

AT A MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON MAY 11, 2000, AT 3:30 P.M. IN THE BUILDING C CONFERENCE ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

1. CALL TO ORDER

The meeting was called to order by Chairman Bartlett at 3:32 p.m.

2. ROLL CALL

A roll call by Secretary Taylor identified the following members present:

Mr. Gilbert Bartlett
Mr. John Berkenkamp
Mr. Vincent Campana, Jr.
Mr. Mark Rinaldi

ALSO PRESENT

Keith Taylor, Secretary, IDA
William Porter, Assistant County Administrator
Donna Christian, Recording Secretary, IDA
Sandra Barner, Project Coordinator
Bruce Goodson, Board of Supervisors
Steve Johnson, Bond Counsel, Mays & Valentine
Victoria Gussman, Williamsburg Developments Inc.
Leo Rogers, Deputy County Attorney

ABSENT

Mr. Robert Demer
Mr. Sterling Nichols
Mr. Jon Nystrom

3. APPROVAL OF MINUTES

On a motion by Mr. Campana and a second by Mr. Berkenkamp, the minutes from the January 12, March 9, April 5, and May 8, 2000 meetings were approved by unanimous voice vote.

4. FINANCIAL REPORTS

a. Treasurer's and Financial Reports

Mr. Taylor and Ms. Christian briefly presented the Treasurer's Report and answered questions. On a motion by Mr. Berkenkamp and a second by Mr. Campana the Treasurer's Report was accepted as presented by unanimous voice vote.

b. Operating and CIP Budget Reports

Mr. Taylor and Ms. Christian presented the Capital Improvement Expenditure Report and the IDA Operating Budget Report. Mr. Berkenkamp suggested requesting reimbursement from the CIP account to the IDA for the flagpole expense incurred at the shell building. On a motion by Mr. Berkenkamp, and a second by Mr. Campana, Operating and CIP Budget Reports were accepted as presented by unanimous voice vote.

5. PERSONNEL MATTERS

a. Summer Intern for OED

Mr. Taylor reported that Mr. Jim Golden from the College of William & Mary highly recommended Ms. Kendra Langlois to the Office of Economic Development as a summer intern. Mr. Taylor interview Ms. Langlois and she will begin work on May 22, 2000 doing some research on possible uses for the Casey/New Town property.

6. ACTION ITEMS

a. Patriot's Colony IRB Loan Agreement Amendment

Mr. Steve Johnson briefly explained the reason for the amendment. The amendment would be to insert the new occupancy levels into the loan agreement. This would not change the IDA's position on the loan. On a motion by Mr. Berkenkamp and a second by Mr. Campana, the resolution authorizing amendments to the loan agreement was approved by unanimous voice vote.

b. Wal-Mart Performance Agreement

Mr. Taylor stated that Governor's Opportunity Fund money has been applied for by the County which requires a performance agreement. Mr. Rogers stated that if Wal-Mart meets the required criteria, the money will not be required to be paid back. On a motion by Mr. Campana, and a second by Mr. Berkenkamp, the Wal-Mart performance agreement was approved by unanimous voice vote.

c. FY 2001 IDA Operating Budget Adoption

Mr. Taylor introduced Ms. Christian who briefly explained the budget request for FY 2001. Mr. Berkenkamp commented that the IDA should be more pro-active. Mr. Goodson commented that the County has doubled contributions to the Peninsula Alliance for Economic Development over the past two years. On a motion by Mr. Berkenkamp and a second by Mr. Campana, the FY 2001 IDA Operating Budget was adopted.

d. 2000 Michelob Championship Promotional Contract Authorization

Mr. Taylor reported that the Michelob Championship sponsorship would be paid out of FY 2000 funds completely this year. Mr. Goodson stated that the County's portion of the sponsorship had previously been paid from County hotel room tax revenues. The Williamsburg Convention & Visitor's Bureau did not feel that this was a correct use of these funds. Mr. Taylor stated that the County is requesting that the IDA completely fund the Michelob Championship sponsorship this year. On a motion by Mr. Berkenkamp and a second by Mr. Rinaldi, the IDA authorized Mr. Taylor to sign the contract by unanimous voice vote.

7. PRESENTATION

James River Commerce Center Update

Mr. Bartlett introduced Ms. Victoria Gussman from Williamsburg Developments, Inc. who provided a presentation to the IDA as to where the James River Commerce Center is at present. Ms. Gussman explained that the park is a 219 acre light industrial park and gave information on the current marketing plan. The IDA owns 64 acres of this park. She answered questions from the IDA.

8. REPORTS

a. BOS Liaison to IDA

Mr. Goodson reported that the Board of Supervisors passed a resolution for Business Appreciation Week. He also stated that the Wal-Mart Industrial Access Road application request fund was approved as well.

b. Planning Commission Liaison

Mr. Demer was not present. No report.

c. Peninsula Alliance for Economic Development

Mr. Nystrom was not present. Mr. Taylor reported that the Peninsula Alliance is meeting with individual communities and that they met with James City County on May 16, 2000.

d. Research & Technology District Task Force

Mr. Campana stated that the task force will be having a meeting to revise their presentation and will soon present it to the Board of Supervisors.

e. Dialog with Richmond Area IDA's

Mr. Bartlett reported that visit to the Henrico County Economic Development Authority went very well. Our IDA toured all their parks and met with the EDA directors. A letter to the Henrico County EDA was drafted and signed by all of the directors that went on the trip to thank them for their hospitality and information. Mr. Berkenkamp stated that the Henrico County EDA hired a marketing firm to select who they should be marketing to. Mr. Rinaldi wrote a report of his thoughts on the trip and handed them out to the other directors. Mr. Campana asked if the IDA should rely solely on the Peninsula Alliance for leads or should the IDA be doing more themselves. Mr. Taylor suggested that the IDA appoint a liaison to the Office of Economic Development to recommend new initiatives for IDA consideration. Mr. Bartlett asked Mr. Rinaldi to be the Economic Development Initiatives liaison to the Office of Economic Development.

f. Existing Industry Visits - Directors

Mr. Taylor thanked the directors for accompanying him on the past existing industry visits. He stated that this was one of the items taken from the IDA's strategic plan.

g. Topic(s) for Spring Work Session with Board of Supervisors

Mr. Bartlett stated that the topics for the joint work session have been set and the IDA is merely waiting for the date to be set. Mr. Bartlett and Mr. Nervitt were to get together to work out the agenda.

9. REPORTS OF THE ECONOMIC DEVELOPMENT STAFF

Mr. Taylor reported that the Celebration of Industry will be held on May 18, 2000 and that we are expecting 80-90 people.

10. OTHER BUSINESS

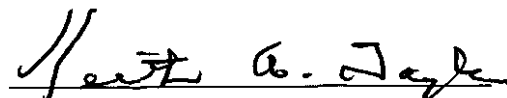
Mr. Bartlett stated that a committee has been formed to do a feasibility study for an area convention center.

Mr. Rinaldi asked if there may be a conflict of interest, who should he talk to about it. Mr. Bartlett suggested that Mr. Rinaldi speak to Mr. Leo Rogers, Deputy County Attorney and if there is a conflict, to note it in the public minutes.

11. ADJOURNMENT

There being no further business Chairman Bartlett entertained a motion from Mr. Berkenkamp to adjourn. The motion was seconded by Mr. Rinaldi and approved by unanimous voice vote. The meeting was adjourned at 5:15 p.m.


Gilbert A. Bartlett, Chairman


Keith A. Taylor, Secretary

**Industrial Development Authority
of the County of James City, Virginia
FY01 Adopted Operating Budget**

Account#	Account Name	Adopted Budget FY01
021-010-0203	Professional Services	\$ -
021-010-0205	Promotion	\$ 24,000.00
021-010-0210	Insurance	\$ 650.00
021-010-0219	Telephone	\$ 600.00
021-010-0220	Travel & Training	\$ 2,000.00
021-010-0232	James River Commerce Center OE.	\$ 4,500.00
021-010-0233	Shell Building Operating Expenses	\$ 3,000.00
021-010-0235	Annual Audit	\$ 4,500.00
021-010-0245	Mainland Farm - Operating Exp.	\$ 100.00
021-010-0300	Advertising	\$ 1,000.00
021-010-0319	Office Supplies & Equipment	\$ 600.00
021-010-0398	OED Discretionary Expenses	\$ 1,500.00
Totals	Totals	\$ 42,450.00

**Treasurer's Report
Industrial Development Authority
Jan 1, 2000-February 29, 2000**

Rev Code	Revenue Source	Prior Collections	Collected this period	Collected to Date
021-325-0100	Lease Income	\$2,574.80		\$2,574.80
021-325-0200	Interest on Available Cash	\$3,117.78	\$1,079.55	\$4,197.33
021-325-0600	General Fund Transfer	\$724,025.00		\$724,025.00
021-325-0400	Bond Fee Revenue	\$4,687.50	\$10,879.95	\$15,567.45
021-325-0500	Land Contract Payment Revenue	\$288,447.08		\$288,447.08
021-325-0250	Misc Revenue			\$0.00
	Expense Reimbursement	\$117.35	\$34,600.50	\$34,717.85
	Receipts		\$46,560.00	
	Fiscal Year Receipts			\$1,069,529.51
	Bank balance June 30, 1999			\$147,610.98
	Total Receipts			\$1,217,140.49
	Disbursements this Period	\$44,342.21		
	Previous disbursements	\$1,037,575.20		
	Total disbursements to Date			\$1,081,917.41
	Bank balance February 29, 2000			<u>\$135,223.08</u>

**Industrial Development Authority
of the County of James City
FY 00 Budget Report
Periods Covered Jan 00 - Feb 00**

Account #	Account Name	Beginning Budget	Exp. Jan-Feb*	Previously Reported YTD Expenses*	Total YTD Exp.*	Balance
021-010-0203	Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
021-010-0205	Promotion	\$ 17,500.00	\$ 2,019.01	\$ 250.00	\$ 2,269.01	\$ 15,230.99
021-010-0210	Insurance	\$ 500.00	\$ -	\$ 550.00	\$ 550.00	\$ (50.00)
021-010-0219	Telephone	\$ 500.00	\$ 91.72	\$ 380.80	\$ 452.52	\$ 47.48
021-010-0220	Travel & Training	\$ 3,000.00	\$ -	\$ 243.61	\$ 243.61	\$ 2,756.39
021-010-0232	James River Comm.Ctr.OE.	\$ 3,000.00	\$ 2,271.73	\$ -	\$ 2,271.73	\$ 728.27
021-010-0233	Shell Building OE.	\$ 6,000.00	\$ 535.75	\$ 1,164.35	\$ 1,700.10	\$ 4,299.90
021-010-0235	Annual Audit	\$ 4,500.00	\$ -	\$ 3,000.00	\$ 3,000.00	\$ 1,500.00
021-010-0245	Mainland Farms - Oper Exp.	\$ -	\$ 11.00	\$ 31.60	\$ 42.60	\$ (42.60)
021-010-0300	Advertising	\$ -	\$ 337.50	\$ 645.80	\$ 983.30	\$ (983.30)
021-010-0319	Office Supplies & Equipment	\$ 700.00	\$ -	\$ -	\$ -	\$ 700.00
021-010-0398	OED Discretionary Exp.	\$ 1,500.00	\$ -	\$ -	\$ -	\$ 1,500.00
Totals		\$ 37,200.00	\$ 5,266.71	\$ 6,246.16	\$ 11,512.87	\$ 25,687.13

*Extrapolated from monthly computer printouts received from the County Accounting Office.

021-010-0240	Shell Building Improvements	\$ -	\$ 4,475.00	\$ 18,856.96	\$ 23,331.96	\$ (23,331.96)
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prepared Feb. 8, 2000

James City County
Capital Improvement Project Funds
Involving Industrial Development Authority
FY 00
Periods Covered Jan 00-Feb 00

Account #	Account Name	Total Budget	Add'l Funds Appro	Exp. Jan 00 - Feb 00 **	Previously Reported YTD Expenses	Total Exp	Balance
013-071-0200	James River Commerce Center	\$ 842,352.00	\$ -	\$ -	\$ 673,726.00	\$ 673,726.00	\$ 168,626.00
013-071-0300	Economic Development	\$ 1,745,000.00	\$ -	\$ 34,600.50	\$ 1,492,040.76	\$ 1,526,641.26	\$ 218,358.74
013-071-0350	Industrial Prop/Infrastructure	\$ 750,000.00	\$ -	\$ -	\$ -	\$ -	\$ 750,000.00
013-071-0400	Industrial Shell Building	\$ 3,250,000.00	\$ -	\$ -	\$ 3,146,535.47	\$ 3,146,535.47	\$ 103,464.53
TOTALS		\$ 6,587,352.00	\$ -	\$ 34,600.50	\$ 5,312,302.23	\$ 5,346,902.73	\$ 1,240,449.27

*Extrapolated from monthly computer printouts
received from the County Accounting Office.

**Treasurer's Report
Industrial Development Authority
March - April 2000**

Rev Code	Revenue Source	Prior Collections	Collected this period	Collected to Date
021-325-0100	Lease Income	\$2,574.80		\$2,574.80
021-325-0200	Interest on Available Cash	\$4,197.33	\$1,102.48	\$5,299.81
021-325-0600	General Fund Transfer	\$724,025.00		\$724,025.00
021-325-0400	Bond Fee Revenue	\$15,567.45		\$15,567.45
021-325-0500	Land Contract Payment Revenue	\$288,447.08		\$288,447.08
021-325-0250	Misc Revenue			\$0.00
	Expense Reimbursement	\$34,717.85	\$232.33	\$34,950.18
	Receipts		\$1,334.81	
	Fiscal Year Receipts			\$1,070,864.32
	Bank balance June 30, 1999			\$147,610.98
	Total Receipts			\$1,218,475.30
	Disbursements this Period	\$431.63		
	Previous disbursements	\$1,081,917.41		
	Total disbursements to Date			\$1,082,349.04
	Bank balance April 30, 2000			<u>\$136,126.26</u>

**Industrial Development Authority
of the County of James City
FY 00 Budget Report
Periods Covered Mar 00 - Apr 00**

Account #	Account Name	Beginning Budget	Exp. Mar-Apr*	Previously Reported YTD Expenses*	Total YTD Exp.*	Balance
021-010-0203	Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
021-010-0205	Promotion	\$ 17,500.00	\$ 266.46	\$ 2,269.01	\$ 2,535.47	\$ 14,964.53
021-010-0210	Insurance	\$ 500.00	\$ -	\$ 550.00	\$ 550.00	\$ (50.00)
021-010-0219	Telephone	\$ 500.00	\$ 45.45	\$ 472.88	\$ 518.33	\$ (18.33)
021-010-0220	Travel & Training	\$ 3,000.00	\$ -	\$ 243.61	\$ 243.61	\$ 2,756.39
021-010-0232	James River Comm.Ctr.OE.	\$ 3,000.00	\$ -	\$ 2,271.73	\$ 2,271.73	\$ 728.27
021-010-0233	Shell Building OE.	\$ 6,000.00	\$ -	\$ 1,582.75	\$ 1,582.75	\$ 4,417.25
021-010-0234	Strawberry Plains Op	\$ -	\$ 108.72	\$ -	\$ 108.72	\$ (108.72)
021-010-0235	Annual Audit	\$ 4,500.00	\$ -	\$ 4,000.00	\$ 4,000.00	\$ 500.00
021-010-0245	Mainland Farms - Oper Exp.	\$ -	\$ 11.00	\$ 42.60	\$ 53.60	\$ (53.60)
021-010-0300	Advertising	\$ -	\$ -	\$ 983.30	\$ 983.30	\$ (983.30)
021-010-0319	Office Supplies & Equipment	\$ 700.00	\$ -	\$ -	\$ -	\$ 700.00
021-010-0398	OED Discretionary Exp.	\$ 1,500.00	\$ -	\$ -	\$ -	\$ 1,500.00
Totals		\$ 37,200.00	\$ 431.63	\$ 12,415.88	\$ 12,847.51	\$ 24,352.49

*Extrapolated from monthly computer printouts received from the County Accounting Office.

021-010-0240	Shell Building Improvements	\$ -	\$ -	\$ 23,331.96	\$ 23,331.96	\$ (23,331.96)
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James City County
Capital Improvement Project Funds
Involving Industrial Development Authority
FY 00
Periods Covered Mar 00-Apr 00

Account #	Account Name	Total Budget	Add'l Funds Appro	Exp. Mar 00 - Apr 00 **	Previously Reported YTD Expenses	Total Exp	Balance
013-071-0200	James River Commerce Center	\$ 842,352.00	\$ -	\$ -	\$ 673,726.00	\$ 673,726.00	\$ 168,626.00
013-071-0300	Economic Development	\$ 1,745,000.00	\$ -	\$ -	\$ 1,526,641.26	\$ 1,526,641.26	\$ 218,358.74
013-071-0350	Industrial Prop/Infrastructure	\$ 750,000.00	\$ -	\$ -	\$ -	\$ -	\$ 750,000.00
013-071-0400	Industrial Shell Building	\$ 3,250,000.00	\$ -	\$ -	\$ 3,146,535.47	\$ 3,146,535.47	\$ 103,464.53
TOTALS		\$ 6,587,352.00	\$ -	\$ -	\$ 5,346,902.73	\$ 5,346,902.73	\$ 1,240,449.27

*Extrapolated from monthly computer printouts received from the County Accounting Office.

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF JAMES CITY, VIRGINIA
AUTHORIZING AMENDMENTS TO THE LOAN AGREEMENT RELATING TO ITS
\$30,500,000 RESIDENTIAL CARE FACILITY REVENUE BONDS
(PATRIOTS COLONY PROJECT), SERIES 1997**

WHEREAS, the Industrial Development Authority of the County of James City, Virginia (the "Authority") has previously issued its \$30,500,000 Residential Care Facility Revenue Bonds (Patriots Colony Project) Series 1997 (the "Bonds") pursuant to a Trust Agreement dated as of February 1, 1997 (the "Trust Agreement") between the Authority and Signet Trust Company ("Signet") as Bond Trustee;

WHEREAS, the Authority lent the proceeds of the Bonds to Patriots Colony Inc. (the "Corporation") pursuant to a Loan Agreement dated as of February 1, 1997 (the "Loan Agreement") between the Authority and the Corporation in order to finance the acquisition, construction and equipping of a continuing care retirement facility (the "Project") for the benefit of the Corporation;

WHEREAS, The Bank of New York has succeeded Signet as Bond Trustee (the "Trustee");

WHEREAS, the General Assembly of Virginia has enacted legislation which becomes effective on July 1, 2000 (the "Retired Military Officers' CCRC Legislation"), eliminating prior restrictions precluding the Corporation from admitting private pay patients, other than continuing care contract holders, to the long term nursing care unit constituting a portion of the Project (the "Nursing Unit"), as long as the documents pursuant to which the Bonds are issued and secured require that the Nursing Unit maintain a ninety percent (90%) occupancy rate (the "Occupancy Target");

WHEREAS, the Project has been completed and in operation for less than four years and sufficient demand does not exist from the relatively young continuing care contract holders residing at the Project to keep the Nursing Unit filled at this time;

WHEREAS, permitting access to the Nursing Unit by private pay patients who are non-continuing care contract holders will likely lead to higher occupancy, which, in turn, will increase the Corporation's revenues derived from the Project and enhance its ability to pay amounts under the Loan Agreement sufficient to pay debt service due on the Bonds;

WHEREAS, to qualify for the relief provided by the Retired Military Officers' CCRC Legislation and thereby be permitted to admit additional private pay patients to the Nursing Unit, the documents pursuant to which the Bonds are issued and secured must require the Corporation to maintain the Occupancy Target;

WHEREAS, the Corporation has requested that the Loan Agreement be amended to add the Occupancy Target as a covenant of the Corporation;

WHEREAS, Section 8.3 of the Loan Agreement and Section 1301 of the Trust Agreement provide that the Loan Agreement may be amended and supplemented by the Authority and the Corporation, with the consent of the Trustee, but without the consent of or

notice to the holders of the Bonds (the "Bondholders"), to grant to or confer on the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Bondholders or the Trustee or either of them or to make any other change which, in the opinion of the Trustee, will not prejudice in any material respect the rights of the Bondholders;

WHEREAS, by amending the Loan Agreement to add the Occupancy Target as a covenant of the Corporation, the Corporation will grant to or confer on the Trustee additional rights, remedies, powers or authority for the benefit of the Bondholders;

WHEREAS, the Corporation expects that after addition of the Occupancy Target, occupancy of the Nursing Unit and revenues from the Project will increase, thereby enhancing the likelihood that the Bonds will be repaid in full, and the Authority understands that, based on such expectations, the Trustee is of the opinion that the requested amendments to the Loan Agreement will not prejudice in any material respect the rights of the Bondholders; and

WHEREAS, there has been presented to this meeting a form of an Amendment of Loan Agreement dated as of May 1, 2000, between the Authority and the Corporation (the "Amendment") which the Authority proposes to execute in order to effect the amendments described above, a copy of which shall be filed with the records of the Authority;

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

1. It is hereby determined to be expedient and appropriate for the Authority, as requested by the Corporation, to approve certain modifications to the Loan Agreement as set forth in the Amendment.

2. The Chairman or Vice Chairman of the Authority is hereby authorized to execute the Amendment and deliver it to the other parties thereto upon delivery to the Authority's counsel of satisfactory evidence that all proper steps for the delivery of such Amendment have been taken.

3. The Amendment shall be in substantially the form submitted to this meeting, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the officer executing it and counsel to the Authority, such execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

4. The appropriate officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and instruments and to take all such further action as they may consider necessary in connection with the transactions contemplated by the Amendment.

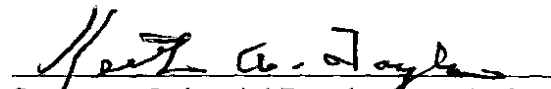
5. This resolution shall take effect immediately upon its adoption.

ADOPTED: May 11, 2000

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the County of James City, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of the directors of the Authority present and voting at a meeting duly called and held on May 11, 2000, 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.

WITNESS the following signature and seal of the Authority, this 11TH day of May, 2000.


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