

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Series 2018 Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2018 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE
BOOK-ENTRY ONLY

Ratings: Moody's: ____
Standard & Poor's: ____
Fitch: ____
(See "Ratings")

In the opinion of Bond Counsel, under current law and subject to the conditions described in the section "TAX EXEMPTION," interest on the Series 2018 Bonds (1) will not be included in gross income for federal income tax purposes, (2) will not be an item of tax preference for purposes of the federal alternative minimum income tax and (3) will be exempt from income taxation by the Commonwealth of Virginia. A holder may be subject to other federal income tax consequences as described in the section "TAX EXEMPTION."

\$ _____
*
**ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA
PUBLIC FACILITY REVENUE AND REFUNDING BONDS
(COUNTY GOVERNMENT PROJECTS), SERIES 2018**

Dated: Date of Issuance _____ **Due:** _____, as shown on the inside cover

This Official Statement has been prepared by James City County, Virginia (the "County"), on behalf of the Economic Development Authority of James City County, Virginia (the "Authority"), to provide information on the Series 2018 Bonds, the security therefor, the County, the projects being financed with the proceeds of the Series 2018 Bonds and other relevant information. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series 2018 Bonds, a prospective investor should read this Official Statement in its entirety.

Security THE SERIES 2018 BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM CERTAIN PAYMENTS TO BE MADE BY THE COUNTY PURSUANT TO A FINANCING AGREEMENT DATED AS OF JUNE 1, 2016, AS SUPPLEMENTED BY A FIRST SUPPLEMENTAL FINANCING AGREEMENT DATED AS OF _____, 2018 (TOGETHER, THE "FINANCING AGREEMENT"), BETWEEN THE COUNTY AND THE AUTHORITY; A DEED AND AGREEMENT OF FINANCING LEASE DATED AS OF _____, 2018 (THE "FINANCING LEASE"), BETWEEN THE COUNTY AND THE AUTHORITY; AND FROM CERTAIN FUNDS AND THE INVESTMENT INCOME THEREFROM HELD BY THE TRUSTEE. THE UNDERTAKING BY THE COUNTY TO MAKE PAYMENTS UNDER THE FINANCING AGREEMENT AND THE FINANCING LEASE WILL BE SUBJECT TO APPROPRIATIONS BY THE COUNTY BOARD OF SUPERVISORS FROM TIME TO TIME OF SUFFICIENT FUNDS FOR SUCH PURPOSE. NEITHER THE SERIES 2018 BONDS, THE FINANCING AGREEMENT NOR THE FINANCING LEASE CONSTITUTES A DEBT OF THE COUNTY OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY. THE SERIES 2018 BONDS AND THE PREMIUM, IF ANY, AND THE INTEREST ON THEM SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BONDS OR OTHER COSTS INCIDENT TO THEM EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED FOR SUCH PURPOSE. THE AUTHORITY HAS NO TAXING POWER.

Issued Pursuant To The Series 2018 Bonds will be issued pursuant to an Agreement of Trust dated as of June 1, 2016, as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of _____, 2018, between the Authority and Wilmington Trust, National Association, as Trustee.

Trustee Wilmington Trust, National Association

Purpose The proceeds of the Series 2018 Bonds will be used to (a) finance the Series 2018 Project (as defined herein), (b) refund the Refunded Bonds (as defined herein), and (c) finance the costs of issuing the Series 2018 Bonds.

Interest Payment Dates _____ and _____, commencing _____, 2018

Regular Record Dates _____ and _____

Redemption The Series 2018 Bonds are subject to extraordinary and optional redemption as set forth herein.

Denominations \$5,000 and integral multiples thereof.

Closing/Delivery Date On or about _____, 2018.

Registration Full book-entry only; The Depository Trust Company, New York, New York

Bond Counsel Hunton Andrews Kurth LLP, Richmond, Virginia

County Attorney Adam Kinsman, Esquire

Authority Counsel Adam Kinsman, Esquire

Dated: _____, 2018

* Preliminary subject to change.

\$ _____ *

**ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA**

**PUBLIC FACILITY REVENUE AND REFUNDING BONDS
(COUNTY GOVERNMENT PROJECTS), SERIES 2018**

*	Principal Amount*	Interest Rate	Yield	CUSIP**
---	----------------------	------------------	-------	---------

* Preliminary, subject to change.

** Copyright 2013, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2018 Bonds, and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2018 Bonds.

The Series 2018 Bonds will be exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the Series 2018 Bonds will also be exempt from registration under the securities laws of Virginia.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representation should not be relied upon as having been authorized by the Authority or the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Series 2018 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale.

All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the County or the Authority since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2018 Bonds, including transactions to (a) overalloc in arranging the sales of the Series 2018 Bonds and (b) make purchases and sales of the Series 2018 Bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the underwriter may determine.

TABLE OF CONTENTS

	<u>Page</u>
SECTION ONE: INTRODUCTION	1
The Issuer	1
The Series 2018 Bonds	1
Redemption	2
Delivery	2
Ratings	2
Financial Advisor	3
Continuing Disclosure	3
Additional Information	3
SECTION TWO: THE SERIES 2018 BONDS	3
THE AUTHORITY	3
THE SERIES 2018 BONDS	3
General	3
Redemption	4
Plan of Finance	5
Estimated Sources and Uses of Funds	5
Estimated Debt Service Requirements	6
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS	6
Security for the Series 2018 Bonds	6
Financing Agreement	6
Financing Lease	7
Assignment Agreement	8
No Series Debt Service Reserve Account Established for the Series 2018 Bonds	8
Bond Fund	8
Project Fund	8
Additional Bonds	9
SECTION THREE: MISCELLANEOUS	9
JAMES CITY COUNTY	9
BONDHOLDERS' RISKS	9
RATINGS	11
BONDS ELIGIBLE FOR INVESTMENT AND SECURITY FOR PUBLIC DEPOSITS	11
LITIGATION	11
LEGAL MATTERS	12
TAX EXEMPTION	12
Opinion of Bond Counsel	12
Original Issue Discount	12
Original Issue Premium	13
Other Tax Matters	13
FINANCIAL ADVISOR	14
SALE AT COMPETITIVE BIDDING	14
CONTINUING DISCLOSURE	14
MISCELLANEOUS	14
Appendix A - Definitions of Certain Terms	
Appendix B - Summary of the Financing Documents	
Appendix C - Information Regarding James City County, Virginia	
Appendix D - Audited Financial Statements of the County for the Fiscal Year Ended June 30, 2017	
Appendix E - Form of Bond Counsel Opinion	
Appendix F - Form of Continuing Disclosure Agreement	
Appendix G - Book-Entry Only System	
Appendix H - Official Notice of Sale	

OFFICIAL STATEMENT

\$ _____ *

**ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA
PUBLIC FACILITY REVENUE AND REFUNDING BONDS
(COUNTY GOVERNMENT PROJECTS) SERIES 2018**

SECTION ONE: INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide information in connection with the issuance by the Economic Development Authority of James City County, Virginia (the “Authority”), a political subdivision of the Commonwealth of Virginia (the “Commonwealth”), of its \$ _____ * Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018 (the “Series 2018 Bonds”). The following introductory material is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, reference to which is hereby made for all purposes. Certain capitalized terms used in this Official Statement are defined in Appendix A - “Definitions of Certain Terms.”

The Series 2018 Bonds will be offered for sale through competitive bidding on _____, 2018. The Notice of Sale relating to the Series 2018 Bonds and describing the competitive bidding process is attached hereto as Appendix H.

The Issuer

The issuer of the Series 2018 Bonds is the Economic Development Authority of James City County, Virginia, a political subdivision of the Commonwealth of Virginia.

The Series 2018 Bonds

The proceeds of the Series 2018 Bonds will be used to (a) finance the Series 2018 Project (as defined herein), (b) refund the Refunded Bonds (as defined herein), and (c) finance the costs of issuing the Series 2018 Bonds.

The Series 2018 Bonds will consist of \$ _____ Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018, dated the date of issuance and maturing on _____ in the years and in the amounts set forth on the inside cover of this Official Statement. Interest on the Series 2018 Bonds will be payable on each _____ and _____, beginning _____, 20____, until the earlier of maturity or redemption, at the rates set forth on the inside cover of this Official Statement.

The Series 2018 Bonds will be issued in accordance with the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Act”), and pursuant to an Agreement of Trust dated as of June 1, 2016 (the “Master Trust Agreement”), as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of _____, 2018 (the “Second Supplemental Trust Agreement” and, together with the Master Trust Agreement, the “Trust Agreement”), both between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”). Pursuant to the terms of the Trust Agreement, the Authority has determined to issue from time to time revenue bonds or notes and use the proceeds thereof to finance certain “authority facilities” (as defined in the Act), as requested by James City County, Virginia (the “County”). The Authority and the County have entered into a Financing Agreement dated as of June 1, 2016, as supplemented by a First Supplemental Financing Agreement dated as of _____, 2018 (together, the “Financing Agreement”), pursuant to which the County has requested the Authority to finance the Series 2018 Project and refund the Refunded Bonds with the proceeds of the Series 2018 Bonds, and the County has agreed, subject to appropriation by the Board of Supervisors of the County (the “County Board”), to support such requests

* Preliminary, subject to change.

by paying to or on behalf of the Authority amounts sufficient to pay the principal of and premium, if any, and interest due on the Series 2018 Bonds (the “Basic Payments”) and other amounts due under the Financing Agreement (the “Additional Payments”).

As additional security for the Series 2018 Bonds, the County will lease a police station and a fire administration and training building (both of which were financed with proceeds of the Refunded Bonds) (the “Property”), to the Authority pursuant to the terms of a Deed and Agreement of Ground Lease dated as of _____, 2018 (the “Ground Lease”). The Authority will lease back to the County the Property pursuant to the terms of a Deed and Agreement of Financing Lease dated as of _____, 2018 (the “Financing Lease”), under which the County has agreed to undertake, subject to appropriation by the County Board, to make payments of basic rent (the “Basic Rent”) and certain other payments (“Additional Rent”). To the extent that the County pays in full all Basic Payments and Additional Payments when due under the terms of the Financing Agreement, the amount of such payments will be credited in full against the Basic Rent and Additional Rent due from the County under the Financing Lease. Pursuant to an Assignment Agreement dated as of _____, 2018 (the “Assignment Agreement”), the Authority will assign to the Trustee for the benefit of the holders of the Series 2018 Bonds certain of its rights under the Financing Lease, including (a) its rights to receive Basic Payments and Basic Rent, (b) its rights, if any, to receive proceeds of insurance on the Property, (c) its rights to reenter and take possession of the Property upon an event of non-appropriation or default by the County and to sell or lease its leasehold interest in the Property and (d) its rights to exercise other remedies upon a default by the County.

The Series 2018 Bonds, the premium, if any, and the interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement and the Financing Lease, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement. The Series 2018 Bonds, the premium, if any, and the interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth 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 Series 2018 Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto.

A more complete description of the Trust Agreement, the Financing Agreement, the Ground Lease, the Financing Lease and the Assignment Agreement is provided in Appendix B - “Summary of the Financing Documents.”

Redemption*

The Series 2018 Bonds are subject to optional and extraordinary redemption as set forth in “THE SERIES 2018 BONDS - Redemption” in Section Two.

Delivery

The Series 2018 Bonds are offered for delivery when, as and if issued, subject to the approval of validity by Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, and to certain other exceptions referred to herein. Certain legal matters will be passed upon for the County and the Authority by the County Attorney.

Ratings

The Series 2018 Bonds have been rated as shown on the cover page thereto by Fitch Ratings, One State Street Plaza, New York, New York 10004, Moody’s Investors Service, 99 Church Street, New York, New York

* Preliminary, subject to change.

10007, and Standard & Poor's Public Finance Ratings, 55 Water Street, New York, New York 10041. A more complete description of each rating is provided in the section "RATINGS" in Section Three.

Financial Advisor

Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the County in connection with the issuance of the Series 2018 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2018 Bonds is contingent upon the issuance and delivery of the Series 2018 Bonds.

Continuing Disclosure

For purposes of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission ("SEC"), the County is an obligated person with respect to the Series 2018 Bonds. The County has agreed to execute a Continuing Disclosure Agreement at closing to assist the underwriter in complying with the provisions of the Rule as in effect on the date hereof, by providing annual financial information and material event notices required by the Rule. See "CONTINUING DISCLOSURE" in Section Three.

Additional Information

Any questions concerning the content of this Official Statement should be directed to 101-D Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784 (Telephone No. 757-253-6805), or the County's Financial Advisor, Davenport & Company LLC (804-697-2900).

SECTION TWO: THE SERIES 2018 BONDS

THE AUTHORITY

The Authority is a political subdivision of the Commonwealth of Virginia created pursuant to the Act. The Act empowers the Authority to acquire, construct, lease, remodel, renovate and equip any public building or other facility used for public purposes. The County Board has requested the Authority to undertake the Series 2018 Project.

The Authority is not obligated to pay the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto except from amounts received therefor under the Financing Agreement and the Financing Lease. **The Authority has no taxing power.**

THE SERIES 2018 BONDS

General

The Series 2018 Bonds will be dated the date of issuance, will bear interest from their date, payable semiannually on each _____ and _____, beginning _____, 2018, at the rates, and will mature on _____ in the years and amounts as set forth on the inside cover of this Official Statement. If such interest payment date is not a Business Day, such payment will be made on the next succeeding Business Day with the same effect as if made on the interest payment date and no additional interest will accrue. Interest on the Series 2018 Bonds will be payable by check or draft mailed to the registered owner at his address as it appears on the registration books kept by the Trustee as of the _____ and _____ preceding each respective payment date.

The Series 2018 Bonds will be issued as fully registered bonds, in denominations of \$5,000 or integral multiples thereof, initially in book-entry form only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial ownership in the Series 2018 Bonds will be made in principal amounts of \$5,000 and multiples of \$5,000. Individual purchasers of beneficial ownership in the Series 2018 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. Transfer of the Series 2018 Bonds and payment of principal of and premium, if any, and interest on the Series 2018 Bonds will be effected as described below in this section. If the book-entry system is discontinued, bond certificates will

be delivered as described in the Trust Agreement, and Beneficial Owners will become registered owners of the Series 2018 Bonds. Registered owners of the Series 2018 Bonds, whether Cede & Co. or, if the book-entry system is discontinued, the Beneficial Owners, will be defined in this Official Statement as the “Bondholders.” **So long as Cede & Co. is the sole Bondholder, as nominee for DTC, reference in this Official Statement to Bondholders means Cede & Co. and does not mean the Beneficial Owners.** See Appendix G - “Book-Entry Only System.”

The Series 2018 Bonds will be limited obligations of the Authority as described more fully in the section “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS.”

Redemption*

Optional Redemption. The Series 2018 Bonds maturing on and before _____, 20__, will not be subject to redemption prior to maturity. The Series 2018 Bonds maturing on and after _____, 20__, will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, on or after _____, 20__, in whole or in part (in \$5,000 integrals) at any time, upon payment of [100%] of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

Selection of Bonds. If less than all of the Series 2018 Bonds are called for redemption, the Series 2018 Bonds (or principal portions thereof) to be redeemed shall be selected by the Authority (at the direction of the County). If less than all of the Series 2018 Bonds of a particular maturity are called for redemption, DTC or any successor securities depository will select the particular Series 2018 Bonds within each maturity to be redeemed pursuant to its rules and procedures or, if the book-entry system is discontinued, the Series 2018 Bonds to be redeemed will be selected by the Trustee (as hereinafter defined). In either case, each portion of the \$5,000 principal amount is counted as one Series 2018 Bond for such purpose.

Mandatory Sinking Fund Redemption. The Final Official Statement will contain the provisions for any Series 2018 Bonds subject to mandatory sinking fund redemption.

Extraordinary Redemption. The Series 2018 Bonds are subject to redemption, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to, but not including, the redemption date, on the earliest date for which notice of redemption can be given at the direction of the County, to the extent the County elects to apply Net Proceeds to the prepayment of all or any portion of the Basic Payments due under the Financing Agreement, after damage or destruction to or condemnation of the Property. In the event of a partial extraordinary optional redemption, the Trustee, at the direction of the County, may redeem the Series 2018 Bonds (a) from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of Series 2018 Bonds of such maturity bears to the total principal amount of all Series 2018 Bonds then outstanding or (b) in inverse order of maturity, and the Trustee shall redeem in accordance with such instructions.

Notice of Redemption. Notice of redemption will be given by the Trustee by facsimile transmission, registered or certified mail or overnight express delivery not less than 30 nor more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Series 2018 Bonds, to the substitute securities depository, or, if none, to the respective registered owner of each Series 2018 Bond to be redeemed at the address shown on the registration books maintained by the Trustee. This notice of redemption will also be given to certain securities depositories and certain national information services which disseminate redemption notices. During the period that DTC or its nominee is the registered owner of the Series 2018 Bonds, the Trustee will not be responsible for mailing notices of redemption to the Beneficial Owners.

At the direction of the County, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice will be effective when given. If such proceeds are not available on the redemption date, such Series 2018 Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption and principal will continue to be payable as scheduled. On presentation and surrender of the Series

* Preliminary, subject to change.

2018 Bonds called for redemption at the place or places of payment, such Series 2018 Bonds will be paid and redeemed.

Effect of Redemption. On the date on which any Series 2018 Bonds have been called for redemption and sufficient funds for their payment on the redemption date are held by the Trustee, interest on such Series 2018 Bonds will cease to accrue and their registered owners will be entitled to receive payment only from the Trustee from funds available for that purpose.

Plan of Finance

On _____, 2018, the County Board adopted a resolution approving the issuance of the Series 2018 Bonds to finance the Series 2018 Project and refund the Refunded Bonds and expressing its intent to appropriate sufficient funds for such purposes and to recommend to future County Boards to do likewise. The County expects to use proceeds of the Series 2018 Bonds to (a) finance the costs of capital improvements for fire vehicles and apparatus and school purposes (collectively, the “Series 2018 Project”), (b) currently refund and defease the Authority’s outstanding Taxable Lease Revenue Bonds (County Government Projects) Series 2009 Build America Bonds (the “Series 2009 Bonds”); and (c) pay the costs incurred in connection with issuing the Series 2018 Bonds. The maturity dates and principal amounts of the Series 2009 Bonds to be refunded (the “Refunded Bonds”) are set forth below:

<u>Refunded Bonds</u>	
Maturity (January 15)	Principal Amount
2019	\$ 660,000
2030	8,895,000

A portion of the proceeds of the Series 2018 Bonds will be deposited in an escrow fund (the “Escrow Fund”) to be held by Regions Bank, as escrow agent for the Refunded Bonds, pursuant to an Escrow Deposit Agreement (the “Escrow Agreement”) to be dated the date of delivery of the Bonds. The Escrow Agreement will provide that cash and/or noncallable obligations of the United States Government (the “Government Obligations”) will be deposited in the Escrow Fund and will mature and bear interest at times and in amounts sufficient to pay principal of and interest on the Refunded Bonds from the date the Bonds are issued until the Refunded Bonds mature or are called for redemption.

Estimated Sources and Uses of Funds

The proceeds received from the sale of the Series 2018 Bonds are expected to be applied as follows:

Sources of Funds

Principal Amount of Bonds	\$ _____
[Plus/Less [Net] Original Issue Premium/Discount]	(_____)
Total Sources	\$ _____

Uses of Funds

Deposit to Project Fund	\$ _____
Deposit to Escrow Fund	\$ _____
Costs of Issuance (including underwriter’s discount)	_____
Total Uses	\$ _____

Estimated Debt Service Requirements

The Final Official Statement will contain a table setting forth the estimated debt service requirements on the Series 2018 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS

The following is a summary of the sources of security and sources of payment for the Series 2018 Bonds. The references to the Series 2018 Bonds, the Financing Agreement, the Financing Lease, the Assignment Agreement and the Project Fund are qualified in their entirety by reference to such documents and the provisions relating to the Project Fund contained in the Trust Agreement.

Security for the Series 2018 Bonds

The Series 2018 Bonds will be equally and ratably secured by (1) Basic Payments and Basic Rent, which will be assigned by the Authority to the Trustee and will be applied to the payment of principal of, premium, if any, and interest on the Series 2018 Bonds as set forth in the Trust Agreement, without preference, priority or distinction of any Bond over any other Bond, and (2) certain funds established under the Trust Agreement and the investment income therefrom. The Series 2018 Bonds are equally and ratably secured under the Trust Agreement as to the pledge of Basic Payments with the Authority's Public Facility Revenue Bonds (James City County School Project), Series 2016, originally issued in the principal amount of \$26,750,000 (the "Series 2016 Bonds"), and any Additional Bonds that may hereafter be issued under the Trust Agreement; provided that any lease agreement or financing lease relating to a particular Series of Bonds will secure only such Bonds (unless otherwise provided in a Supplemental Trust Agreement), moneys in any account or subaccount of the Bond Fund relating to a particular Series of Bonds will secure only such Bonds, moneys in any account or subaccount of the Project Fund relating to a particular Series of Bonds will secure only such Bonds, and moneys in any account or subaccount of the Debt Service Reserve Fund relating to a particular Series of Bonds will secure only such Bonds (and may also secure any Additional Bonds issued to refund prior Bonds). The Authority and the County have agreed that, with respect to the Ground Lease and the Financing Lease, such documents may be amended to secure Additional Bonds (in addition to the Series 2018 Bonds) if prior to the issuance of such Additional Bonds, the Trustee receives confirmation that the rating on the Series 2018 Bonds will not be withdrawn, suspended or reduced as a result of such documents being amended to secure such Additional Bonds as well as the Series 2018 Bonds.

The Series 2018 Bonds, the premium, if any, and the interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement and the Financing Lease, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement and the investment income therefrom. The undertaking by the County to make payments under the Financing Agreement and the Financing Lease is subject to appropriation by the County Board. The County Board has no legal obligation to make any such appropriations. See the section "BONDHOLDERS' RISKS" in Section Three.

The Series 2018 Bonds, the premium, if any, and the interest thereon will not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, will be obligated to pay the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto. The Authority has no taxing power.

Financing Agreement

The Authority is issuing the Series 2018 Bonds for the purpose of providing funds to (a) finance the Series 2018 Project, (b) refund the Refunded Bonds, and (c) finance the costs of issuing the Series 2018 Bonds. The

Financing Agreement provides for the County to make payments on behalf of the Authority that will be sufficient to pay the principal of and premium, if any, and interest on the Bonds (currently consisting of only the Series 2016 Bonds and the Series 2018 Bonds) as the same shall become due in accordance with their terms and provisions and the terms of the Trust Agreement. The undertaking by the County to make payments under the Financing Agreement will constitute a current expense of the County, subject to appropriation by the County Board from time to time of sufficient funds for such purpose. The County will not be liable for any such payments due under the Financing Agreement unless and until funds have been appropriated by the County Board for payment and then only to the extent of such appropriation.

The Financing Agreement provides for the County to pay to the Trustee, as assignee of the Authority, Basic Payments in amounts calculated to be sufficient to pay principal of and interest when due on the Series 2016 Bonds, the Series 2018 Bonds and any Additional Bonds issued under the Trust Agreement. Basic Payments will be due at least 14 calendar days prior to the respective principal or interest payment dates on the Series 2016 Bonds, the Series 2018 Bonds and any Additional Bonds. The Financing Agreement also provides for the County to pay certain Additional Payments, including any redemption premium that may be payable on the Series 2018 Bonds and any Additional Bonds.

Other provisions of the Financing Agreement are summarized in Appendix B - "Summary of the Financing Documents."

The undertaking by the County to make payments under the Financing Agreement constitutes neither a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any Fiscal Year for which the County has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the Bondholders with respect to the County's obligations to make payments under the Financing Agreement or with respect to the performance by the County of any other covenant contained therein.

Financing Lease

In connection with the leasing of the Property (which includes only the projects being refinanced with the proceeds of the Series 2018 Bonds), the Financing Lease will serve as additional security for the Series 2018 Bonds. The Series 2016 Bonds are not secured by the Financing Lease and instead are additionally secured by a leasehold interest in different real property. The Financing Lease provides for the County to make payments of Basic Rent and Additional Rent on behalf of the Authority that will be sufficient to pay the principal of and premium, if any, and interest on the Series 2018 Bonds as the same shall become due in accordance with their terms and the provisions of the Trust Agreement. However, the County will receive a credit in full against all payments of Basic Rent and Additional Rent due under the Financing Lease to the extent the County makes all of the Basic Payments and Additional Payments due under the Financing Agreement. The undertaking by the County to make any payments under the Financing Lease will constitute a current expense of the County, subject to appropriation by the County Board from time to time of sufficient funds for such purpose. The County will not be liable for any such payments due under the Financing Lease unless and until funds have been appropriated by the County Board for payment and then only to the extent of such appropriation.

The Financing Lease provides for the County to pay to the Trustee, as assignee of the Authority, Basic Rent in amounts calculated to be sufficient to pay principal of and interest when due on the Series 2018 Bonds and any Additional Bonds secured by such Financing Lease. Basic Rent will be due at least 14 calendar days prior to the respective principal or interest payment date on the Series 2018 Bonds and Additional Bonds. The Financing Lease also provides for the County to pay certain Additional Rent, including any redemption premium that may be payable on the Series 2018 Bonds and any Additional Bonds secured by such Financing Lease. However, no payments are expected to be due under the Financing Lease so long as no event of default or event of non-appropriation has occurred under the Financing Agreement.

Other provisions of the Financing Lease are summarized in Appendix B - "Summary of the Financing Documents."

The undertaking by the County to make any payments under the Financing Lease does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the Bondholders with respect to the County's undertaking to make payments under the Financing Lease or with respect to the performance by the County of any other covenant contained therein.

Assignment Agreement

In the Assignment Agreement, the Authority assigns all of its rights under the Ground Lease and the Financing Lease (except for the right to receive payment of its fees and expenses, to receive indemnification and to receive notices) to the Trustee for the benefit of the Series 2018 Bondholders, including (a) its rights to receive Basic Rent and certain Additional Rent, (b) its rights, if any, to receive proceeds of insurance on the Property, (c) its rights under the Financing Lease to reenter and take possession of the Property in the event of failure by the County to make a payment of Basic Rent and sell or lease its interest in the Property and (d) its rights to exercise other remedies upon default by the County.

No Series Debt Service Reserve Account Established for the Series 2018 Bonds

[The Trust Agreement provides for the establishment of a Debt Service Reserve Fund to be held by the Trustee and, if funded, a separate Series Debt Service Reserve Account for a particular Series of Bonds. No Series Debt Service Reserve Account will be established for the Series 2018 Bonds.]

Bond Fund

Under the Trust Agreement, the Authority pledges to the Trustee all right, title and interest to the Financing Agreement, including the Basic Payments and Additional Payments made by the County, but excluding certain rights to receive payment of the Authority's fees and expenses and to receive notices thereunder. Such payments under the Financing Agreement, along with funds on deposit in the Bond Fund, are pledged to the payment of principal of and premium, if any, and interest on the Bonds.

The Trust Agreement provides that the Trustee will deposit in the Bond Fund all Basic Payments and Basic Rent received by the Trustee from the County under the Financing Agreement and the Financing Lease, together with any amounts transferred from the Series 2018 Project Account. From the amounts received by the Trustee from the County, the Trustee will deposit in the subaccount in the Interest Account an amount equal to the interest due and payable on the next interest payment date for the Series 2018 Bonds and will deposit in the subaccount established for the Series 2018 Bonds in the Principal Account an amount equal to the principal due and payable on the next principal payment date for the Series 2018 Bonds. If a redemption premium is payable on the Series 2018 Bonds, the Trustee will deposit in the subaccount in the Premium Account of the Bond Fund that portion of an Additional Payment or Additional Rent representing the amount of the redemption premium due. For additional information concerning the Bond Fund, see Appendix B - "Summary of the Financing Documents – THE TRUST AGREEMENT."

Project Fund

The Trust Agreement establishes within the Project Fund a Series 2018 Project Account into which the Trustee will deposit a portion of the proceeds of the Series 2018 Bonds. The Trustee will use money in the Series 2018 Project Account solely (a) to finance the Series 2018 Project and (b) to pay costs of issuing the Series 2018 Bonds. The Trustee will make payments from the Series 2018 Project Account upon receipt of requisitions signed on behalf of the County providing required information with respect to the use of the amounts being requisitioned. For additional information concerning the Project Fund, see Appendix B - "Summary of the Financing Documents – THE TRUST AGREEMENT."

Additional Bonds

The Authority may issue from time to time Additional Bonds secured on an equal and ratable basis with the Series 2016 Bonds and the Series 2018 Bonds (a) to finance or refinance the Cost of a Project, (b) to refund any Bonds previously issued or (c) for a combination of such purposes. Any such Additional Bonds will be issued under a Supplemental Trust Agreement and an amendment to the Financing Agreement providing for modification of the amount of Basic Payments to provide for a new amount of Basic Payments sufficient to pay principal of and interest on all Bonds then Outstanding under the Trust Agreement.

The Authority and the County have agreed that, with respect to the Ground Lease and the Financing Lease, such documents may be amended to secure, in addition to the Series 2018 Bonds, one or more Series of Additional Bonds, if, prior to the issuance of such Additional Bonds, the Trustee receives written evidence from each Rating Agency then rating the Series 2018 Bonds to the effect that the rating on the Series 2018 Bonds will not be withdrawn, suspended or reduced as a result of such documents being amended to secure such Additional Bonds as well as the Series 2018 Bonds.

SECTION THREE: MISCELLANEOUS

JAMES CITY COUNTY

Appendix C contains financial and demographic information concerning the County. The County's audited financial statements for the Fiscal Year ended June 30, 2017, are contained in Appendix D. The County's outside auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The County's outside auditor has not performed any procedures relating to this Official Statement.

BONDHOLDERS' RISKS

The purchase of the Series 2018 Bonds involves a degree of risk; therefore, prospective purchasers of the Series 2018 Bonds should review this Official Statement in its entirety in order to identify risk factors and make an informed investment decision. A number of factors, including those set forth below, may affect the County's ability or willingness to make timely payments sufficient for the Trustee to pay debt service on the Series 2018 Bonds:

(1) Source of Payments. The Series 2018 Bonds are not general obligations of the Authority or the County but are payable only from revenues received by the Trustee on behalf of the Authority from payments made by the County under the Financing Agreement or the Financing Lease and other moneys held by the Trustee and pledged to the payment of the Series 2018 Bonds. The ability of the Authority to make timely payments of principal and premium, if any, and interest on the Series 2018 Bonds depends solely on the ability of the County to make timely payments under the Financing Agreement or the Financing Lease. The undertaking by the County to make payments under the Financing Agreement or the Financing Lease is subject to and dependent upon amounts being lawfully appropriated from time to time by the County Board for such purpose. The undertaking by the County to make payments under the Financing Agreement or the Financing Lease is not a debt of the County within the meaning of any constitutional or statutory limitation nor a pledge of the faith and credit or the taxing power of the County. **The County Board is not legally obligated to appropriate the funds necessary to meet the County's financial obligation under the Financing Agreement or the Financing Lease.**

(2) Non-Appropriation and Limited Remedies. The County Administrator or other officer charged with the responsibility for preparing the County's annual budget is required to include in the proposed County budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of the Financing Agreement, the County Administrator or other officer charged with the responsibility for preparing the County's annual budget is required to deliver to the Trustee and the Authority within 10 days after its adoption, but not later than 10 days after the beginning of each Fiscal Year, a copy of the County's adopted Annual Budget that includes an approval of funds sufficient to pay or be credited to the Basic Payments and estimated Additional Payments coming due for the relevant Fiscal Year. If any adopted annual budget does not include an appropriation of funds sufficient to pay both

Basic Payments and estimated Additional Payments coming due for the relevant Fiscal Year, the County Administrator will request the County Board to take a roll call vote immediately after adoption of such annual budget acknowledging the impact of its failure to appropriate such funds. If, by 15 days after the beginning of the Fiscal Year, the County Board has not appropriated funds for the payment of both Basic Payments and estimated Additional Payments coming due for the then current Fiscal Year, the County Administrator or other officer charged with the responsibility for preparing the County's annual budget is required to give written notice to the County Board of the consequences of such failure to appropriate and to request the County Board to consider a supplemental appropriation for such purposes. Comparable notice and appropriation provisions are included in the Financing Lease.

In the event of non-appropriation of funds by the County Board, neither the County nor the Authority may be held liable for the principal of and premium, if any, and interest payments on the Series 2018 Bonds following the last Fiscal Year in which funds to make payment under the Financing Agreement or the Financing Lease were appropriated by the County Board. In the event of non-appropriation, moneys already on deposit in the Bond Fund will be used for the payment of principal of and premium, if any, and interest payments on the Series 2018 Bonds but these moneys may not be sufficient to pay the Series 2018 Bonds in full.

Upon an Event of Default under the Trust Agreement, the Trustee has no right to accelerate the payment of the Series 2018 Bonds by declaring the entire principal of and interest on the Series 2018 Bonds to be due and payable. Similarly, upon an Event of Default under the Financing Agreement and the Financing Lease, the Authority has no right to accelerate the payment of Basic Payments by declaring the Basic Payments to be due and payable.

(3) Political Risk. The current County Board has evidenced in its resolution adopted in connection with the Series 2018 Bonds a present intent to make future appropriations of such funds as may be necessary to make payments due under the Financing Agreement and the Financing Lease as and when such payments become due. There can be no guarantee, however, that the County Board will retain its current constituency in the future, and there can be no guarantee that a future County Board will retain the current County Board's policy with respect to the Series 2018 Bonds.

(4) Limitation on Enforceability of Remedies. The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Trust Agreement, the Financing Agreement and the Financing Lease. Any attempt by the Trustee to enforce such remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the legal and equitable remedies specified in the Trust Agreement and the Financing Agreement may not be readily available or may not be enforced to the extent such remedy may contravene public policy. The Trustee's rights under the Financing Lease to exercise remedies upon an event of default or an event of non-appropriation will be limited to the Property and will not include any of the Series 2018 Project.

(5) Project Cost Overruns. As a result of any change orders with respect to design and material costs of the Series 2018 Project, the total expenditures actually incurred by the County may be in excess of the amount of available Series 2018 Bond proceeds. Any such additional costs of acquiring, constructing and equipping the Series 2018 Project are not expected to materially impact the County's ability to complete the Series 2018 Project.

(6) Taxation of Interest on the Series 2018 Bonds. The opinion of Bond Counsel as described in the section "Tax Exemption" will state that, under the conditions set forth therein, interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes. However, in the event of non-appropriation or default by the County under the Financing Agreement or the Financing Lease, if the Trustee exercises its remedy to sell or lease its interest in the Property, interest paid on the Series 2018 Bonds from payments made from such sale or lease may not be excludable from gross income for Federal income tax purposes.

(7) Title to Property. The County has not secured a Leasehold Mortgagee Title Insurance Policy on behalf of the Authority or the Trustee with respect to the Property in connection with the issuance of the Series 2018 Bonds. Accordingly, there can be no assurance that the County has unencumbered, fee simple title to the real estate upon which the Property is located or that mechanics', materialmen's or other liens have not been filed against the Property by creditors of the County, or that construction contractors or subcontractors, materials providers or other

workmen involved with the acquisition, construction and equipping of the Series 2018 Project will not file mechanics' liens against the Series 2018 Project or the Property in the future. Such liens may have a detrimental impact on the Trustee's ability to re-lease or otherwise realize upon its interest in the Property. Such a delay may detrimentally impact the Trustee's ability to make payments of principal of and interest on the Series 2018 Bonds as and when such amounts come due.

(8) Environmental Concerns. The County is not aware of any significant environmental concerns with respect to the Property; however, underground contamination or other adverse environmental conditions may exist that could impose an unforeseen expense and/or liability on the Property, the County and the Authority, adversely affecting the ability or willingness of the County to make payments of Basic Rent or Additional Rent under the Financing Lease and/or the ability of the Trustee to realize sufficient value from the collateral serving as security for the Series 2018 Bonds in the event of non-appropriation by the County or termination of the Financing Lease.

RATINGS

Fitch Ratings ("Fitch"), One State Street Plaza, New York, New York 10004, has assigned a rating of "____" to the Series 2018 Bonds; Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, New York, New York, has assigned a rating of "____" to the Series 2018 Bonds; and Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("Standard & Poor's"), 55 Water Street, New York, New York, has assigned a rating of "____" to the Series 2018 Bonds.

Such ratings reflect only the respective views of such organizations. There is no assurance that the ratings will continue for any given period of time or that such ratings will not be revised, suspended or withdrawn if, in the judgment of Fitch, Moody's or Standard & Poor's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Series 2018 Bonds. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments, such as the Series 2018 Bonds, could be subject to rating downgrades. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for, and ratings, liquidity and market value of outstanding debt obligations, including the Series 2018 Bonds.

BONDS ELIGIBLE FOR INVESTMENT AND SECURITY FOR PUBLIC DEPOSITS

The Act provides that bonds issued pursuant thereto shall be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees and guardians and for all public funds of the Commonwealth or other political corporations or subdivisions of the Commonwealth. No representation is made as to the eligibility of the Series 2018 Bonds for investment or any other purchase under any law of any other state. The Act also provides that bonds, such as the Series 2018 Bonds, issued pursuant thereto may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

LITIGATION

To the best information, knowledge and belief of the Authority and the County, there is no litigation of any kind now pending or threatened to restrain or enjoin the issuance or delivery of the Series 2018 Bonds, in any manner questioning the proceedings and authority under which the Series 2018 Bonds are being issued, or affecting the power and authority of the Authority, the County or the County Board to execute or perform their obligations under the Financing Agreement, the Financing Lease or the Trust Agreement or to make payments due under the Financing Agreement or the Financing Lease. In addition, to the best information, knowledge and belief of the County, there is no litigation presently pending or threatened against the County that, in the event of an unfavorable decision, would have a material adverse effect upon the financial condition of the County.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2018 Bonds will be subject to the approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the County upon delivery of the Series 2018 Bonds, in substantially the form set forth as Appendix E (the “Bond Opinion”). The Bond Opinion will be limited to matters relating to the authorization and validity of the Series 2018 Bonds and to the tax-exempt status of interest thereon as described in the section “TAX EXEMPTION.” The Bond Opinion will make no statement as to the financial resources of the County or the Authority or their ability to provide for payment of the Series 2018 Bonds or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase Bonds.

Certain legal matters will be passed upon for the Authority and the County by the County Attorney.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Bond Counsel, under current law, interest, including accrued original issue discount (“OID”), on the Series 2018 Bonds, (a) will not be included in gross income for federal income tax purposes, (b) will not be an item of tax preference for purposes of the federal alternative minimum income tax, and (c) will be exempt from income taxation by the Commonwealth of Virginia. Except as discussed below regarding OID, no other opinion will be expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Series 2018 Bonds. Further, no opinion will be expressed by Bond Counsel as to the treatment for federal income tax purposes of any interest paid on the Series 2018 Bonds in the event of non-appropriation or default by the County.

Bond Counsel’s opinion will be given in reliance upon certifications by representatives of the Authority and the County as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and is subject to the condition that there is compliance subsequent to the issuance of the Series 2018 Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The Authority and the County have covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2018 Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2018 Bonds. Failure by the County or the Authority to comply with such covenants, among other things, could cause interest, including accrued OID, on the Series 2018 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue.

Customary practice in the giving of legal opinions includes not detailing in the opinion all of the assumptions, limitations and exclusions that are a part of the conclusions therein. See “Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions,” 63 Bus. Law. 1277 (2008), and “Legal Opinion Principles,” 53 Bus. Law. 831 (May 1998). Purchasers of the Series 2018 Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Series 2018 Bonds.

Original Issue Discount

The initial public offering prices of the Series 2018 Bonds maturing in the years ____ through ____ (the “OID Bonds”) will be less than their stated principal amount. In the opinion of Bond Counsel, under current law, the difference between the stated principal amount and the initial offering price of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such Series 2018 Bonds is sold will constitute OID. The offering prices set forth on the inside cover of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of such Series 2018 Bonds are sold.

Under the Code, for purposes of determining a Bondholder's adjusted basis in an OID Bond, OID treated as having accrued while the Bondholder holds the Series 2018 Bond will be added to the Bondholder's basis. OID will accrue on a constant yield-to-maturity method. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued OID and the state and local tax consequences of owning or disposing of OID Bonds.

Original Issue Premium

Series 2018 Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder's basis in such a Bond must be reduced by the amount of premium which accrues while such Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2018 Bonds while so held. Purchasers of such Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Bonds.

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the Series 2018 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2018 Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors with respect to the status of interest on the Series 2018 Bonds under the tax laws of any state other than Virginia.

The Internal Revenue Service (the "Service") has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the Service does audit the Series 2018 Bonds, under current Service procedures, the Service will treat the Authority as the taxpayer and the owners of the Series 2018 Bonds will have only limited rights, if any, to participate.

Bond Counsel's opinion represents its legal judgment based on part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of result or binding on the Service or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

There are many events that could affect the value and liquidity or marketability of the Series 2018 Bonds after their issuance, including but not limited to public knowledge of an audit of the Series 2018 Bonds by the Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, federal or state legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of Series 2018 Bonds who purchase Series 2018 Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations and purchasers of the Series 2018 Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Series 2018 Bonds.

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, serves as financial advisor to the County and has no underwriting responsibility to the Authority or the County with respect to this transaction. As financial advisor, Davenport & Company LLC has advised the County in matters relating to the planning, structuring and issuance of the Series 2018 Bonds, assisted the County with the preparation of this Official Statement and provided to the County other advice with respect to the issuance and sale of the Series 2018 Bonds. The financial advisor's fee will be paid from proceeds of the Series 2018 Bonds. Although the Financial Advisor has assisted in the preparation of the Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

SALE AT COMPETITIVE BIDDING

The Series 2018 Bonds will be offered for sale at competitive bidding at ____ a.m., Eastern Time, on _____, 2018, unless changed pursuant to the terms of the Official Notice of Sale. A copy of the Official Notice of Sale is attached to this Preliminary Official Statement as Appendix H.

After the Series 2018 Bonds have been awarded to the winning bidder, the Authority will issue an Official Statement in final form. The Authority will deem the Official Statement final as of its date, and the Official Statement in final form will include, among other things, the identity of the winning bidder, the final principal amount as adjusted, the expected selling compensation to the winning bidder and other information on the interest rates and offering prices or yields, all as provided by the winning bidder.

CONTINUING DISCLOSURE

To permit compliance by the underwriter with the continuing disclosure requirements of the Rule, the County will execute a Continuing Disclosure Agreement (the "CDA") at closing agreeing to provide certain annual financial information and material event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org. As described in Appendix F, the CDA requires the County to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Series 2018 Bonds at any particular time. The County may from time to time disclose certain information and data in addition to that required by the CDA. If the County chooses to provide any additional information, the County will have no obligation to continue to update such information or to include it in any future disclosure filing. Failure by the County to comply with the CDA is not an event of default under the Series 2018 Bonds or the Bond Resolution. The sole remedy for a default under the CDA is to bring an action for specific performance of the County's covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

Other than as disclosed in the following sentence, the County has never failed to comply in all material respects with any previous continuing disclosure undertakings under the Rule. [In each of the previous five fiscal years, the County has complied in all material respects with its previous continuing disclosure undertakings under the Rule.]

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not representations of fact. No representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holder of the Series 2018 Bonds.

The attached Appendices are an integral part of this Official Statement and must be read together with the balance of this Official Statement.

The distribution of this Preliminary Official Statement has been duly authorized by the Authority and the County. The Authority has deemed this Preliminary Official Statement final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted by the Rule.

**ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA**

By _____
Chairman

Approved:

JAMES CITY COUNTY, VIRGINIA

By _____
County Administrator

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

APPENDIX B

SUMMARY OF THE FINANCING DOCUMENTS

APPENDIX C

JAMES CITY COUNTY, VIRGINIA

[The inclusion of this information does not imply that James City County, Virginia, is legally obligated to make payments on any Bonds outstanding under the Trust Agreement, including the Series 2018 Bonds.]

APPENDIX D

**AUDITED FINANCIAL STATEMENTS OF THE COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

APPENDIX E

FORM OF BOND COUNSEL OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of _____, 2018 (the “Disclosure Agreement”), is executed and delivered by the Board of Supervisors of James City County, Virginia, on behalf of James City County, Virginia (the “County”), in connection with the issuance by the Economic Development Authority of James City County, Virginia (the “Issuer”), of its \$_____ Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018 (the “Series 2018 Bonds”). The County hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the County for the benefit of the holders of the Series 2018 Bonds and in order to assist the original purchasers of the Series 2018 Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”) by providing certain annual financial information and material event notices required by the Rule (collectively, the “Continuing Disclosure”).

Section 2. Annual Disclosure. (a) The County shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the County, prepared in accordance with generally accepted accounting principles; and

(ii) to the extent not included in (a)(i) above, certain operating data with respect to the County substantially of the type described in Appendix C of the Issuer’s Official Statement dated _____, 2018, under the subsection “FINANCIAL INFORMATION - Operating Data.”

If the financial statements filed pursuant to Section 2(a)(i) are not audited, the County shall file such statements as audited when available.

(b) The County shall file annually with the Municipal Securities Rulemaking Board (“MSRB”) the financial information and operating data described in subsection (a) above (collectively, the “Annual Disclosure”) within 240 days after the end of the Issuer’s fiscal year, commencing with the Issuer’s fiscal year ending June 30, 2019.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The County shall file with the MSRB in a timely manner the notice specifying any failure of the Issuer to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The County shall file with the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series 2018 Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018 Bonds, or other material events affecting the tax status of the Series 2018 Bonds;

(g) modifications to rights of holders of the Series 2018 Bonds, if material;

(h) bond calls, if material, and tender offers;

(i) defeasances of all or any portion of the Series 2018 Bonds;

(j) release, substitution, or sale of property securing repayment of the Series 2018 Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the County;

(m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

provided that nothing in this Section (3) shall require the County to maintain any debt service reserve, credit enhancement or credit or liquidity providers with respect to the Series 2018 Bonds or to pledge any property as security for repayment of the Series 2018 Bonds.

Section 4. Termination. The obligation of the County hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Series 2018 Bonds.

Section 5. Amendment. The County may modify its obligations hereunder without the consent of bondholders, provided that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The Issuer shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the County fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) of the Series 2018 Bonds then outstanding may, by notice to the County, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Issuer's covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Issuer to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Series 2018 Bonds or the resolution providing for the issuance of the Series 2018 Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing required hereunder shall be made by transmitting such disclosure, notice or other information in electronic format to the MSRB through the MSRB's Electronic Municipal Market Access system pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The County may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the Issuer shall not incur any obligation to continue to provide or to update such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

**BOARD OF SUPERVISORS OF
JAMES CITY COUNTY, VIRGINIA, ON
BEHALF OF JAMES CITY COUNTY, VIRGINIA**

Chairman

County Administrator

APPENDIX G

BOOK ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2018 Bonds, payments of principal of and premium, if any and interest on the Series 2018 Bonds to The Depository Trust Company, New York, New York (“DTC”), its nominee, Participants or Beneficial Owners (each as hereinafter defined), confirmation and transfer of beneficial ownership interests in the Series 2018 Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and, together with the Direct Participants, the “Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2018 Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of the Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Trustee subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2018 Bond certificates will be printed and delivered.

The Authority, at the direction of the County, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2018 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the County believe to be reliable, but the Authority and the County take no responsibility for the accuracy thereof.

Neither the Authority, the County nor the Trustee has any responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Series 2018 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Trust Agreement to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Series 2018 Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 2018 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Series 2018 Bonds for all purposes under the Trust Agreement.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 2018 Bonds without the consent of Beneficial Owners or Bondholders.

APPENDIX H

OFFICIAL NOTICE OF SALE

