

AT A REGULAR MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE FOURTEENTH OF OCTOBER, NINETEEN HUNDRED AND EIGHTY-SEVEN AT 4:00 P. M. IN THE COUNTY GOVERNMENT CENTER BOARDROOM, 101C MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

1. ROLL CALL

Mr. Kenneth H. Axtell, Chairman  
Ms. Diane Abdelnour  
Mr. Hammond Branch  
Mr. Myrl L. Hairfield  
Mr. Jon A. Nystrom  
Mr. Harold N. Poulsen

ALSO PRESENT

Mr. John E. McDonald, Acting Secretary  
Ms. Darlene Burcham, Assistant County Administrator  
Mr. Frank M. Morton, III, County Attorney

Mr. Axtell welcomed Mr. Nystrom who filled the seat vacated by Mr. John Zimmerman upon expiration of his term. Mr. Paul Dresser tendered his resignation citing business responsibilities. Upon a motion by Mr. Hairfield, seconded by Mr. Branch, the Authority voted to send letters of appreciation to Messrs. Zimmerman and Dresser for their outstanding contributions to the Authority.

2. MINUTES

The Minutes of the June 24, 1987 meeting were distributed and will be acted upon at the next meeting.

3. FARMERS' MARKET

Ms. Burcham presented background information on the Farmers' Market on behalf of the County and the Farmers Cooperative. Ms. Burcham stated that staff, at the direction of the Board of Supervisors, worked with the farming and agricultural community for about 1½ years to form a concept of a farmers' market. Originally, issues centered around location and clientele with consideration given to residential as well as tourist use. The conversations initially were prompted by economic development concerns as the County was looking for ways to make the community more attractive and be more than just a tourist market.

Ms. Burcham further stated that during the 1½ years the concept of the farmers' market went through an evolution advancing from basically a tailgate operation toward a seasonal market in an enclosed facility. The Board expressed sufficient interest in the project to allow the staff, primarily Ms. Burcham, and prior to her involvement, John Brown, former Economic Development Planner, to work on this project with the farmers.

Ms. Burcham stated that in early January, 1987, the Board of Supervisors included in their budget process an appropriation of \$75,000, a contribution to the Industrial Development Authority for the purpose of perpetuating a loan to the Farmers Cooperative. The \$75,000 contribution was contingent upon the farmers developing a cooperative and securing bank financing for the remainder of the necessary capital for the operating expenditure of the facility. At that time, the Board agreed to secure land for use by the Farmers Cooperative. The farmers were particularly interested in the portion of the Richardson-Meadows Tract fronting on Route 5, but the Board made the decision in early May to offer the portion of the Richardson-Meadows Tract (5.6 acres) fronting on Strawberry Plains Road. Following a public hearing on October 5, 1987, the Board approved the transfer of Richardson-Meadows Tract fronting on Strawberry Plains Road to the Industrial Development Authority.

Ms. Burcham further stated that the matter is now being presented to the Authority for consideration and hopefully positive action upon hearing and reviewing all the facts and eliciting additional information. Ms. Burcham stated that much of the work to bring the project to this stage was performed by the Industrial Development Authority's bond counsel.

Ms. Burcham introduced Mr. Joe Cottrell, President of the Farmers Cooperative; Mr. Al White, Member of the Board of Directors of the Farmers Cooperative; Mr. Gerald E. Ely, U.S. Department of Agriculture, who worked with the farmers; Mr. Paul Bishop, representing Jefferson National Bank, and Mr. Ed Overton from the Extension Service, who also worked very closely with the farmers on this project.

Mr. Cottrell provided a brief history of the Farmers' Market stating his faith in the market and the people who will work in the project, and encouragement he has received from citizens. Mr. Cottrell stated his belief that now is the time to pursue the project and stated the Farmers Cooperative will move forward when funds are received.

Mr. Ely defined the proposed farmers market as a fixed, year-round, manager operated facility.

Mr. Ely has worked with the farmers and staff since December, 1986, his responsibilities being to provide technical assistance and education to developing cooperatives. Mr. Ely stated that the submitted draft report, which is currently undergoing changes, indicates 50 acres of fruits and vegetables of marketable quality on a consistent basis. Income information resulted from applying some assumed numbers drawn from USDA publications and supermarket prices. Costs used in making projections were drawn from information gathered by Mr. Ely, the Board of Directors of Farmers Cooperative, and other experts in the field, including a New York State marketing consultant and publications from Penn State University and the University of Georgia.

Mr. White, in his discussions with banks, was asked to provide information regarding the variety, quantity and growing season of produce grown in the County based upon the growing season and soils.

Mr. Poulsen made a motion to table a vote on the resolution until the next meeting based upon the fact that the Authority did not receive the resolution until the meeting and there was no specific provision to repay the Authority the \$75,000 loan other than after 15 years when the bank loan was paid off. Mr. Poulsen stated that the motion was not intended to preclude discussion of the project with the farmers and staff in attendance, and other interested personnel at the pleasure of the Chairman.

Mr. Morton clarified that a promissory note exists to reimburse the County at \$7500 per year over a ten year period after the initial loan to the bank is paid off.

Mr. Poulsen requested that the statement regarding the \$75,000 loan be deleted from his motion. Mr. Hairfield seconded the motion.

Mr. Morton will make arrangements for a meeting with bond counsel who was not present at this meeting.

The Authority by roll call voted 5-1, with Mr. Branch voting nay, to table the vote until the next meeting at which time bond counsel would be present.

In discussion that followed, Mr. Cottrell described the Farmers' Market as an enclosed facility vs an individual pickup truck tailgate type market that encourages price wars. This facility, he said, would have a manager and would be less expensive than supermarkets. Mr. Cottrell submitted a drawing of a farmers' market facility in New Jersey similar to the proposed market of 3600 sq. ft. Mr. Cottrell further stated that local produce would have priority with 50% or more grown by members of the cooperative, but the manager would have the authority to buy out of state if produce is not available locally. The primary consumer would be residents followed by hotel/restaurant trade.

In further discussion the following information was disclosed by Mr. Ely and members of the Farmers Cooperative:

- a stock drive will not be held until all matters are resolved
- members of cooperative have provided capital
- the cooperative has a bid of \$125,000 on the proposed facility
- Board of Supervisors made a one time contribution which can be changed by resolution by the Board
- restrictive covenants require that only a farmers' market operate on the property
- the farmers' market can cease to operate but continue to make payments on loan
- property can be sold to another cooperative to operate a farmers' market
- in case of default the Authority and County would assume the bank's first deed of trust acquiring the building and property which would more than compensate the Authority and County

Ms. Burcham informed the Authority that the Governor's Commission on Farmers' Markets had visited and performed an analysis of the area and identified some of the reasons why the area had good potential for a farmers' market. The recommendation was for a larger facility than the farmers are currently planning and also recommended capability for shipping. Part of the long-term plan of the farmers is a location for a warehouse or shipping facility based upon the success of the proposed Farmers' Market. Ms. Burcham further commented that Virginia is the only state from Florida to Maine that does not have any kind of regional farmers' market, and the fact that our Governor is encouraging Virginia in that direction. A number of public hearings were held at which there were no adverse comments from the public.

Mr. Ely stated that although capitalization is a concern, it appears to be sufficient. Also, the by-laws state that members may be assessed. Mr. Ely expected the market to begin operation by April, 1988.

Mr. Morton will inform the Authority of the next meeting date at which time bond counsel will be present.

4. ADJOURNMENT

There being no further business, the October 14, 1987 meeting of the Industrial Development Authority adjourned at 5:30 p. m.

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Kenneth H. Axtell, Chairman

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John E. McDonald, Acting Secretary