

AGENDA

JAMES CITY COUNTY

INDUSTRIAL DEVELOPMENT AUTHORITY SPECIAL MEETING

2:00 PM, THURSDAY, MAY 28, 1992

BOARD ROOM, BUILDING C, 101 MOUNTS BAY ROAD

1. CALL TO ORDER

2. ROLL CALL

3. ACTIONS ITEMS

The Williamsburg Winery Ltd. Industrial Revenue Bond Financing Application.

- a. Staff Overview
- b. Open Public Hearing
- c. Presentation by Applicant
- d. Public Comment
- e. Close Public Hearing
- f. Consideration of Resolution of Inducement

4. ADJOURNMENT

AT A SPECIAL MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON MAY 28, 1992, AT 2:02 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 2:02 p.m. A formal roll call by Secretary Keith Taylor identified the following members present:

Mrs. Diane Abdelnour
Mr. George Hudgins
Mr. Robert Whitehorne
Mr. Jon Nystrom

ALSO PRESENT

Keith A. Taylor, Secretary, IDA
Betty Pettengill, Treasurer, IDA
Frank M. Morton, Counsel, IDA
John McDonald, Financial and Management Services
Patrick Duffeler, President, The Williamsburg Winery, Ltd.
Tom Mansfield, The Williamsburg Winery, Ltd.
Darlene McCoy, Office of Economic Development

There being a quorum, Chairman Nystrom proceeded with the meeting.

2. ACTIONS ITEMS

The Williamsburg Winery, Ltd. Industrial Revenue Bond Financing Application Request for Resolution of Inducement.

Mr. Taylor presented a staff overview of The Williamsburg Winery's industrial revenue bond request of up to \$2,800,000 which would enable it to finance the acquisition, construction and equipping of improvements to The Williamsburg Winery; finance the acquisition of the Dominion Wine Cellars in Culpeper County, Virginia; and refund the outstanding principal amount of their \$815,000 July 1988 bond issue approved by the Authority. Mr. Taylor also reviewed Mr. McDonald's fiscal impact analysis in which Mr. McDonald recommended approval of the IRB request.

Chairman Nystrom opened the Public Hearing and introduced Mr. Duffeler. Mr. Duffeler thanked the Authority for convening the meeting to discuss his IRB request. He informed the Authority that the Winery's expansion has progressed more than anticipated from their 1988 plan for growth. For example, over 30 are now employed at the Winery from the original 8-12 forecast. Mr. Duffeler felt that the Winery had contributed to the County's economic base and image, was proud of its

accomplishments, and felt that the outlook for continued business growth was excellent.

There being no comments from the floor, Chairman Nystrom closed the Public Hearing.

During the IDA's discussion of the resolution of inducement request, several Authority members posed questions to Mr. Duffeler. Mr. Duffeler imparted that the contract to acquire Dominion Wine Cellars in Culpeper County was contingent upon the Winery obtaining IRB approval from the Authority for restructured financing. Mr. Morton added that even with Authority approval, the contract would not close without the approval of the Board of Supervisors for Culpeper County. Mr. Taylor added that the Culpeper County Board would be entertaining such an action at its next meeting.

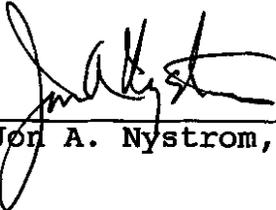
Mr. Hudgins moved for approval of the Resolution of Inducement for The Williamsburg Winery, Ltd. The motion was seconded by Mr. Whitehorne. The following roll call vote was taken:

Mrs. Abdelnour	Aye
Mr. Hudgins	Aye
Mr. Whitehorne	Aye
Mr. Nystrom	Aye

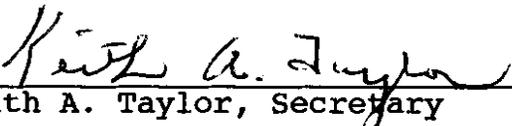
The motion to approve the Resolution of Inducement for The Williamsburg Winery, Ltd. was carried.

3. ADJOURNMENT

There being no further business, Mr. Nystrom entertained a motion by Mrs. Abdelnour to adjourn. The motion was seconded by Mr. Whitehorne and passed unanimously by voice vote. The meeting was adjourned at 2:26 p.m.



Jon A. Nystrom, Chairman



Keith A. Taylor, Secretary

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF JAMES CITY, VIRGINIA
AUTHORIZING THE ISSUANCE OF UP TO \$2,800,000 IN
REVENUE BONDS FOR THE PURPOSE OF FINANCING
THE ACQUISITION OF AND CERTAIN IMPROVEMENTS TO WINEMAKING
FACILITIES LOCATED IN THE COUNTY OF JAMES CITY, VIRGINIA,
AND THE COUNTY OF CULPEPER, VIRGINIA, AND REFUNDING
CERTAIN REVENUE BONDS PREVIOUSLY ISSUED BY THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
COUNTY OF JAMES CITY, VIRGINIA

WHEREAS, the Industrial Development Authority of the County of James City, Virginia, a political subdivision of the Commonwealth of Virginia ("Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 33, title 15.1, Code of Virginia of 1950, as amended ("Act"), to issue its revenue bonds for the purpose of inducing the location or retention of industrial and commercial facilities in Virginia and to promote the commerce, safety, health, welfare, convenience or prosperity of citizens of Virginia;

WHEREAS, the Authority has received a request from the Williamsburg Winery, Ltd., a Virginia corporation ("Company"), requesting that the Authority issue its revenue bonds to assist the Company in (i) financing the acquisition, construction and equipping of improvements to an existing winemaking facility located in the County of James City, Virginia (the "JCC Facility"), (ii) financing the acquisition of a winemaking facility in the County of Culpeper, Virginia ("Culpeper Facility"), (iii) financing the acquisition, construction and equipping of certain improvements to the Culpeper Facility, and (iv) refunding the outstanding principal amount of the Authority's \$815,000 Private Activity Revenue Bonds (The Williamsburg Winery, Ltd. Project) issued July 26, 1988, to finance the initial acquisition, construction and equipping of the JCC Facility ("Project");

WHEREAS, such assistance will induce the Company to cause the JCC Facility and the Culpeper Facility to remain in Virginia and thereby benefit the inhabitants of the County of James City, Virginia, the County of Culpeper, Virginia, and the Commonwealth of Virginia, either through the increase of their commerce or through the promotion of their safety, health, welfare, convenience or prosperity;

WHEREAS, preliminary plans for the Project have been described to the Authority; and

WHEREAS, the Company has represented that the estimated cost of the Project and all expenses of issuance will require an issue of revenue bonds in an aggregate principal amount not to exceed \$2,800,000.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA:

1. It is hereby found and determined that the undertaking and completion of the Project will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, the County of James City, Virginia, the County of Culpeper, Virginia and their citizens.

2. To induce the Company to cause the JCC Facility and the Culpeper Facility to remain in the Commonwealth of Virginia, and particularly in the County of James City, Virginia and the County of Culpeper, Virginia, respectively, the Authority hereby agrees to assist the Company in financing the Project by undertaking the issuance of its revenue bonds in an amount not to exceed \$2,800,000 upon terms and condition mutually agreeable to the Authority and the Company. The bonds will be issued pursuant to documents satisfactory to the Authority. The bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary to proceed immediately with the acquisition, planning and construction of the various components of the Project, the Authority hereby agrees that the Company may proceed with plans for the Project, enter into contracts for land, construction, materials and equipment for the Project, and take such other steps as it may deem appropriate in connection therewith, provided, however, that nothing herein shall be deemed to authorize the Company to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project. The Authority agrees that the Company may be reimbursed from the proceeds of the bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

4. At the request of the Company, the Authority hereby approves Messrs. McGuire, Woods, Battle & Boothe, Richmond, Virginia, as Bond Counsel in connection with the issuance of the bonds.

5. All costs and expenses in connection with the financing and the acquisition, construction and equipping of the Project, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Company or, to the extent permitted by applicable law, from the proceeds of the bonds. If for any reason such bonds are not issued, it is understood that all such expenses shall be paid by the Company and that the Authority shall be no responsibility therefor.

6. In adopting this resolution the Authority intends to take "official action" toward the issuance of the bonds within the meaning of regulations issued by the Internal Revenue Service pursuant to Sections 103 and 141 through 150 and related sections of the Code.

7. The Authority hereby recommends that the Board of Supervisors of the County of James City, Virginia, approve the issuance of the bonds.

8. This resolution shall remain in full force and effect for a period of twelve months, after which time this resolution shall terminate unless specifically extended by the Authority.

9. At closing, the Company will pay to the Authority as a closing fee the sum of \$1,000. The Company will also pay to the Authority an administrative fee of 1/8 of 1% per annum on the outstanding principal amount of the issue (as of June 30 each year payable annually and due July 15) in accordance with its operating procedures.

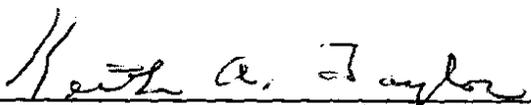
10. No bonds may be issued pursuant to this resolution until such times as (a) a public hearing has been held by the Authority pursuant to Section 147(f) of the Code, and Section 15.1-1378.1 of the Act, (b) the issuance of the Bonds has been approved by the Board of Supervisors of the County of James City, Virginia within sixty days of such public hearing, and (c) the bonds have received an allocation of the State Ceiling (as defined in Section 15.1-1399.10 of the Code of Virginia of 1950, as amended) in accordance with Sections 15.1-1399.10 through 15.1-1399.17 of the Code of Virginia of 1950, as amended, and any regulations and executive orders promulgated thereunder.

11. This resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the County of James City, Virginia ("Authority") hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on May 28, 1992, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

29th WITNESS the following signature and seal of the Authority this day of May, 1992.


Secretary of the Industrial
Development Authority of the
County of James City, Virginia

[SEAL]

5/28/92 STAFF PRESENTATION TO IDA

RE THE WILLIAMSBURG WINERY LTD.

INDUSTRIAL REVENUE BOND FINANCING APPLICATION

- TWW's application requests up to \$2,800,000 that would enable it to (1) finance the acquisition, construction and equipping of improvements to TWW, (2) financing the acquisition and "facelifting" of Dominion Wine Cellars in Culpeper County, Virginia, and (3) refunding the outstanding principal amount of the Authority's \$815,000 July, 1988 bond issue for TWW.

- John McDonald has provided you with a revised fiscal impact analysis included with the staff report that was sent out with TWW's application. According to him, the major benefits are the financial restructuring aspects of the application which will facilitate the continued growth and expansion of this existing James City County business. Thirteen additional JCC jobs would also be created by the proposed project. Mr. McDonald has recommended that you approve TWW's request for a resolution of inducement.

- The proposed project is a permitted use under JCC's R-8 zoning category, which is TWW's existing zoning classification.

- TWW is prepared to respond to the majority of the general comments contained in my May 20 staff report to you. Applicant's Bond Counsel has advised us that a formal Opinion Letter is not required until the transaction's closing.

- You have also received today a letter from Culpeper County's Administrator. She indicates general support for the project by the County and intends to ask her Board of Supervisors to support TWW's efforts in Culpeper County at that Board's June 2 meeting.

- Subject to your favorable action today, JCC's BOS is prepared to act on the legally required resolution concurring with your action on behalf of TWW.

- The State's Department of Housing and Community Development has advised me that sufficient 1992 allotment exists to accommodate TWW's request.

-Applicant's Bond Counsel has drafted the necessary Resolution of Inducement which you have just received. I have conferred with that Counsel and have made three changes with his concurrence:

(1) Bond amount of \$2,800,000, consistent with what was advertised;
(2) a twelve-month life for the Resolution (numbered Paragraph 8) consistent with your procedures and guidelines; and (3) modification of the fee structure (numbered Paragraph 9) to bring it into conformance with your guidelines.

- I would be happy to address any questions you may have, preferably after you open the public hearing and have heard the Applicant's presentation.
