

**Industrial Development Board of the City of Oak Ridge
City of Oak Ridge Municipal Building – Training Room**

MONDAY – FEBRUARY 4, 2013– 4:00 pm

- | | | |
|-------|--|-------------------------|
| I. | Call to Order | David Wilson |
| II. | Roll Call | Sandy Sexton |
| III. | Approval of Agenda | David Wilson |
| IV. | Approval of Minutes | David Wilson |
| | a. January 7, 2013 | |
| | b. Special Meeting - January 15, 2013 | |
| V. | Treasurer’s Report | Harold Trapp |
| | a. Financial Statements – December 2012 | |
| VI. | Prospect Activity Report | |
| | a. Prospect Update | Kim Denton |
| VII. | Attorney’s Report | |
| | a. NuSAFE PILOT Dissolution | Ken Krushenski |
| VIII. | Committee Reports | |
| | a. Finance Committee | Harold Trapp |
| | b. Land Use Committee – Horizon Center | |
| | 1. Horizon Center Landscaping/Sprinkler Committee Report | Hal Osucha |
| | 2. Babcock Services Update/Wetland Study | Kathy Barber |
| | 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 | David Wilson |
| IX. | Old Business | |
| | a. State of Tennessee Certified Sites Program | Kathy Barber |
| X. | New Business | |
| XI. | Adjourn | |

Next Regular Scheduled Meeting is Monday, March 4, 2013

MINUTES

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

January 7, 2013

A regular meeting of the Industrial Development Board of the City Oak Ridge, Tennessee, convened at 4:00 p.m. on January 7, 2013 in the Training Room of the Municipal Building. David Wilson, Vice-Chairman, called the meeting to order.

ROLL CALL

The following members were present: Chris Johnson, David Mason, Hal Osucha, Buzz Patrick, Harold Trapp, and David Wilson. Louise Dunlap and Melissa Freiderich were absent.

Also present were Kathy Barber, Oak Ridge Economic Partnership; Kim Denton, Oak Ridge Economic Partnership; Kenneth R. Krushenski, City Attorney; and Sandy Sexton, Executive Administrative Assistant; Mark Watson, City Manager and Jack Suggs, Electrical Director. Ron Asher, Ridge Realty was absent.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

Mr. Mason made a motion to approve the minutes of the regular meeting held December 3, 2012. Ms. Dunlap seconded the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Trapp reported the current balance as of December 31, 2012 is \$294,207.13. Mr. Mason made a motion to approve the Treasurer's Report and Mr. Chinn seconded the motion. The motion carried unanimously.

PROSPECT ACTIVITY REPORT

- a. Prospect Update – Ms. Denton stated that there hasn't been a lot of activity over the holidays. But in mid-December there was some activity. She stated they were working on a flyer that would be sent out this Friday.

ATTORNEY'S REPORT

Mr. Krushenski introduced several quests present in regards to NuSAFE PILOT Dissolution. Mr. G. Mark Mamantov, Esquire Bass, Berry & Sims, PLC; Mr. Steve Heiner, NuSAFE; Mr. David Flitcroft, Attorney for NuSAFE; and Mr. Jay Yeager, Anderson County Tax Lawyer.

Mr. Steve Heiner, NuSAFE, stated that they would like to ask the board to forbear from exercising its remedies under the Equipment Lease and the Real Property Lease as a result of such defaults until March 1, 2013. Mr. Mason made a motion to approve the extension. Mr. Trapp seconded the motion. The motion carried unanimously.

COMMITTEE REPORTS

a. Finance Committee – no report

b. Land Use Committee

1. Horizon Center Landscaping/Sprinkler Committee Report – Mr. Osucha stated all the work at Horizon is complete. He stated there was a budget of \$25,000 for this project but we went over budget of \$345.

Diversified Landscaping Agreement - Mr. Osucha made a motion to renew the contract with Diversified Landscaping beginning January 1, 2013 through December 31, 2013. Mr. Mason seconded the motion. The motion carried unanimously.

2. Horizon Center Electrical Enhancement – Mr. Watson, City Manager debriefed the board on Economic Development and how Horizon Center is going to develop. Mr. Watson stated that as a city, we have some important decisions to make as a community. Mr. Watson stated that today we don't have the utility access we need at Horizon Center for future development. If we don't have access to the easements we can't supply electricity to that area. We have worked with DOE for possible permitting to access easements. Whether it's a 13kv line or 69kv line everyone will be affected. After a brief discussion, he turned the discussion over to Mr. Suggs, the city's Electrical Director. Mr. Suggs distributed a map which showed some figures of estimated costs of additional power for Horizon Center. He stated that Horizon Center was originally developed with the capacity of 10 MW of power. He also discussed the capacity and future at Horizon Center. After a lengthy discussion, Mr. Patrick made a motion to table the discussion. Mr. Mason seconded the motion. The motion carried unanimously.
3. Babcock Services Update/Wetland Study– Ms. Barber stated they were no new updates. We are still waiting on the executed contract to be returned to us.

Ms. Barber also stated the Wetland Study determination was done on area 5 and there was a small area, but shouldn't be any problem. Area 6 Wetland determination should be completed this week.

4. NAI Marketing Report – Mr. Sam Tate stated that he sent out a flyer to 340 suppliers, contractors, vendors for UPF project.

5. Ridge Realty Marketing Report – No report

c. Special Projects Committee - No report.

d. Spec Building Committee – No report.

OLD BUSINESS

- a. State of Tennessee Certified Sites Program - Ms. Barber stated that the ground work has been completed on Phase 1, area 5, 6, and 7 and they should be finalizing the report which should be available next week.

1. Boring/Engineering Contract – Mr. Evans discussed the solicitation proposals for a Boundary Survey which contained the Select Tennessee criterion. Mr. Evans stated that we notified three (3) well qualified firms and he asked for separate reports for each lot 5 and 6. S&ME has the lowest quote of the three. The maximum cost would be \$10,500. Ms. Barber discussed the requirements from TVA. Mr. Patrick made a motion to approve the contract with S&ME for Lot 6 for \$6,500. Mr. Osucha seconded the motion. The motion carried unanimously.

NEW BUSINESS

Elections

The following members were elected officers of the board:

Mr. Mason made a motion to elect David Wilson as Chair, Mr. Chinn seconded the motion. The motion was carried unanimously.

Mr. Chinn made a motion to elect Mr. Patrick for Vice Chair. The motion failed due to not receiving a second.

Mr. Mason made a motion to elect Mr. Osucha after a voice vote Mr. Osucha was elected as Vice Chair.

Mr. Wilson made a motion to re-elect Mr. Harold Trapp as Treasurer. Mr. Osucha seconded the motion. The motion was carried unanimously.

Alexander Senior Living, LLC

Mr. Krushenski stated that a presentation was being presented by Mr. Mamantov for the Alexander Senior Living. Mr. Mamantov stated he made some minor changes to the Lease Agreement. Once the board has an opportunity to view the agreement a special meeting will be scheduled to approve the Lease Agreement.

ADJOURN

Mr. Osucha made a motion to adjourn the meeting. Mr. Trapp seconded the motion. The Motion carried unanimously and the meeting adjourned at 5:40 pm.

APPROVED BY INDUSTRIAL DEVELOPMENT BOARD

February 4, 2013

Harold Trapp

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

SPECIAL MEETING

January 15, 2013

A regular meeting of the Industrial Development Board of the City Oak Ridge, Tennessee, convened at 5:00 p.m. on January 15, 2013 in the Training Room of the Municipal Building. David Wilson, Chairman, called the meeting to order.

ROLL CALL

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

Also present were Kathy Barber, Oak Ridge Economic Partnership; Kenneth R. Krushenski, City Attorney; and Sandy Sexton, Executive Administrative Assistant.

ALEXANDER SENIOR LIVING, LLC

Approved the Lease Agreement and fees of the Alexander Senior Living, LLC. Mr. Rick Dover, Alexander Senior Living, LLC, withdrew his request that his company not pay the closing cost of the PILOT. Mr. Mason made a motion to approve the agreement. Ms. Dunlap seconded the motion. The motion carried unanimously.

ADJOURN

Mr. Osucha made a motion to adjourn the meeting. Mr. Trapp seconded the motion. The Motion carried unanimously and the meeting adjourned at 5:07 pm.

APPROVED BY INDUSTRIAL DEVELOPMENT BOARD

February 4, 2013

Harold Trapp
Secretary/Treasurer

**Financial Statements
of
Oak Ridge Industrial Development Board
December 2012**

Oak Ridge Industrial Development Board
Balance Sheet
December 31, 2012

Assets		
Current Assets		
Cash in bank - checking		\$ 294,040
Cash in bank - Babcock Construction Draw Account		35,447
Cash in bank - money market (ORNL)		253,909
Cash in bank - certificates of deposit		
Citizens National Bank (Maturity 3/18/13: .9%)	140,529	
Citizens National Bank (Maturity 4/12/13: .9%)	5,125	
Citizens National Bank (Maturity 3/19/13: .9%)	50,752	
Community Trust Bank	196,287	
Citizens National Bank (Maturity 8/5/13: .9%)	32,070	<u>424,763</u>
Total Current Assets		1,008,159
 Capital Assets (not depreciated)		
Land		<u>5,843,970</u>
Total Assets		<u>\$ 6,852,129</u>
 Liabilities and Net Assets		
Net Assets		
Invested in capital assets		5,843,970
Restricted-Babcock		35,447
Unrestricted		972,712
Total Net Assets		<u>6,852,129</u>
Total Liabilities and Net Assets		<u>\$ 6,852,129</u>

Oak Ridge Industrial Development Board
Statement of Revenues & Expenses-Actual and Budgeted
For the One and Six Months Ended December 31, 2012

	FY 2013 Annual Budget	December 2012		Year-To-Date		Favorable (Unfavorable) Variance
		Budget	Actual	Budget	Actual	
Revenues						
101 Operating						
102 Horizon Center - CAM	\$ 14,000	\$ 0	\$ 0	\$ 14,000	\$ 13,483	\$ (517)
103 Application and Closing Fees	20,000	2,000	0	2,000	0	(2,000)
104 Land Sales - Horizon Center	250,000	0	0	0	257,675	257,675
105 Land Sales - Bethel Valley	100,000	0	0	0	0	0
106 Contribution - Babcock	0	0	0	0	0	0
107 Interest Income	6,000	500	560	3,000	320,313	320,313
108 TOTAL REVENUES	\$ 390,000	\$ 2,500	\$ 560	\$ 19,000	\$ 592,804	\$ 573,804
Expenses						
201 Operating						
202 Management Services	\$ 6,000	\$ 500	\$ 140	\$ 360	\$ 3,000	\$ 588
203 Accounting Services	3,600	300	0	300	1,800	900
204 Audit	2,900	0	0	0	2,900	0
205 Legal	0	0	0	0	0	0
206 Office Equipment & Supplies	1,000	250	0	250	500	0
207 Marketing Expenses	2,000	500	0	500	1,000	0
208 Miscellaneous Fees	3,000	0	28	(28)	1,000	28
209 Engineering Services	12,000	3,000	0	3,000	6,000	0
210 Horizon Center - CAM						
211 Mowing & Landscape	30,000	2,500	0	2,500	15,000	9,423
212 Utilities	3,000	250	206	44	1,500	1,089
213 Contingency & Repairs	25,000	0	0	0	22,000	12,833
214 Roane County IDB	4,000	400	0	400	400	0
215 Land Sales - Horizon Center	115,700	0	0	0	110,105	(110,105)
216 Land Sales - Bethel Valley	100,000	0	0	0	0	0
217 Capital Projects						
218 Geo Tech	10,000	0	0	0	10,000	0
219 Infrastructure (Power Supply)	350,000	0	0	0	0	0
220 Infrastructure (Power Distribution)	250,000	0	0	0	0	0
221 Spec Building	400,000	0	0	0	0	0
222 Babcock Construction	0	0	3,000	(3,000)	0	284,866
223 TOTAL EXPENSES	\$ 1,318,200	\$ 7,700	\$ 3,374	\$ 4,326	\$ 65,100	\$ 422,732
301 NET PROFIT (LOSS)	\$ (928,200)	\$ (5,200)	\$ (2,814)	\$ 2,386	\$ (46,100)	\$ 170,072

**IDB of Oak Ridge
Account Reconciliation
As of Dec 31, 2012
10200 - Regular Checking Account
Bank Statement Date: December 31, 2012**

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance		294,362.75
Add: Cash Receipts		
Less: Cash Disbursements		(373.41)
Add (Less) Other		50.19
Ending GL Balance		<u>294,039.53</u>
Ending Bank Balance		294,207.13
Add back deposits in transit		_____
Total deposits in transit		
(Less) outstanding checks		
	Dec 20, 2012 709	(140.00)
	Dec 26, 2012 710	(27.60)

Total outstanding checks		(167.60)
Add (Less) Other		_____
Total other		
Unreconciled difference		<u>0.00</u>
Ending GL Balance		<u><u>294,039.53</u></u>

**IDB of Oak Ridge
Account Reconciliation
As of Dec 31, 2012
10900 - Babcock Const Draw Acct
Bank Statement Date: December 31, 2012**

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance	38,447.43
Add: Cash Receipts	
Less: Cash Disbursements	(3,000.00)
Add (Less) Other	_____
Ending GL Balance	<u>35,447.43</u>
Ending Bank Balance	35,447.43
Add back deposits in transit	_____
Total deposits in transit	
(Less) outstanding checks	_____
Total outstanding checks	
Add (Less) Other	_____
Total other	
Unreconciled difference	<u>0.00</u>
Ending GL Balance	<u><u>35,447.43</u></u>