

**Industrial Development Board of the City of Oak Ridge**  
**City of Oak Ridge Municipal Building – Training Room**  
**MONDAY – NOVEMBER 5, 2012 – 4:00 pm**

- |       |  |                         |
|-------|--|-------------------------|
| I.    | Call to Order  | Bill Biloski            |
| II.   | Roll Call  | Sandy Sexton            |
| III.  | Approval of Agenda                                       | Bill Biloski            |
| IV.   | Approval of Minutes – October 1 and October 11, 2012     | Bill Biloski            |
| V.    | Treasurer’s Report                                       | Harold Trapp            |
| VI.   | Prospect Activity Report                                 |                         |
|       | a. Prospect Update                                       | Kim Denton              |
|       | b. Babcock Services Update                               | Kathy Barber            |
| VII.  | Attorney’s Report  | Ken Krushenski          |
|       | a. NuSAFE PILOT Dissolution                              |                         |
| VIII. | Committee Reports  |                         |
|       | a. Finance Committee                                     | Harold Trapp            |
|       | b. Land Use Committee                                    |                         |
|       | 1. Horizon Center Landscaping/Sprinkler Committee Report | Hal Osucha              |
|       | 2. Horizon Center Electrical Enhancement                 | Bill Biloski            |
|       | 3. NAI Marketing Report                                  | Sam Tate, NAI           |
|       | 4. Ridge Realty Marketing Report                         | Ron Asher, Ridge Realty |
|       | c. Special Projects Committee                            | Dave Mason              |
|       | d. Spec Building Committee Report                        | David Wilson            |
| IX.   | Old Business   |                         |
|       | a. State of Tennessee Certified Sites Program            | Kathy Barber            |
|       | b. South Illinois Avenue Development TIF                 | Bill Biloski            |
|       | c. RRP “Right of First Refusal” Extension Request        | Bill Biloski            |
| X.    | New Business   | Bill Biloski            |
| XI.   | Adjourn  |                         |

***Next Regular Scheduled Meeting is Monday, December 3, 2012***

# Minutes

**MINUTES OF THE  
INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF OAK RIDGE**

**October 1, 2012**

A regular meeting of the Industrial Development Board of the City Oak Ridge, Tennessee, convened at 4:00 p.m. on October 1, 2012 in the Training Room of the Municipal Building. David Wilson, Vice-Chairman, called the meeting to order.

**ROLL CALL**

The following members were present: Louise Dunlap, Chris Johnson, David Mason, Hal Osucha, Buzz Patrick, Harold Trapp, and David Wilson. William Biloski and Richard Chinn were absent.

Also present were Kathy Barber, Oak Ridge Economic Partnership; Kim Denton, Oak Ridge Economic Partnership; Kenneth R. Krushenski, City Attorney; Ron Asher, Ridge Realty; Sam Tate, NAI Knoxville and Sandy Sexton, Executive Administrative Assistant.

**APPROVAL OF AGENDA**

Mr. Mason made a motion to approve the agenda and Mr. Trapp seconded the motion. The motion carried unanimously.

**APPROVAL OF MINUTES**

Mr. Patrick made a motion to approve the minutes of the regular meeting held September 4, 2012. Mr. Trapp seconded the motion. The motion carried unanimously.

**TREASURER'S REPORT**

Mr. Trapp reported the current balance as of October 1, 2012 is \$309,077.51. Ms. Dunlap made a motion to approve the Treasurer's Report and Mr. Mason seconded the motion. The motion carried unanimously.

The Audit Report was given by Mr. Dale C. Isabell, Certified Public Accountant. Mr. Isabell stated that the financial statement was a clean report, with no audit findings. Mr. Isabell stated that Mr. Trapp and team have done a great job with the finances. Mr. Mason made a motion to approve the report Mr. Patrick seconded the motion. The motion carried unanimously.

**PROSPECT ACTIVITY REPORT**

- a. Prospect Update – Ms. Denton reported that the prospect activity has been slow. They are trying to be as proactive as they can. The pipeline just isn't where it needs to be. She stated that there probably wouldn't be much action until after the election.
  
- b. Babcock Services Update – Ms. Barber stated they were just waiting for all the invoices to come in so everything can be closed out.

## **ATTORNEY'S REPORT**

Mr. Krushenski reported that an email has been received from Mr. Steve Heiner, Chief Financial Officer for NuSAFE, requesting termination of their PILOT lease. Mr. Krushenski stated that he spoke with Mr. Mamantov, and got some information from him regarding the termination of agreement. Mr. Krushenski asked for the board to make a motion to give him the authority to negotiate with the chairman, Mr. Biloski, and Mr. Heiner to process the dissolution which was suggested and get NuSAFE back on the tax role. Mr. Patrick made a motion to approve the report Ms. Dunlap seconded the motion. The motion carried unanimously.

## **COMMITTEE REPORTS**

### a. Land Use Committee

1. Horizon Center Entrance Work/Landscaping/Sprinkler – Mr. Osucha stated that he met with the prospective Sprinkler contractor and he has a proposal which will be reviewed with the Land Use Committee for approval and recommendation. Mr. Osucha also stated that he had three proposals for the bush-hogging work which will also be reviewed by the committee for approval and recommendation.
2. Horizon Center Electrical Enhancement – Mr. Wilson referred to a letter from Mr. Suggs, the city's Electrical Director, stating that Lot 26A and easement is proceeding as expected.
3. NAI Marketing Report – Mr. Sam Tate stated that he met with Kim Denton and Kathy Barber to coordinate a marketing effort with Oak Ridge Economic Partnership to target companies that could be vendors, contractors or support services for the UPF project. First contact will be approximate 350 count email or direct mail, focusing upon the benefits of locating in Oak Ridge near the UPF, with available sites information. Mr. Tate stated that on October 12<sup>th</sup> they would be sending a mass mail out to 350 contacts. They continue to send an inventory report/newsletter to about 2400 contacts.
4. Ridge Realty Marketing Report – Ron Asher stated he only has one prospect that he has been working with. He stated he recently had three (3) firms inquiring about properties in Bethel Valley.

### b. Special Projects Committee

No report; no ongoing action.

- c. Spec Building Committee Mr. Wilson stated they had a meeting and those present had a consensus that IDB move forward with the Spec Building process. He stated that there was a variety of decisions that needed to be made, such as cost, size, and location. Mr. Wilson stated the board's ex-chair would be available for assistance if necessary. Mr. Mason noted that the size seemed to be the biggest concern. Ms. Denton stated that larger buildings with higher ceilings are what people or businesses are looking for at this time.

## **OLD BUSINESS**

1. State of Tennessee Certified Sites Program - Ms. Barber stated the Step 1 of the application has been submitted and now they have moved on to Step 2 of the application which is much more detailed.
2. South Illinois Avenue Development TIF – Mr. Wilson reported that originally the total amount due to the developer was \$525,420.00. A payment has been made of \$186,350 with the balance due of \$190,666.60. The total paid to date is \$334, 753.40.

## **NEW BUSINESS**

Alexander Inn TIF - Mr. Osucha stated that on September 14<sup>th</sup> he and Mr. Biloski had a pre-application meeting with the applicants. They discussed the current PILOT procedure and outlined specific things that would get the process started. The applicants prepared, completed and submitted those documents to the City of Oak Ridge. Mr. Mark Watson, City Manager then submitted a letter to the IDB Board Members regarding the PILOT application along with a proposal for the board to make a recommendation and refer the application to City Council at their next meeting.

Mr. Evans, the city's consultant on development projects, introduced Rick Dover, General Manager with Family Pride Corporation and Mr. Wayne Blasius, President of InSite Development Corporation. Mr. Evans stated that these gentlemen have a great passion for restoration of historic buildings and assisted living. Mr. Evans stated that the proposed project would be the best opportunity for the city to invest in the historic building and make it a viable taxable use facility. Mr. Dover spoke briefly about the building and stated that he would discuss the state of the building, the costs and address other issues at the special called meeting of the IDB meeting on October 11, 2012, when the board would make a decision on the PILOT. Mr. Dover stated that part of the building is beyond repair but plans are to keep the original footprint. After a lengthy discussion and questions being asked from attendees of the meeting the board should be prepared to make a recommendation to City Council to move forward with approval at their next meeting. Family Pride Corporation is requesting a PILOT in the amount of \$643841 (net to project).

## **ADJOURN**

Ms. Dunlap made a motion to adjourn the meeting. Mr. Osucha seconded the motion. The Motion carried unanimously and the meeting adjourned at 4:45 pm.

**MINUTES OF THE  
SPECIAL MEETING OF  
INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF OAK RIDGE**

**October 11, 2012**

A special meeting of the Industrial Development Board of the City Oak Ridge, Tennessee, convened at 4:00 p.m. on October 11, 2012 in the Training Room of the Municipal Building. Vice-Chairman, David Wilson called the meeting to order.

**ROLL CALL**

The following members were present: Richard Chinn, Chris Johnson, David Mason, Buzz Patrick, Harold Trapp, and David Wilson. William Biloski, Louise Dunlap and Hal Osucha were absent.

Also present were Kathy Barber, Oak Ridge Economic Partnership; Kim Denton, Oak Ridge Economic Partnership; Kenneth R. Krushenski, City Attorney; Ron Asher, Ridge Realty; Sam Tate, NAI Knoxville; Sandy Sexton, Executive Administrative Assistant; Anne Garcia Garland, Councilwoman; Charlie Hensley, Councilman; Chuck Hope, Councilman; Kathryn Baldwin, Community Development Director; Amy Fitzgerald, Government & Public Affairs Coordinator; Janice McGinnis, Finance Director; and Ethiel Garlington, East Tennessee Preservation Alliance of Knoxville.

**APPROVAL OF AGENDA**

Mr. Wilson made a change in the agenda to reflect the report on the Horizon Center Irrigation Project given by Mr. Richard Chinn instead of Mr. Osucha due to his absence. The Motion carried unanimously.

**COMMITTEE REPORTS**

**Land Use Committee**

Horizon Center Irrigation Project – Mr. Chinn reported that Mr. Osucha has received bids for the irrigation at Horizon Center. Three companies responded, two later declined. With the board's approval H2O will be awarded the contract with an amount of \$7850.00. This contract will include one (1) year warranty. Mr. Wilson mad a motion to approve, Mr. Mason seconded the motion. The motion carried unanimously.

**Spec Building Committee**

Mr. Wilson stated that the Spec Building Committee be authorized to proceed with plans to build a building to be between 50,000 to 75,000 square feet that can be expanded to 150,000 to 200,000 square feet. This would include, but not be limited to: a) working with TVA to design a facility on approximately 10 acres in Horizon Park; b) work with developers to determine if they are interested in partnering with the IDB to build a spec building; c) check with lending institutions to determine their interest in developing a financing package to cover the cost of construction. This motion does not include approval of any IDB funds. A motion was made by Mr. Wilson to approve, Mr. Patrick seconded the motion. The motion carried unanimously.

A special meeting of the industrial Development Board will meet on November 7<sup>th</sup>. A motion was made by Mr. Mason to approve, Mr. Trapp seconded the motion. The motion carried unanimously.

## **NEW BUSINESS**

Alexander Inn TIF - Mr. Evans, the city's consultant on development projects, introduced Rick Dover, General Manager with Family Pride Corporation. Mr. Dover stated that he had looked at the Alexander Inn several times over the past 10 years but hasn't been able to make all the pieces fit together. He stated that he loved the building and the community. Mr. Garlington with the East Tennessee Preservation Alliance and the Department of Energy's grant of \$500,000 has made it do-able for the company to work with. Mr. Dover stated that it would cost \$4.7 million and take approximately 12-14 months to complete once started, unless unforeseen circumstances arise. Mr. Dover stated that they would be restoring the building as much as possible to its original glory.

Mr. Johnson asked about a letter that IDB had received from the Environmental Quality Advisory Boards chair in regards to the building being Leadership in Energy and Environmental Design (LEED) certified. Mr. Dover stated that he would have to withdraw his request if that is expected. He stated the process for getting LEED certified would be very lengthy despite developer's best intentions to be environment friendly. Mr. Dover stated he thought they could get the project certified, but "I wouldn't bet the ranch on it." He stated that he would do everything he could to get it certified. He also stated that the property could be energy star.

Mr. Dave Miller had several concerns relating to his property which adjoins the property of the Alexander Inn. He stated that would like for a fence to be put up to divide their properties due to animals who have taken over the property. He also stated that their driveway was another concern due to the property line. Mr. Dover stated that the roadway would be reconstructed.

After a lengthy discussion and questions from guests the board made a motion to forward the request and recommendation to City Council for approval. Mr. Wilson made a motion, the motion carried unanimously.

## **ADJOURN**

Mr. Wilson made a motion to adjourn the meeting. Mr. Trapp seconded the motion. The Motion carried unanimously and the meeting adjourned at 4:25 pm.