

AT A SPECIAL MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON MAY 13, 1993, AT 4:00 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 by Chairman Nystrom at 4:04 P.M. A roll call by Secretary Taylor identified the following members present:

Mr. Gilbert Bartlett
Mr. Joseph Cross
Mr. Myrl Hairfield
Mr. George Hudgins
Mr. Robert Whitehorne
Mr Nystrom

ALSO PRESENT

Mr. Keith Taylor, Secretary, IDA
Mr. David Norman, County Administrator, JCC
Mr. John E. McDonald, Manager, JCC
Mr. John Horne, Manager, JCC
Mr. Bertram Aaron, Citizen, JCC

2. BUSINESS INCUBATOR FEASIBILITY STUDY PRESENTATION/WORK SESSION

Chairman Nystrom reminded those present that the purpose of this special meeting was to hear a presentation on the feasibility of establishing a business incubator in James City County. Following the presentation, the Directors were encouraged to express reactions and ask questions. Mr. Whitehorne introduced Mr. John Campbell, a second-year student at the College of William & Mary's Graduate School of Business Administration, who led the student team that conducted the study.

Mr. Campbell summarized the rationale which led to conducting this study and described what a business incubator actually is.

He then discussed the objectives of the study's Phase I which basically were to assess the business incubator "industry" in a state, regional, and national context. The team's conclusions were: (1) Four out of five incubated companies survive vs. a 40% traditional survival rate; (2) an estimated 30,000+ jobs nationally have been created by companies that were or are incubated; (3) the average cost of generating each such job ranged between only \$3,500 and \$6,000; (4) the growing needs for goods and services by incubated companies typically strengthened other businesses around them; (5) the wide variety of incubated companies in any one area helped each area diversify its economic base; and (6) 84% of all companies "graduating" from an incubator located in the same area in which they were incubated, thereby providing longterm economic growth to that area.

These findings, according to Mr. Campbell, supported proceeding to Phase II of the study, which was to evaluate demand locally and, if demanded warranted, proceed to investigate implementation strategies. The student team identified more than 80 possible incubator candidates in a very short period of time; of these, 34 were defined as being qualified candidates for incubation locally.

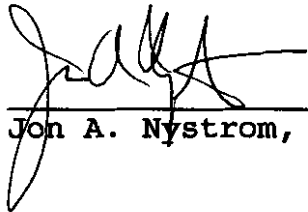
The Phase II study recommendations were: (1) that the Board of Supervisors should have its IDA form a committee to review and evaluate in greater detail the study's findings; (2) that the IDA should endorse the project and identify compelling location alternatives; (3) that a good, locally relevant services package for the incubator be developed; (4) that strategic alliances be created with and among appropriate institutional partners; (5) that any incubator's administrative structure be created as a 501(c)3 corporation having an autonomous Board of Directors, standing Policy, Tenant Selection, and Incubator Services committees, and professional management and technical support; and (6) that a thorough investigation of potential funding sources be conducted.

A comments and question-and-answer session followed Mr. Campbell's presentation. At its conclusion, Mr. Nystrom thanked Mr. Campbell and his team for their very professional approach to the study and gave Mr. Campbell a token of the County's and IDA's appreciation for his efforts.

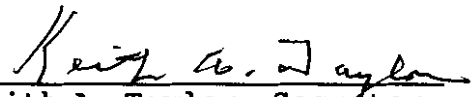
Mr. Taylor added that County Staff would be making its procedural recommendations to the Board of Supervisors before its June 7 meeting. The IDA may then be asked to initiate some form of action at its June 9 regular meeting.

3. ADJOURNMENT

There being no further business, on a motion by Mr. Whitehorne which was seconded by Mr. Hairfield and passed by unanimous voice vote, the meeting was adjourned at 5:15 P.M.



Jon A. Nystrom, Chairman



Keith A. Taylor, Secretary