

AT A MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON JUNE 11, 1998, 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 by Chairman Nystrom at 3:30 p.m. A roll call by Secretary Taylor identified the following members present:

Mr. Gilbert Bartlett
Mr. John Berkenkamp
Mr. Robert Demer
Mr. Sterling Nichols
Mr. Jon Nystrom

ALSO PRESENT

Keith A. Taylor, Secretary, IDA
Sandra Barner, Economic Development Technician
Sanford Wanner, County Administrator
Donna Christian, Recording Secretary, IDA
Ronald Nervitt, Board of Supervisors
Sue Mellen, Accounting Supervisor
Norm Chartier, CFO, Greystone
Steve Johnson, Bond Counsel, Mays & Valentine
Ted Zoller, Economic Development Director, College of William & Mary
George Consolvo, Bond Counsel, Kaufman & Canoles

LATE ARRIVAL

Mr. Vincent Campana

ABSENT

Mr. John Carmichael

2. APPROVAL OF MINUTES

On a motion by Mr. Bartlett, and a second by Mr. Nichols, the minutes of the March 23, 1998 meeting were approved by unanimous voice vote.

3. TREASURER'S REPORT

The Treasurer's Report from Ms. Pettengill for the Authority was presented by Mr. Taylor, along with the Capital Improvement Expenditure Report and the IDA budget report. On a motion by Mr. Berkenkamp, and a second by Mr. Bartlett, the Treasurer's Report and related financial reports were accepted as presented by unanimous voice vote.

4. PRESENTATION

a. Greystone Industrial Development Revenue Bond Financing Request for Resolution of Inducement

George Consolvo, Bond counsel for Greystone of Virginia, Inc. gave a brief presentation of its \$6,500,000 bond request. Greystone of Virginia, Inc. intends to expand its James City County operation. Mr. Consolvo then answered questions from the IDA directors.

5. PUBLIC HEARING

a. Greystone Industrial Development Revenue Bond Financing Request for Resolution of Inducement

Chairman Nystrom opened the public hearing concerning Greystone of Virginia, Inc.'s bond financing request. There being no member of the public appearing to speak, Chairman Nystrom then closed the public hearing.

6. ACTION ITEMS

a. Greystone Industrial Development Revenue Bond Resolution of Inducement

On a motion by Mr. Bartlett and a second by Mr. Berkenkamp, the Resolution of Inducement for the Industrial Development Revenue Bond for Greystone of Virginia, Inc. was approved by unanimous voice vote.

7. PRESENTATION

a. Crossroads Study

Mr. Ted Zoller, Economic Development Director, College of William & Mary presented the Crossroads Study Plan to the IDA directors and answered questions.

8. ACTION ITEMS

a. FY 1998 Audit Proposal

Sue Mellen, Accounting Supervisor, James City County, gave a brief presentation regarding the KPMG audit contract. She stated that the contract is a three year contract that covers fiscal years ending June 30, 1997, 1998, and 1999. James City County has the right to extend the contract for an additional three years, one year at the time. She further stated that the Industrial Development Authority entered into this contract along with James City County, Williamsburg-James City County Schools, James City Service Authority, Virginia Peninsula Regional Jail Authority, and Middle Peninsula Juvenile Detention Commission. On a motion by Mr. Bartlett and a second by Mr. Berkenkamp, the three year contract for audit services by KPMG was approved by unanimous voice vote.

b. Policy Regarding Administrative Fees for Multi-Jurisdictional Industrial Development Revenue Bond Issues

Chairman Nystrom suggested that action on this item be postponed at the present time. He stated that there is a need for more information regarding this policy. He further stated that this item be discussed at a future meeting.

c. FY 1999 Operating Budget

Mr. Taylor presented a proposed operating budget for FY 1999 to the IDA and answered questions regarding it. On a motion by Mr. Berkenkamp and a second by Mr. Bartlett, the FY 1999 operating budget was approved by unanimous voice vote.

9. REPORTS

a. 1997 Annual Report to Board of Supervisors

Chairman Nystrom reported that he gave the annual report to the Board of Supervisors at their May 12, 1998 board meeting.

b. Planning Commission Liaison

Mr. Demer reported that he received a list of fee increases and in turn, forwarded that information on to the IDA directors for their information. Mr. Demer also stated that there were no issues to report about at this time.

c. Peninsula Alliance for Economic Development

Mr. Nystrom updated the directors on the current status of the Alliance. He reported that Virginia Peninsula Economic Development Council has been formally merged into the Peninsula Alliance for Economic Development and they hope to hire the Vice President for Business Recruitment next week with two to three to be hired soon thereafter.

d. Business & Industrial Zoning Ordinance Review Committee

Mr. Campana reported that the committee is looking at the long term vision of the County and has also been discussing changing the M-3 zoning for research and technical districts.

e. IDA Strategy 2.4.1: County Regulatory Policies/Procedures Review

Mr. Wanner reported that the expedited review process has been set up now and is very successful. He further stated that the office of Training and Quality Performance helped to update the process so that it is customer friendly.

f. IDA Strategy 3.2.5: IDA Presentation at FY 98 Business Leaders' Breakfast Meeting

Mr. Bartlett thanked all of the IDA directors that participated in the presentation. He also thanked the County staff members for their help and participation. He further stated that the comments he has heard regarding the presentation have all been positive. The program was recorded and is being shown on the County's cable channel.

g. Regional Economic Development Community Cable Program

Mr. Nystrom reported that a half hour program was taped that included him, Keith Taylor, and Cameron Blanford. He further stated that the taping went well and it is now being broadcast on the County's cable network.

h. Questions Regarding Written Staff Report Items

Ms. Christian stated that the new economic development web site address will be www.jccecondev.com. The web address listed on the project status report was listed incorrectly. Ms. Barner then told the IDA directors that the County fair will be held August 7 & 8, 1998 at Upper County Park. She also stated that the Economic Development office would welcome any help the directors might give in manning the booth.

10. OTHER BUSINESS

a. Prospect Activity

Mr. Taylor reported that there has been some recent serious activity from prospects who wish to lease the shell building.

b. Strategic Plan Update Process

Mr. Nystrom stated that it has been approximately one year since the IDA's strategic plan has been updated. Mr. Nichols stated that the plan should be re-done, especially considering that there are new members on the County Board of Supervisors. He further stated that the IDA should get with the County Board and go through the strategic plan item by item.

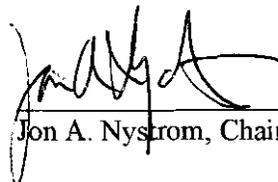
c. Miscellaneous

Mr. Nervitt suggested that the IDA should sit down and discuss why James City County lost the last major prospect it had. Mr. Nystrom stated that the IDA directors were not directly involved with the prospect, therefore could not comment directly on what happened and why. Mr. Taylor noted that the Messrs. Nervitt, Nystrom, Wanner and he were going to be joined by a representative of the Virginia Economic Development Partnership for a debriefing session on this prospect.

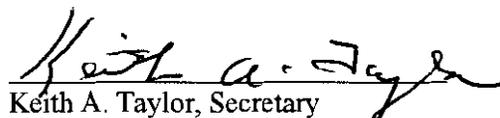
Mr. Demer stated that the golf course communities economic impact study that was completed recently by BTG/Delta Research Division may possibly be presented at the next IDA meeting.

11. ADJOURNMENT

There being no further business, Mr. Nystrom entertained a motion by Mr. Berkenkamp to adjourn. It was seconded by Mr. Campana and passed unanimously by voice vote. The meeting was adjourned at 5:45 p.m.



Jon A. Nystrom, Chairman



Keith A. Taylor, Secretary

TREASURER'S REPORT
INDUSTRIAL DEVELOPMENT AUTHORITY
MARCH, APRIL, MAY
FY 98

Revenue Source	Prior Collections	Collected this period	Collected to Date
Farmers Market Lease	\$1,700.00		\$1,700.00
Interest on Available Cash	\$22,842.68	\$8,794.80	\$31,637.48
General Fund Transfer	\$337,812.38		\$337,812.38
Received from Commonwealth	\$0.00		\$0.00
Bond Application Fees	\$2,200.00	\$16,400.00	\$18,600.00
Land Contract Payment Revenue	\$0.00	\$160,850.96	\$160,850.96
Williamsburg Land conservancy	\$30,000.00		\$30,000.00
Expense Reimbursement	<u>\$0.00</u>	<u> </u>	<u>\$0.00</u>
 Quarterly Receipts		 \$186,045.76	
 Fiscal Year Receipts			 \$580,600.82
Bank balance June 30, 1997			\$737,386.90
 Total Receipts			 \$1,317,987.72
 Disbursements this Period	 \$201,407.33		
Previous disbursements	\$384,087.31		
Total disbursements to Date			\$585,494.64
 Bank balance May 29, 1998			 <u>\$732,493.08</u>

Industrial Development Authority of the County of James City FY 98 Budget Report Periods Covered Mar - May '98						
Account #	Account Name	Beginning Budget	Exp. Mar-May*	Previously Reported YTD Exp*	Total YTD Exp.*	Balance
021-010-0203	Professional Services	\$1,000.00	\$ 2,700.00	\$ 600.00	\$ 3,300.00	(\$2,300.00)
021-010-0205	Promotion	\$5,000.00	\$ 2,123.77	\$ -	\$ 2,123.77	\$2,876.23
021-010-0210	Insurance	\$500.00	\$ -	\$ 500.00	\$ 500.00	\$0.00
021-010-0219	Telephone	\$300.00	\$ 34.75	\$ 128.28	\$ 163.03	\$136.97
021-010-0220	Travel & Training	\$2,500.00	\$ -	\$ 909.18	\$ 909.18	\$1,590.82
021-010-0232	James River Commerce Ctr.OE.	\$6,900.00	\$ -	\$ 3,708.99	\$ 3,708.99	\$3,191.01
021-010-0233	Shell Building Operating Exp	\$5,500.00	\$ 822.09	\$ 2,286.20	\$ 3,108.29	\$2,391.71
021-010-0234	Strawberry Plains - Ops	\$0.00	\$ 99.32	\$ 72.12	\$ 171.44	(\$171.44)
021-010-0235	Annual Audit	\$3,900.00	\$ -	\$ 3,900.00	\$ 3,900.00	\$0.00
021-010-0319	Office Supplies & Equipment	\$500.00	\$ -	\$ -	\$ -	\$500.00
021-010-0398	OED Discretionary Expenses	\$1,500.00	\$ 218.94	\$ 188.17	\$ 407.11	\$1,092.89
			\$ -	\$ -	\$ -	
Totals		\$27,600.00	\$ 5,998.87	\$ 12,292.94	\$ 18,291.81	\$9,308.19
*Extrapolated from monthly computer printouts received from the County Accounting office.						
Prepared 6/4/98						

James City County					
Capital Improvement Project Funds					
Involving Industrial Development Authority					
Periods Covered Mar-May '98					
Account #	Account Name	Total Budget	Exp. Mar-May	Expenses to Date	Balance
013-071-0100	Strawberry Plains Rd Property	\$ 6,500.00	\$ -	\$ 6,500.00	\$ -
013-071-0200	James River Commerce Center	\$ 842,352.00	\$ -	\$ 455,156.63	\$ 387,195.37
013-071-0400	Shell Industrial Building	\$ 2,450,000.00	\$ -	\$ 1,929,835.00	\$ 520,165.00
TOTALS		\$ 3,298,852.00	\$ -	\$ 2,391,491.63	\$ 907,360.37
Extrapolated from monthly computer printouts					
received from the County Accounting Office.					
Prepared 6/4/98					

**Industrial Development Authority
of the County of James City, Virginia
Adopted FY 99 Operating Budget**

Account#	Account Name	Adopted Budget FY 99
021-010-0203	Professional Services	\$ 3,500.00
021-010-0205	Promotion	\$ 7,300.00
021-010-0210	Insurance	\$ 500.00
021-010-0219	Telephone	\$ 400.00
021-010-0220	Travel & Training	\$ 2,000.00
021-010-0232	James River Commerce Center OE.	\$ 12,000.00
021-010-0233	Shell Building Operating Expenses	\$ 5,000.00
021-010-0234	Strawberry Plains - Ops	\$ 2,000.00
021-010-0235	Annual Audit	\$ 4,000.00
021-010-0319	Office Supplies & Equipment	\$ 500.00
021-010-0398	OED Discretionary Expenses	\$ 1,500.00
Totals		\$ 38,700.00

Adopted 6/11/98

**GREYSTONE OF VIRGINIA, INC.
SUMMARY OF PUBLIC HEARING COMMENTS AT
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF JAMES CITY, VIRGINIA MEETING
THURSDAY, JUNE 11, 1998 AT 3:30 P.M.**

Prior to a public hearing on the matter, George Consolvo, bond counsel, and Norm Chartier, representing Greystone of Virginia, Inc., review the bond application and related materials with the IDA directors 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 then closed.

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 Greystone of Virginia, Inc.(the "Company") to renovate and equip a portion of its existing electroplating and heat treating facility located at 7992 Richmond Road in the County of James City, Virginia (the "County"), for use as a precision machining operation for automotive components and other products (the "Project");

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 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), in such amount as may be necessary to finance costs to be incurred in constructing, renovating, 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 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 Company to undertake the Project in the County, the Authority hereby agrees to assist the Company to finance the acquisition, construction, renovation 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 \$8,500,000 upon terms and conditions to be mutually agreed upon among the Authority, 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 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 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 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 Company may proceed with plans for the Project, enter into contracts for acquisition, construction, renovation and equipping of the Project and take such other steps as the Company may deem appropriate in connection therewith, provided 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 monies or the performance of any acts in connection with the Project. The Authority hereby agrees that 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 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 Company up to \$1,500,000 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 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 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 Company. 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 have no responsibility therefor. The Company shall agree to pay the Authority the fees set forth in the Authority's application or procedures. 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 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 15.2-4907 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 \$8,500,000 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.

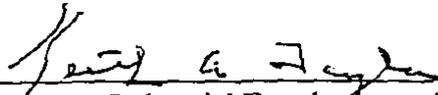
8. All other acts of the officers of the Authority which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the bonds and the undertaking of the Project are hereby approved and confirmed.

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 June 11, 1998, and that such resolution is in full force and effect on the date hereof.

Dated: June 11, 1998


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

**OFFICE OF ECONOMIC DEVELOPMENT
PROJECTS STATUS REPORT
June 11, 1998**

James River Commerce Center

Ball Metal and Service Metal Fabricators buildings continuing to progress. Expect occupancies by late summer. Nearing agreement with VDOT on application for industrial access road bond release. Looks promising that almost entire \$300,000 bonded amount will be released.

Shell Building

Strong recent interest and showings of building.

James River Enterprise Zone

No change.

Small/New Business Assistance Program

Board responded favorably during informational presentation. Workplan items already undertaken: Information session attended by about 20 commercial realtors, presented by combination of several County departments that offer useful services. Small Business Appreciation Event: a breakfast attended by about 50 people, including officials, business owners, and service providers.

Promotion Marketing Brochure/Internet Home Page Redesign

Brochure has gone to printer. We are expecting delivery shortly. Web page design contains many of same visual elements and much of same factual content as brochure, but is arranged for ease and interest of Internet user. First draft has gone through staff review; awaiting second draft. Address (www.jccecondev) has been selected. Agency is now registering it with search engines.

Farmer's Market Property

Director Campana serving as liaison to marketing process. OED is compiling draft marketing booklet and suggesting marketing plan. Assistant Co. Admin. Bill Porter is coordinating process of preparing property for being shown, approval to start marketing, etc. IDA Directors will receive copy of marketing packet shortly.

County Fair

County Fair will be August 7 and 8 at Upper County Park. This will be OED's second year to host an exhibit all day Saturday, the 8th. Educational in nature, similar to IDA's recent BLB program. Would IDA Directors be interested in taking shifts of an hour or two at the booth, along with KAT and SEB, to help convey the message?