

AT A MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON SEPTEMBER 17, 1997, AT 3:30 P.M., IN THE JAMES CITY COUNTY, BUILDING C CONFERENCE ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

1. ROLL CALL

The meeting was called to order by Chairman Nystrom at 3:30 p.m. A roll call by Secretary Taylor identified the following members present:

Mr. John Berkenkamp
Mr. John Carmichael
Mr. Robert Demer
Mr. Sterling Nichols
Mr. Jon Nystrom

ALSO PRESENT

Keith Taylor, Secretary, IDA
Donna Christian, Recording Secretary, IDA
Sandra Barner, Economic Development Technician
John Horne, Development Management Manager, JCC
William Porter, Assistant County Administrator, JCC
Kevin Larkin, NationsBank
George Consolvo, Kaufman & Canoles
Stephen Johnson, Mays & Valentine, LLP
Hugh Barlow, Goodman & Company

LATE ARRIVALS

Mr. Gilbert Bartlett
Mr. Vincent Campana

2. PERSONNEL MATTERS

Chairman Nystrom introduced Mr. John Carmichael, a new IDA Director and welcomed him to the IDA.

Mr. Bartlett and Mr. Campana were selected to be the 1998 IDA officers nominating committee.

Mr. Taylor reported that Sandra Barner graduated from the Economic Development Institute, which is accredited by the American Economic Development Council, Inc. It was further reported that Mr. Taylor has been elected president of the Virginia Economic Developers Association.

3. APPROVAL OF MINUTES

On a motion by Mr. Berkenkamp and a second by Mr. Demer, the June 12 and August 7, 1997 minutes were approved by unanimous voice vote.

4. TREASURERS' REPORT

The Treasurer's Report from Ms. Pettengill for the Authority was given by Mr. Taylor, along with the Capital Improvement Expenditure Report. Also, Mr. Taylor discussed the FY 97 IDA operating budget and made recommendations for the FY 98 IDA operating budget. On motion by Mr. Berkenkamp, seconded by Mr. Nichols, the Treasurer's Report, was approved as presented, by unanimous voice vote.

5. PRESENTATIONS

George Consolvo, bond counsel, and Hugh Barlow, representing DYARRCC/Service Metal Fabricators, Inc., reviewed the bond application and related materials with the IDA and answered questions.

6. PUBLIC HEARING

Chairman Nystrom opened the public hearing concerning the DYARRCC industrial revenue bond financing application. No member of the public appeared to speak on the application. Chairman Nystrom then closed the public hearing.

7. ACTION ITEMS

DYARRCC/Service Metal Fabricators, Inc.

Chairman Nystrom called for a vote on the proposed resolution of inducement for Industrial Development Revenue Bonds for DYARRCC, Inc./Service Metal Fabricators, Inc. On a motion by Mr. Bartlett, and a second by Mr. Berkenkamp, the resolution approving the Industrial Development Revenue Bonds for DYARRCC, Inc./Service Metal Fabricators, Inc. was approved by unanimous voice vote.

BASF/James River Commerce Center Easements

John Horne explained the BASF/James River Commerce Center easements agreement proposal to the IDA. On a motion from Mr. Berkenkamp and a second by Mr. Nichols, the BASF easement agreement was approved by unanimous voice vote.

FY 98 IDA Operating Budget

Mr. Taylor explained the proposed FY 98 IDA operating budget. Chairman Nystrom called for ratification of the budget and with a unanimous voice vote, the proposed FY 98 IDA operating budget was approved.

8. REPORTS

Strategic Plan Review

Mr. Nichols reported on his review of the Strategic Plan and explained that the Office of Economic Development's goals and the Industrial Development Authority's goals complement each other and are in harmony with each other.

Planning Commission Report

Mr. Demer reported on his position as Planning Commission Liaison. He stated he and Mr. Taylor will be holding a kick off meeting next month with key personnel from the planning department. He also stated that he has been put on the planning department's mailing list regarding the planning meetings and that he has already attended some of these meetings. Mr. Campana recommended a sub-committee be formed to further discuss what position, if any the IDA will be taking on various planning issues. It was agreed that Mr. Campana and Mr. Demer would make up this sub-committee.

Mayors and Chairs Report

Chairman Nystrom reported on the progress of the Mayors and Chairs Committee. He stated that the committee is moving ahead and that a new organization is being developed to improve the region's economic development position. He further stated this organization will be made up of five parts; Recruitment, Retention, Technology Transfer, Workforce Development and Administration.

Farmer's Market Property

Mr. Taylor reported that the Farmer's Market will be closing its doors for business and will therefore be moving out of the leased space by November 1, 1997. He further reported that the Farmer's Market has asked for an abatement of the rent for the final quarter of 1997. Upon a motion by Mr. Campana, and a second by Mr. Carmichael, it was approved by unanimous voice vote that the IDA would release the current tenants from their lease at the Farmer's Market. Mr. Taylor then reported on the background history of the Farmer's Market and some of the possibilities for new users of the property.

Staff Report

Mr. Taylor asked if there were any questions regarding the written staff report. There were no questions regarding the attached status report.

9. OTHER BUSINESS

Regional Reception

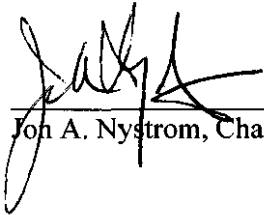
Mr. Taylor reminded the IDA Directors that it would be their turn to host the next IDA regional reception. This event is scheduled to be held in the spring of 1998.

Regional Economic Development Forum

Ms. Barner stated that there will be a Regional Economic Development Forum held on Saturday, September 20, 1997 from 9:00 a.m. until 12:00 p.m. at the Williamsburg Regional Library.

10. ADJOURNMENT

There being no further business, Mr. Berkenkamp made a motion that the meeting be adjourned. His motion was seconded by Mr. Carmichael and the meeting was adjourned at 5:10 p.m. by a unanimous voice vote.



John A. Nystrom, Chairman




Keith A. Taylor, Secretary

TREASURER REPORT
INDUSTRIAL DEVELOPMENT AUTHORITY

FY 98

<u>REVENUE SOURCE</u>	<u>COLLECTED THIS PERIOD</u>	<u>COLLECTED TO DATE</u>
Farmers Market Lease	\$ 1,700.00	\$1,700.00
Interest on Available Cash	3,178.09	3,178.09
General Fund Transfer	300,000.00	300,000.00
Received From Commonwealth	0.00	0.00
Bond Application Fees	400.00	400.00
Wmsbg. Land Conservancy	30,000.00	30,000.00
Expense Reimbursement	0.00	0.00
Quarterly Receipts	335,278.09	
Fiscal Year Receipts		335,278.09
BANK BALANCE JUNE 30, 1997		737,386.90
Total Receipts		1,072,664.99
Disbursements This Period	333,263.41	
Previous Disbursements	0.00	
Total Disbursements To Date		333,263.41
Bank Balance August 31, 1997		739,401.58


Betty S. Pettengill, Treasurer
September 4, 1997

**JAMES CITY COUNTY
 CAPITAL IMPROVEMENTS PROJECT FUNDS
 INVOLVING INDUSTRIAL DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY
 PERIODS COVERED: Jun. - Aug. 1997**

ACCOUNT	Total Budget	Expenses Jun-Aug	Expenses to date	Balance
013-071-0100 Strawberry Plains Rd. Property Reserve	\$ 6,500.00 project closed	\$ -	\$ 6,500.00	\$ -
013-071-0200 James River Commerce Center	\$ 842,352.00	\$ -	\$ 447,642.79	\$ 394,709.21
013-071-0400 Industrial Shell Building	\$ 2,450,000.00	\$ -	\$ 1,929,834.50	\$ 520,165.50
TOTALS	\$ 3,298,852.00	\$ -	\$ 2,383,977.29	\$ 914,874.71

*Funds either expended or encumbered for specific purposes

Extrapolated by James City County Office of Economic Development from
 JCC Monthly Accounting Reports.

prepared 9/15/97

**Industrial Development Authority
of James City County
FY 98 Budget Report
Periods Covered**

Account#	Account Name	Total Budget
021-010-0203	Professional Services	\$1,000.00
021-010-0205	Promotion	\$5,000.00
021-010-0210	Insurance	\$500.00
021-010-0219	Telephone	\$300.00
021-010-0220	Travel & Training	\$2,500.00
021-010-0232	James River Commerce Center OE.	\$6,900.00
021-010-0233	Shell Building Operating Expenses	\$5,500.00
021-010-0235	Annual Audit	\$3,900.00
021-010-0319	Office Supplies & Equipment	\$500.00
021-010-0398	OED Discretionary Expenses	\$1,500.00
Totals		\$27,600.00

Prepared

Extrapolated by James City County
Office of Economic Development
from JCC Monthly Accounting Reports

**DYARRCC, INC.
SERVICE METAL FABRICATORS, INC.
SUMMARY OF PUBLIC HEARING COMMENTS AT
JAMES CITY COUNTY IDA MEETING
WEDNESDAY, SEPTEMBER 17, 1997 AT 3:30 P.M.**

Prior to a public hearing on the matter, George Consolvo, bond counsel, and Hugh Barlow, representing Service Metal Fabricators, Inc., reviewed the bond application and related materials with the IDA and answered questions.

After such presentation, the Chairman opened a public hearing on the application and no member of the public appeared to speak on the application. The public hearing was closed at approximately 3:45 p.m.

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA

WHEREAS, there have been described to the Industrial Development Authority of the County of James City, Virginia (the "Authority"), the plans of Service Metal Fabricators, Inc. (the "Company") to relocate and expand its metal fabricating and light manufacturing facility in the County of James City, Virginia (the "County"), and the Company has requested the Authority to assist in the acquisition, construction and equipping of an approximately 60,000 square foot manufacturing facility to be located on a 12-acre site located on Endeavor Drive in the James River Commerce Center in the County (the "Project") and to be owned by DYARRCC, Inc. (the "Corporation") and leased to the Company;

WHEREAS, the Authority has determined that it is in the best interest of the County to issue the Authority's industrial development revenue bonds under Chapter 33, Title 15.1, Code of Virginia of 1950, as amended (the "Act"), in such amount as may be necessary to finance costs to be incurred in acquiring, constructing, equipping and financing the Project; and

WHEREAS, a public hearing has been held on the date hereof as required by Virginia law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code").

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

1. It is hereby found and determined that the relocation of the Company within the County and the expansion of the Company's operations in the County will bring additional revenues and employment into the County and will promote the industrial development and economy of the County, benefit its inhabitants, increase its commerce and promote the safety, health, welfare, convenience and prosperity of its citizens.

2. To induce the Corporation and the Company to undertake the Project in the County, the Authority hereby agrees to assist the Company to finance the acquisition, construction and equipping of the Project, together with related financing costs, by undertaking the issuance of its industrial development revenue bonds therefor in an amount not to exceed \$3,000,000 upon terms and conditions to be mutually agreed upon between the Authority, the Corporation, the Company and the purchaser of the bonds. The bonds shall be issued in form and pursuant to terms to be set by the Authority and approved by the Corporation, the Company and the purchaser of the bonds, and the payment of the bonds shall be secured by an assignment, for the benefit of the holders thereof, of the Authority's rights to payments under either a lease agreement, sale agreement or loan agreement, and may be additionally secured by a mortgage on the Project or such other collateral as may be approved by the Authority. Principal of and premium, if any, and interest on the bonds shall be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority from the Project or other available funds provided by the Corporation, the Company or any guarantor of the bonds. The principal of and premium, if any, and interest on the bonds shall not be deemed to constitute a debt or pledge

of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the principal of or premium, if any, or interest on the bonds or other costs incident thereto except from revenues and receipts derived by the Authority from the Project or other available funds provided by the Corporation, the Company or any guarantor of the bonds, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County, will be pledged to the payment of principal of or premium, if any, or interest on the bonds or other costs incident thereto. No covenant, condition or agreement contained in the bonds or in any financing instrument executed and delivered in connection therewith shall be deemed to be a covenant, agreement or obligation of any past, present or future director, officer, employee or agent of the Authority in his individual capacity, and no officer of the Authority executing the bonds shall be liable personally on the bonds or subject to any personal liability or accountability by reason of the issuance thereof.

3. It having been represented to the Authority that it is necessary to proceed immediately with the Project, the Authority agrees that the Corporation and the Company may proceed with plans for the Project, enter into contracts for acquisition, construction and equipping of the Project and take such other steps as the Corporation and the Company may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Corporation and the Company to obligate the Authority without its consent in each instance to the payment of any monies or the performance of any acts in connection with the Project. The Authority hereby agrees that the Corporation and the Company may be reimbursed from the proceeds of the bonds for all costs so expended prior to the issuance of the bonds together with costs previously expended by the Corporation and the Company within sixty (60) days prior to the date of this resolution with respect to the planning and development of the Project (the "Expenditures"). The Authority reasonably expects to reimburse the Corporation and the Company up to \$500,000 for Expenditures with the proceeds of the bonds. The declaration and expectation stated in this section are intended to be evidence of official intent within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Code. Each Expenditure will be, unless otherwise approved by Bond Counsel, (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the bonds, or (c) a nonrecurring item that is not customarily payable from current revenues. The Authority intends to make a reimbursement allocation, which is a written allocation by the Authority that evidences the Authority's use of proceeds of the bonds to reimburse an Expenditure upon written request of the Corporation and the Company no later than eighteen (18) months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three (3) years after the date on which the Expenditure is paid. The Authority recognizes that exceptions are available for certain "preliminary expenditures," cost of issuance, certain de minimus amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure), and expenditures for construction projects of at least five (5) years.

4. The Authority agrees, if requested, to provide interim financing for the Project on terms to be mutually agreed upon, such interim financing to be secured by the Corporation and the Company as required by the Authority and the lender.

5. The Authority hereby agrees that Kaufman & Canoles, P.C., Norfolk, Virginia, be appointed as Bond Counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the bonds.

6. All costs and expenses in connection with the financing of the Project, including the fees and expenses of Bond Counsel, counsel for the Authority and the purchaser of the bonds, shall be paid from the proceeds of the bonds or from funds of the Corporation or the Company. If for any reason such bonds are not issued, it is understood that all such expenses shall be paid by the Corporation or the Company and that the Authority shall have no responsibility therefor. The Corporation and the Company shall agree to pay the Authority the fees set forth in the Authority's application. The Corporation and the Company shall agree to indemnify and save harmless the Authority, its officers, directors, employees, agents and counsel from and against all liabilities, obligations, claims, penalties, losses, costs and expenses in any way connected with the Project, the application submitted by the Corporation and the Company or the issuance of the bonds.

7. The Authority hereby recommends that the Board of Supervisors of James City County, Virginia (the "Board"), approve the issuance of the bonds and hereby directs the Chairman or Vice Chairman of the Authority to submit to the Board the fiscal impact statement in the form prescribed by Section 15.1-1378.2 of the Code of Virginia of 1950, as amended, a reasonably detailed summary of the comments expressed at the public hearing held by the Authority at this meeting and a copy of this resolution. The Authority agrees to file a request to the Virginia Small Business Financing Authority for an allocation of up to \$3,000,000 with respect to the bonds, which allocation is a condition precedent to the issuance of the bonds as tax-exempt obligations pursuant to federal law. Adoption of this resolution by the Authority does not carry with it any representation or assurance that the Virginia Small Business Financing Authority will allocate any portion of the State Ceiling to the bonds.

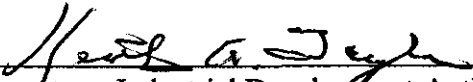
8. All other acts of the officers of the Authority which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the bonds and the undertaking of the Project are hereby approved and confirmed.

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

10. Unless this resolution is extended by the Authority, the bonds authorized hereunder shall be issued within one year from the date hereof.

The undersigned Secretary of the Authority hereby certifies that the above resolution was duly adopted by the affirmative vote of a majority of the directors of the Industrial Development Authority of the County of James City, Virginia, at a meeting duly called and held on September 17, 1997, and that such resolution is in full force and effect on the date hereof.

Dated: 9/17/97


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

0432619.01

RESOLUTION

AUTHORIZATION TO EXCHANGE

EASEMENTS WITH BASF CORPORATION

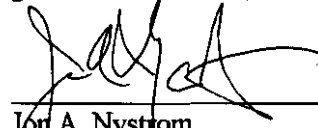
WHEREAS, the Industrial Development Authority of James City County, Virginia ("IDA") and Williamsburg Developments, Inc., ("WDI") are jointly developing the James River Commerce Center; and

WHEREAS, a neighboring property owner to the James River Commerce Center, BASF Corporation, wishes to exchange certain easements with WDI and the IDA in order to enhance the development potential of each property; and

WHEREAS, BASF Corporation, is seeking an easement for a sewer force main across property in the James River Commerce Center; and

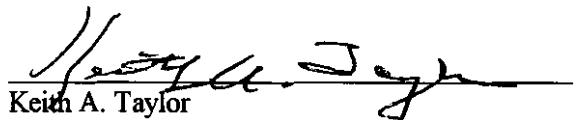
WHEREAS, BASF Corporation, is willing to give easement for access to its sewer pump station; access to BASF road system which connects with State Route 60 and to provide access to the BASF railroad spur line which connects to the CSX railroad line to the north.

NOW, THEREFORE, BE IT RESOLVED that the Industrial Development Authority of James City, Virginia, authorizes and directs its Chairman to execute deeds of easement with BASF Corporation., and such other documents as may be necessary to exchange easement rights with BASF Corporation, to promote the development of the James River Commerce Center and the adjacent BASF property by providing access to road, rail, and sewer connections.



Jon A. Nystrom
Chairman, Industrial Development Authority

ATTEST:



Keith A. Taylor
Secretary to the Industrial Development Authority

Adopted by the Industrial Development Authority of James City County, Virginia, this 17th day of September, 1997.

VOTE:

AYE: 7

NAY: 0

**OFFICE OF ECONOMIC DEVELOPMENT
PROJECTS STATUS REPORT
September 12, 1997**

James River Commerce Center

Plans and building review are well underway for Ball Metal's expansion. They should be breaking ground any day now. Service Metal Fabricator has selected its architect. You are considering its IRB application today. Director Campana, your representative to the architectural review board, reports that committee is now functioning. Our portion of reimbursement from the State Industrial Road Fund, which is about \$90,000, has been received and can be retained entirely in the James River Commerce Center capital account if a qualifying business locates at the end of the road within three years.

Shell Building

Two small roof leaks were noticed and have been repaired. The building will be put to brief temporary use this fall as a place to lay out a mock-up of built-in furniture for the new Courthouse. No interruption in marketing will occur. Several preliminary packages are in clients hands for consideration. Having the building has again played a part in attracting serious consideration from two smaller businesses to the park. We are now working with Stonehouse to mature those. Our office is rededicating itself to marketing the building, beginning with a half page full color ad featuring the shell building in the August issue of "US Sites and Development". The same ad will also run in the fall issues of "Site Selection" and "Expansion Management."

James River Enterprise Zone

Ball Metal and Service Metal have indicated intentions to apply for Enterprise Zone benefits. IDA grant requests are not expected until next year at the earliest. A delegation from the Virginia Department of Housing and Community Development, which administers the State aspect of the program, will be here for a Zone tour and conversations with Ball Metal and Service Metal September 23 to assess how well the overall program is working. Zone Administrator Doug Powell and Sandra Barner will be hosting.

Business and Industry Directory

You received a draft of the directory by mail. We have made the corrections that have been brought to our attention and will now be desktop publishing a few at a time as needed so as to be able to continue to update it.

Small/New Business Assistance Program

We have now completed two focus group sessions to get input from our small manufacturing/technology oriented businesses and our small service sector businesses. We also have completed a facilitated session with our colleagues from other organizations that provide support services to small business. A task force is now working on forming a draft plan, which we expect to have completed by the end of October. We expect the plan to contain items for County departments to address, as well as items for other organizations to address. Director Bartlett has been the IDA's

representative and observer during this process.

Prospect Outreach

New York team trade mission with Virginia Economic Development Partnership (VEDP) - Keith Taylor will be part of a team comprised of other local Economic Development Directors and VEDP Marketing Managers the week of Sept. 21. They will be making prospect calls in the greater New York City area.

New York Report to Top Management, Nov. 5-7. Keith Taylor, Perry DePue, and Jon Nystrom will be representing James City County at this event and with the prospect activity that occurs in relation to it. The Virginia Chamber of Commerce is the primary sponsor.

International Development Research Council (IDRC) Fall World Congress in San Diego Nov. 14-19. Keith Taylor will be representing James City County at this semi-annual prospect development opportunity, which is attended by more than 1000 corporate asset managers and their intermediaries.

Promotion Marketing Brochure/Internet Home Page Redesign

Advante Advertising in Richmond is the vendor we are using for this complete re-do of our general promotional brochure, the first such redo in 5 years. We will start with input from a focus group of business leaders over breakfast on Sept 16. Director Berkencamp has agreed to represent the IDA at that event.

County Fair Booth

OED hosted a booth at the James City County Fair in August which was quite well received by public. About 25 local companies that manufacture, assemble, or distribute products wholesale from County locations loaned us items to display. We manned the booth for the entire day and talked with people about what the featured companies do. A lot of interest and some surprise was expressed that we have such a wide variety of companies here. While we had the products assembled, we asked our brochure vendor Advante to take a picture of them, which we hope to use in future promotional efforts.