

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 ELEVENTH DAY OF DECEMBER, NINETEEN HUNDRED AND EIGHTY-ONE.

1. ROLL CALL

Mr. Paul Dresser, Chairman
Ms. Diane Abdelnour
Mr. Kenneth Axtell
Mr. C. Hammond Branch
Mr. Harold N. Poulsen
Mr. John Zimmerman

ALSO PRESENT:

Mr. William C. Porter, Jr., Acting Secretary
Mr. Frank M. Morton, III, County Attorney

2. MINUTES

Upon a motion by Mr. Zimmerman, the minutes were accepted as presented.

3. CASE NO. IRB-6-81. LDN CORPORATION

Mr. Lakis Florakis, President of LDN Corporation, applied on behalf of the corporation for industrial revenue bond financing of a motel and restaurant located next to the True Value store on Route 60. The motel is estimated to have 150 rooms and the entire project will cost approximately \$4,400,000.

Mr. Florakis' application for bond financing indicates that benefits to the County would include employment of 66 people, a payroll of approximately \$620,000 annually, estimated County taxes of \$79,000 per year, and an overall enhancement of services available to tourists.

Mr. Joseph Phillips, applicant's attorney, addressed the Authority and provided them with an information folder. Mr. Phillips stated that the facility, in addition to being a 150 room motel, would include a swimming pool, recreation facilities, and a coffee shop type restaurant (no bar). Water and sewer is available, zoning is appropriate, and it is an appropriate use under both the existing and the proposed Comprehensive Plan, according to Mr. Phillips.

Mr. Phillips spoke at length regarding promotion of commerce and industry to help the State, and this project's features, in particular, which he felt were distinctive. To sum it up, Mr. Phillips said he felt the location of this proposed project was very important; i.e. the Pottery Factory and other tourist sales type stores that exist in the area. Also, that in the immediate vicinity of the Pottery, there were only two motels and both of these are inadequate to handle the number of people the Pottery attracts.

Mr. Phillips felt the discount operations at the Pottery Factory would attract more bus traffic. He felt if these tourists could be accommodated in the area with a motel room they would stay longer and the County would benefit from a sales tax and general cash flow standpoint. Mr. Phillips pointed out that the Pottery Factory is located very close to York County and based upon past situations would probably not hesitate to underwrite industrial revenue bonds for motels.

Mr. Phillips emphasized to the Authority that the applicant, Mr. Florakis, had local ties since he had lived in the area many years, and that he was successful in restaurant and motel operations in the community.

In a discussion period that followed, Mr. Dresser asked the applicant's counsel about the purchase of land by the applicant and if this, in fact, meant that there was no inducement present and therefore no funding received.

Mr. Vernon Geddy, bond counsel for the applicant, responded that no part of the bond proceeds would be used to pay for the land or to repay the owner for his acquisition of the land. The inducement, he said, was to build the facility. Mr. Geddy restated that "no part of this bond issue is to be used directly or indirectly for land acquisition."

Mr. Phillips informed the Authority that he had redrawn the resolution and deleted reference to land acquisition.

Mr. Poulsen asked if there were any liabilities against the AJ&L Corporation.

Mr. Phillips replied that no AJ&L liabilities would be attached to this project but that there were other liabilities relating to other corporations.

There were further clarifications regarding the type of eating facility (restaurant without bar); the occupancy rate (62%), and the room rate (approximately \$50.00 per night). Based upon the latter information, Mr. Poulsen questioned the \$3,300,000 rents which appeared in the application. Mr. Poulsen said he came up with a figure of \$1,710,000 based upon 62% occupancy of 150 rooms at \$50.00 per night.

Mr. Phillips responded that only Mr. Florakis' accountant, who put the rates together, could answer that question but he was not present. Mr. Phillips also said he felt the lending institution would look thoroughly into this matter.

Mr. Dresser said this information must be looked at by the Authority when considering potential sales tax and personal property tax. Mr. Dresser asked if there had been a marketing study to determine if people coming to Williamsburg to go specifically to the Pottery stayed overnight, particularly bus tours.

Mr. Phillips responded that he knew of no study, but he felt it could be assumed that anyone coming to the Pottery intending to stay overnight, would want to stay near the facility given a choice. Mr. Phillips pointed out that in the proposed annexation the County would lose several important motels to the City but this could be a replacement.

In response to Mr. Poulsen's question regarding the \$620,000 wages, Mr. Phillips said it was his understanding that this meant wages for the managerial personnel and employees. In response to questions regarding construction, Mr. Phillips said construction would begin around March and the interest rate would be in the neighborhood of 13-14%.

It was also clarified that the \$100,000 note for the land should be listed as a liability; that, to Mr. Phillips' knowledge, Mr. Maloney, the Pottery Factory's president, was not interested in the motel business, and, if industrial revenue bonds were not available, this motel would be built only if interest rates came down.

Mr. Morton, County Attorney, pointed out that paragraph 9 of the resolution should be deleted.

Mr. Zimmerman made a motion, seconded by Mr. Axtell, to approve the Resolution of Inducement for Case No. IRB-6-81.

A brief discussion followed regarding the use of bonds for motels. Mr. Dresser reminded the Authority that at the time of organization, it was decided that the Authority would not be bound by precedent, but that each case would be reviewed on a case by case basis.

In a roll call vote, as follows, the motion carried 4-2.

Ms. Abdelnour	- yes
Mr. Axtell	- yes
Mr. Branch	- yes
Mr. Dresser	- no
Mr. Poulsen	- no
Mr. Zimmerman	- yes

Mr. Dresser thanked the applicant and his counsel for an excellent presentation and wished them luck on the project.

4. REPORT ON THE ANNUAL AUDIT

Mr. Porter distributed the annual audit for the Authority's review.

5. MATTERS OF SPECIAL PRIVILEGE

Mr. Dresser referred to a letter he received from Jack Edwards, Chairman of the Board of Supervisors, which had been sent to members of the Authority. Mr. Dresser said he considered it a personal letter of Mr. Edwards' views, and not as direction from the Board of Supervisors.

Mr. Dresser said Mr. Stephens had put into being the new procedures of the Industrial Development Authority, and had sent letters to the Peninsula Ports Authority.

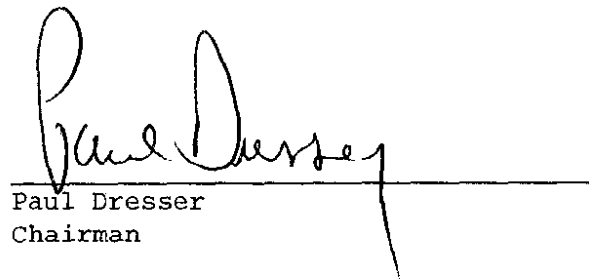
Mr. Dresser informed the Authority that correspondence had been sent to the Senior Executive Director of the U. S. Golf Association with a letter stating that the James City County Industrial Development Authority offers tax exempt financing and that the Association headquarters is the type of project that is eligible under the State law and that the Authority has a policy of reviewing each eligible application and would be happy to talk to them should they decide to come to James City County. It was essentially a letter that was sent out with a package by the Chamber of Commerce and others to tempt this headquarters to our community, Mr. Dresser said.

Mr. Dresser also said that he is aware of activity going on by at least a couple relatively major industrial companies who are interested in James City County.

6. ADJOURNMENT

The meeting adjourned at 4:30 P. M.


William C. Porter, Jr.
Acting Secretary


Paul Dresser
Chairman



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M E M O R A N D U M

To: Records Management
From: Economic Development Authority
Date: April 9, 2015
Re: IDA-EDA Minutes – October 29, 1981

The following minutes for the Industrial Development Authority of James City County dated October 29, 1981 were missing an approval date because the date was not listed in the December 11, 1981 meeting minutes.

These minutes, to the best of my knowledge, were approved at the December 11, 1981 Industrial Development Authority meeting and are the official minutes for the October 29, 1981 Industrial Development Authority meeting.

Please accept these minutes as the official record for October 29, 1981.

Robin D. Carson, Vice Chair

Russell C. Seymour, Secretary