION OF AN APPLICATION OF MR.

David W. Ware on behalf of a general partnership, Ware, Savage and Wilson, for revenue bond financing of a shopping center off of Route 60 near the Williamsburg Pottery Factory.

Mr. Geddy, the applicant's attorney, briefly explained the request for financing and introduced Mr. Wilson, one of the partners.

Mr. Wilson told the Authority briefly who he was and how he became involved in the factory outlet shopping center concept. He said he was founder and past chairman of the board of Holiday Inns, Inc. He said he had formed a partnership with Mr. Savage to develop a new kind of shopping center in Memphis. This shopping center was the first "built-from-scratch" factory outlet center. He said the Memphis center had been very successful and they were now doubling the size. He related to a study done with the tenants in Memphis which picked Williamsburg as the second most desirable location for a factory outlet shopping center in the Country. Reading, Pennsylvania, was named the most desirable location. His firm is presently planning to construct eight of these shopping centers around the Country. Locations, besides Williamsburg, include Reading, Pennsylvania; Orlando, Florida; and Oklahoma City.

In describing the proposed Williamsburg facility, Mr. Wilson said that it would resemble the Memphis facility but would be much larger. The Williamsburg center is expected to be 320,000 sq. ft. of gross area and 280,000 sq. ft. of leaseable area. This is twice the size of the shopping center in Memphis. Mr. Wilson said the additional size is based upon expected demand and also the desire to expand the store mix.

Mr. Wilson introduced Mr. Savage who answered the Authority's questions about the Williamsburg shopping center. Mr. Doyle Savage addressed the Authority. He said that, as Mr. Wilson had stated, response to the proposed mall in Williamsburg had been very good. Over 150,000 sq. ft. of space had already been spoken for in the Williamsburg facility. He said that because of their experience in Memphis he felt that the company of Savage and Wilson was respected by the manufacturers who might open outlets in such a shopping center. Explaining the benefits of the complex to James City County he related to a report which was included in the application for revenue bonds. He said it was obvious that there would be substantial tax benefits accruing to the County. Employment, according to Mr. Savage, would be substantial and be drawn mostly from the local population. In Memphis, all of the 500 employees had come from the Memphis area. Many of these jobs were secondary incomes for families where spouses and teenagers worked in the shops, and who might otherwise not find employment. Mr. Savage said he would like to answer any questions the Authority members might have.

Mr. Poulsen asked when the shopping center was expected to open.

Mr. Savage stated the projected opening was November, 1981.

Mr. Poulsen asked if the bond application was not approved, would the center be constructed.

Mr. Savage said that, as developer, he would have to take a "good hard look" at the project.

Mr. Dresser asked if Mr. Savage felt the local population base could support the project.

Mr. Savage said that he did not expect the local population to have to support it. He said they were looking at a regional center to serve the area from Washington to parts of North Carolina. He also said that within about an hour's drive of the center was a population twice the size of Memphis. He said the developers were not concerned about the market.

Mr. Branch asked if pulling all of these outlet stores together would save energy and produce economies for the store operators.

Mr. Savage said that this was the concept. The mall would allow for planned trips, carpools and bus tours. The concentration allows the bargain outlets to become an attraction if the merchandise is good and the prices attractive. The key would be to get good tenants with good products.

Mr. Geddy addressed the Authority. He said that he wished to hand out a letter from United Virginia Bank expressing an interest in financing the project. He also handed out personal financial reports on the applicant. Mr. Geddy asked if the reports could be reviewed and then returned.

Mr. Poulsen asked if Mr. Geddy or Mr. Airey, the applicant's attorneys, had an opinion on the use of bonds for commercial establishments.

Mr. Airey responded to Mr. Poulsen's question by stating that there had been several issues already done in Virginia for commercial projects. He said that it would be his recommendation that a validation suit be filed in the Circuit Court to establish the validity of the issue if the Authority approved the Resolution of Inducement.

Mr. Dresser asked if the cost of the land ought to be included in the cost.

Mr. Airey said that this was not necessary because the land was purchased over 10 years ago.

Mr. Dresser asked about a plan which indicated a motel would be built on the same site.

Mr. Airey said that because of the \$10,000,000 limitation the motel had been dropped from the project.

The Authority took a fifteen minute recess to review the financial information given to them by Mr. Geddy.

Mr. Dresser called the Authority back to order. He asked if there were any other questions by Authority members about either the application or the new financial information. There were no questions.

Mr. Poulsen said that this was the second time this proposal had been brought to the Authority and he would like to compliment the applicants for the professional preparation and presentation of the data this time.

Mr. Dresser said that it is obvious that the project will benefit the County by increasing revenues through property taxes and sales taxes, from the increases in employment opportunities for area residents, and from the attraction of new tourists to the area.

Upon a motion by Mr. Poulsen, seconded by Mr. Vaughan, the Resolution of Inducement was approved, as submitted, by a unanimous vote.

4. OTHER BUSINESS

A. Annual Report - Mr. Stephens briefly reviewed the annual report. He said that during its first year of operation, the Authority had heard four applications and as of this evening had approved two of them. One application had been withdrawn and one application had been denied. No bonds had been sold.

B. Organization for the next year - Upon a motion by Mr. Vaughan, seconded by Mr. Poulsen, the officers for FY80 were renominated for FY81.

Mr. Paul Dresser, Chairman
Mrs. Diane Abdelnour, Vice President
Mr. Henry Stephens, Secretary/Treasurer

Upon a motion by Mr. Branch, seconded by Mr. Barnett, the nominations were closed and the officers were elected by acclamation.

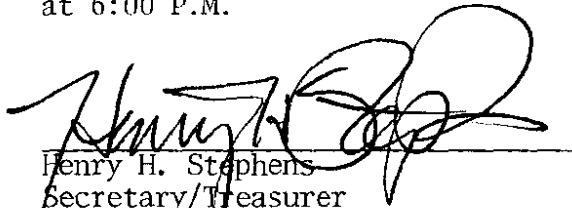
C. Consideration of operation procedures - Mr. Dresser said that because of the lateness of the hour, if there were no objections he would defer this topic until the next meeting.

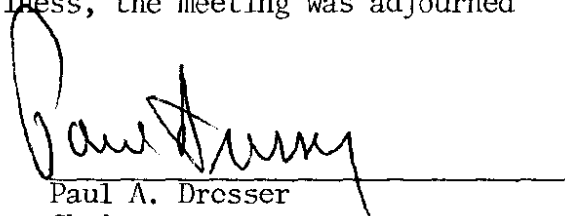
D. Retention of an accountant - Mr. Stephens said that he felt the memorandum was self-explanatory. The Authority's books must be audited and the firm of Hall, Cotman, Garrison and Roseberry was familiar with the County and Service Authority accounting procedures, so they were recommended to the Industrial Development Authority by the staff.

Upon a motion by Mr. Poulsen, seconded by Mr. Branch, the firm of Hall, Cotman, Garrison and Roseberry was appointed to audit the Authority's books.

5. ADJOURNMENT

There being no further business, the meeting was adjourned at 6:00 P.M.


Henry H. Stephens
Secretary/Treasurer


Paul A. Dresser
Chairman