

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-NINTH DAY OF APRIL, NINETEEN HUNDRED AND EIGHTY ONE.

1. ROLL CALL

Mr. Paul Dresser, Chairman
Ms. Diane Abdelnour
Mr. Kenneth Axtell
Mr. Hammond Branch
Mr. Harold Poulsen
Mr. Thomas Vaughan

ALSO PRESENT:

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

2. MINUTES

Upon a motion by Mr. Poulsen, seconded by Mr. Vaughan, the minutes of the December 8, 1980 meeting were approved as presented.

3. CASE NO. IRB-1-81. BADISCHE CORPORATION

Mr. Dresser indicated he would abstain from any discussion and the vote on Case No. IRB-1-81 because of his association with Badische Corporation. He turned the chair over to the vice-chairman, Mrs. Abdelnour.

Mrs. Abdelnour opened the floor for discussion of the application.

Mr. Geddy, the applicant's attorney, presented the Authority with an amended resolution of inducement which had been changed to reflect the Authority's council's comments. At Mrs. Abdelnour's request, he pointed out the several changes in the resolution from the one which had been sent to the Authority in their meeting folders. He explained that the application for one million dollars was for a traditional manufacturing project. It was an expansion of Badische's existing James City County plant. He said that financing commitments had been received through Badische's existing bank relationships and the bond will be placed privately with one of the banks. He introduced Mr. Donald Duguid, the plant manager, to discuss the project.

Mr. Duguid explained that the application was to finance a plant expansion that would allow the introduction of a new product. The product would be a synthetic substitute for asbestos. He passed around a sample of the product. Mr. Duguid emphasized that the new investment would help to stabilize production at the local plant by diversifying into new industrial markets. It was expected that the expanded plant could be operated with existing plant personnel plus the addition of three employees.

Mr. Duguid said that Badische was very excited about the new product and had already arranged for marketing the product with cooperation from another company. At present the marketing arrangement was confidential and the other company's name could not be divulged.

Mr. Geddy told the Authority that Mr. John Tewksbury, Assistant Treasurer of Badische, was present to brief them on the company's financial strength. He said the Authority had been provided with annual reports which include financial statements, but Mr. Tewksbury had with him more detailed financial audits if the Authority had any questions about Badische. Mr. Geddy noted that some of these statements included confidential information that Badische did not want released to competitors. If the Authority wished to review these audit reports, he would request that they be reviewed in executive session.

Mrs. Abdelnour polled the Authority and it was the consensus that the public financial information included in the annual reports was sufficient and there was no need to review the audit reports.

Upon a motion by Mr. Axtell, seconded by Mr. Branch, the Authority approved the resolution of inducement as presented. Mr. Dresser abstained.

4. RECENT LEGISLATION AND VIRGINIA SUPREME COURT DECISIONS

There was a brief discussion of recent actions of the Virginia Legislature which limited the ability of an Authority to finance facilities outside of the jurisdiction which created it. It was noted that the legislation conformed with the present policy of the Authority to seek endorsement by the governing body of other jurisdictions before agreeing to finance facilities outside of James City County.

The Authority also discussed the recent case decided by the Virginia Supreme Court which endorsed the financing of retail establishments with industrial revenue bonds. Both Mr. Vaughan and Mr. Poulsen stated that their positions on financing retail uses had softened considerably. The main reasons for the shifts in their positions, they said, was the high interest rates and the fact that other Authorities with the court's approval were financing so many retail uses. Mr. Poulsen emphasized that although he still had some personal reservations, he would be inclined to support applications for retail uses so long as interest rates remained high.

Mrs. Abdelnour said that she had read the opinions of the court in the Rockbridge case and said that it had been carefully worded. She said that the case only addressed retail uses and was silent on general offices and other uses. She said the current Authority policy considering applications on a case by case basis was sound.

Mr. Dresser agreed with Mrs. Abdelnour that a case by case review was a good policy. He said that the Authority should consider the needs of the business, the needs of the community, and the time frame of the application (interest rates).

5. VIRGINIA PENINSULA ECONOMIC DEVELOPMENT COUNCIL

Mr. Stephens informed the Authority that since the memorandum was written informing the Authority that the County had chosen not to join PEDC, the Board of Supervisors had reversed itself and had consented to join PEDC in July.

Mr. Vaughan said that he was glad that the County would be a part of PEDC. He felt it was a good organization which would provide a return many times over the County's investment.

6. ANNUAL AUDIT REPORT, CURRENT FINANCES, AND THE IDA FEE STRUCTURE

These items were taken up together in a brief discussion.

Mr. Stephens explained to the Authority that the current bank balance was \$348.64. He said that last year the audit, which is required by State law, had cost \$250.00. If the cost was similar this year, the Authority would have less than \$100.00 in its account to cover general administrative expense. He explained a memorandum prepared by a student intern which reviewed the fees of other Authorities. He said that the Authority ought to review its fee structure.

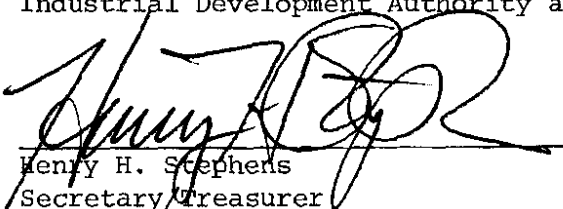
Mr. Poulsen said that he was concerned about the Authority's finances, but he wanted to review a breakdown of the Authority's expenses prior to deciding whether the fee structure ought to be changed. He asked the staff to prepare such a report.

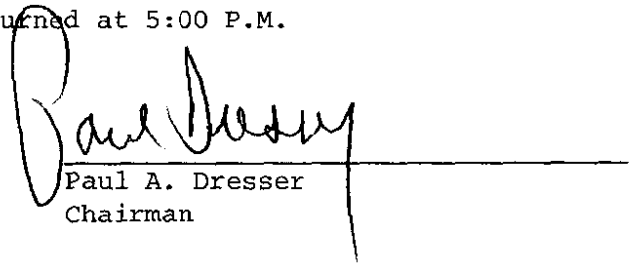
Mr. Dresser agreed with Mr. Poulsen and suggested a meeting be scheduled to discuss the report.

Mr. Axtell said that he too would like to see a report and that it should include a recommendation on any fee changes.

7. ADJOURNMENT

There being no other business, the April 29 meeting of the Industrial Development Authority adjourned at 5:00 P.M.


Henry H. Stephens
Secretary/Treasurer


Paul A. Dresser
Chairman