

MINUTES OF A MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE TWENTY-EIGHTH DAY OF APRIL, NINETEEN HUNDRED AND EIGHTY-NINE AT 3:30 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101-C MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

1. ROLL CALL

The meeting was called to order at 3:35 p.m. A formal roll call identified the following members present:

Mr. Myrl L. Hairfield, Chairman
Ms. Diane L. Abdelnour
Mr. George Hudgins
Mr. Robert A. Whitehorne

ALSO PRESENT

Mr. Frank Morton, County Attorney
Mr. Brent D. Sheffler, Secretary

ALSO ATTENDING

Mr. David L. Richardson, II, Esquire
Mr. Alvin P. Anderson, Esquire

2. MINUTES

The minutes from the previous meeting dated March 21, 1989 were formally approved.

3. RESOLUTION OF BOND REFUNDING FOR OLD TOWNE SQUARE

Mr. Hairfield opened the request for bond refunding for Old Towne Square Limited Partnership.

Mr. Richardson of McGuire Woods Battle and Boothe, introduced Mr. Anderson as a partner in the 1984 bond issue for Old Towne Square Limited Partnership. Mr. Richardson explained that the bond issue had a fixed interest rate of 10 percent with a call every five years. He further explained that both fixed rates and variable rates are not as attractive today due to taxable requirements, noting that bonds can be marketed to tender a more favorable interest rate.

Since the original resolution provided for the execution of bond documents, and since the proposed action neither extended the bond period nor reduced the bond amount, a new bond issuance was not required. Only a refunding transaction was required as outlined in the resolution. Mr. Richardson explained that the IDA's

fee structure could make the bond taxable since the administrative fee of 1/8th of 1 percent in addition to the \$1000 closing fee would exceed the limits described in arbitrage regulations.

Mr. Hairfield indicated that he had talked with Mr. Ken Axtell and Mr. Joe Cross about the fee structure and its application in special cases. He felt that the fee concept was not considered in the context of refundings but rather for new bond issues, and asked if any of the other IDA members felt differently.

The IDA also expressed concern for going beyond any limits for tax exempt bonds. Mr. Richardson noted that since this refunding request does not affect the bond amount, and since new fees cannot be added to the bond, any fees required would have to come from the partnership's own resources.

Mr. Frank Morton stated that the resolution has been reviewed and is in proper form. He added that the IDA application fee would still apply. This application fee was determined to be \$400 at the time of original issuance and would apply in this case. The IDA discussed the need to clarify that tax exempt bonds which have been issued in the past should not become taxable based on the present fee structure.

Upon noting that there were no further questions, Mr. Hairfield asked to entertain a motion. A motion was made to approve the resolution with payment of a \$400 fee as it would apply under the original issuance requirements. The motion was approved with a roll call vote, 4-0.

4. DISCUSSION OF INDUSTRIAL SITE DEVELOPMENT PROCESS

Please note that Mr. Joe Cross joined the IDA for the remainder of the meeting.

Mr. Sheffler proposed that the IDA participate in the review, decision making, and eventual control of an industrial site. Mr. Sheffler stated that the Board of Supervisors had, for the first time, approved \$170,000 in the Capital Improvement Program for the acquisition of a minimum of 10 acres for industrial purposes.

The IDA expressed the importance of control of industrial property. The IDA noted that a number of questions need to be answered such as; what are the alternative sites, what are some of the advantages and disadvantages, what are other jurisdictions doing, and

can we learn from their experiences? The IDA requested that representatives from other jurisdictions be invited to discuss some of their experiences of property acquisition and control.

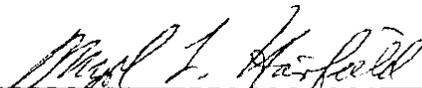
Finally, the IDA advised that a unified and specific proposal be submitted to the IDA and eventually the Board of Supervisors, which outlines what industrial property means to the County, how it fits in the masterplan, how it works with a targeting industry study, which types of control mechanisms work well, and what the alternatives are.

5. OTHER MATTERS

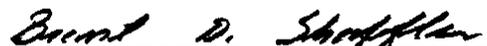
The IDA discussed the requirement of including financial statements in the bond application and the confidentiality of those statements. The IDA felt that the financial statement requirement is important in the application and that these statements are kept in strict confidence. The IDA indicated that if they have any specific questions about a company's financial statements during a public hearing, the questions would be taken to an executive session.

6. ADJOURNMENT

There being no further business to come before the IDA, the meeting was adjourned.



Myrl L. Hairfield, Chairman



Brent D. Sheffler, Secretary