

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

September 2, 2014

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on September 2, 2014 in the Training Room of the Municipal Building. Chris Johnson; Secretary/Treasurer and Acting Chairman, called the meeting to order.

ROLL CALL

The following members were present: Hal Osucha, Harold Trapp, Richard Chinn, Lou Dunlap, Chris Johnson, and Dave Mason.

The following member was absent: David Wilson, Melissa Freiderich, Buzz Patrick.

Also present were: Ken Krushenski; Oak Ridge City Attorney, Trygve Myhreg; Citizen of Oak Ridge City, Parker Hardy; President, Chamber of Commerce, Ray Evans and Steve Jones; City of Oak Ridge, Ron Asher; Ridge Realty, and Jennifer Johnson; Executive Administrative Assistant to the IDB.

APPROVAL OF THE AGENDA

Mr. Mason made a motion to approve the agenda. Mrs. Dunlap second the motion. The motion carried unanimously.

APPROVAL OF THE MINUTES

August 4, 2014 – Mrs. Dunlap made a motion to approve August 4, 2014 Call meeting minutes. Mr. Chinn second the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Johnson called the financial statements that were provided preliminary. There were a few items that needed review before it could be presented to the Board for approval. We did send out a balance sheet, income statement, and a review of the budget. We would like to finalize is a balance sheet that would have last two months and a comparison, a profit and loss that has a current month and budget and variance and YTD Budget and Variance. Only minor adjustments will be made to the current "preliminary" reports that were presented. Balance Sheet does agree to total assets to total liabilities. Jennifer will also be providing reconciliation reports for my review and approval.

Mr. Osucha asked Jennifer Johnson about the expense for the IDB website. Mr. Hardy responded that the expense was approved and paid through the Oak Ridge Economic Development Initiative. The IDB will be responsible for the monthly maintenance cost of the website.

Mr. Trapp inquired about the status of the Audit. Ms. Johnson responded that at that time, Mr. Isabel has not received the financials from Gail Cook to initiate the Audit. Ms. Johnson sent email request for notification for when the Audit will start.

Mr. Mason made a motion to accept the financial reports as given. Mrs. Dunlap second the motion. The motion carried unanimously.

PROSPECT ACTIVITY REPORT

Mr. Hardy reported that last month he reported to the Board that there are 44 active retail/commercial parties that they are in communication with. At this time, there is a more in depth look of inventory of properties open. Some of those that are widely known such as the Wescott Center, The OR City Center, others are the retail and commercial properties that may be owned by a local family or local investor or might have been managed by a family member and doesn't necessarily have the connections with the larger retail consulting firms that assist in bringing us clients. Six months ago, we engage with a company from Birmingham Alabama, called Retail Strategies. They are not brokers, they do not represent our communities as far as real estate transactions. They are looking at our community assisting us in reaching out to retailers in looking at our sites. On the 26th of August they spent the day here and made a couple of drives through town without us before we made a "boots on the ground tour" with them. They looked at every available building in our inventory. Some of those they said are not appealing to the kind of client they can reach. Which are typically national or regional retail, resident retail or commercial firms. Others may be very appealing but the persons that manage those properties here may not have the connections. Their next visit to Oak Ridge, we will be affording those property owners an opportunity to sit down with them and get a third party experts opinion on their property. The date for this has not been established.

Mr. Jones reported that this month new activity has slacked off to some extent. However we are working on a big proposal now. At the time last month, we were finishing up three RFP's. The important news is that we are getting some repeat visits. They have been on our sites and have been coming back to our sites. One of the three have constituted most of our time. They are looking at Area 6 in Horizon Park, in addition to adjacent property. Mr. Jones also reported that an aerial video was taken of the Select Tennessee Site. This video will be uploaded to the State website.

Mr. Evans reported that he is very optimistic about the Mall Redevelopment project. Things continue to move forward in the way they should move. Jackson Square enhancement grant, we are supposed to hear back from TDOT that they authorized us to rebid that project with the re-scoping that we've done. Depending upon when they allow us to get started, we may get a little work done before the Christmas season. We will try to get the work accomplished in between the Christmas season and the Lavender Festival. We believe we have a better design that's more appropriate for Jackson Square and it will fall within the budget.

Mr. Evans reported that he has been working with Mr. Hardy other City Officials met with some of the folks that are working hard at making progress on development on property that used to be known as Rarity Ridge. The new owners and brokers that are working really hard at developing a strategy to market that property to bring in various groups of developers.

ATTORNEY REPORT

Mr. Krushenski reported that Janice McGinnis (COR Finance Director) and Ms. Johnson met regarding the PILOT reports and discussed some of the IDB filings. With Ms. Johnson's expanded role with the IDB; she will be positioned to be the go to person for the PILOT reports and other IDB business.

COMMITTEE REPORTS

- a. Finance Committee – No Report.
- b. Land Use Committee –
 1. Bush Hogging – We have a quote back from the same company that did the bush hogging last year. To do all of Area 6, plus the 10 acres in front of the Carbon Fiber building, that's 117 acres total and the cost would be \$5900.00. We have this in our budget. If the Board approves, we can move forward and have the work started. Mr. Osucha made a motion to

contract the bush hogging to Millsaps Lawn Care Service. Mr. Mason second the motion. Mr. Jones added that if at all possible if we can get that work done for the week of September 22nd for a significant site visit that week. Mr. Osucha replied that he will check with Millsaps to see if their schedule can meet his needs. It could be difficult on short notice. There may be a premium involved with this expediting this project. Previous motion was rescinded. Motion was made to cover the premium up to \$8000.00 total cost. Mrs. Dunlap second the motion to amend to total cost. The motion carried unanimously.

2. Sprinkler Leak – The state came out to inspect the back flow preventers we had one that failed at Horizon Park and would be re-inspected in a week. Repair was completed.
 3. DOE Water Monitoring Well – Mr. Mason reported that DOE wants to put a water monitoring well on the Heritage property at the ETP site. It's at the back corner of the Omega facility. Because of the PILOT we (IDB) are the owners of that property. Mr. Mason made a motion to approve. Mr. Chinn second the motion. The motion carried unanimously.
 4. Ridge Realty Marketing Report – Mr. Asher reported that since we renewed our contract for Bethel Valley, around 80 emails have been sent out to brokers or owner/investors on the property. We have only have had 5 prospects inquire about it since July 1. The prospect that he had previously been working with has decided to go in a different direction. They decided that they wanted to go to the Roane County Industrial Park. Right now, we don't have any active prospects looking at Bethel Valley.
- c. Special Projects Committee – No report.
 - d. Spec Building Committee – No report.
 - e. Policies and Procedures Committee – No report.

OLD BUSINESS

TVA feedback call - Mr. Hardy reported that the 15 minute feedback call did not give us anything substantive. They acknowledge that we made a good business case and we had demonstrated that there was well in excess of a billion dollars capital investment. We did not get any concrete answers for what we could do to make a better application. Mr. Hardy encouraged the Board to re-apply for the next InvestPrep opportunity next year.

IDB Website – The Oak Ridge Economic Development Initiative approved and fully paid for the startup of the IDB website the monthly maintenance cost will be the responsibility of the IDB.

NEW BUSINESS

Authorization of Expenditures – The Chairman has recommended the following for Board approval: The IDB Chairman have authorization to approve expenditures up to \$2500.00 individually. The Chairman will have authorization to approve expenditures up to \$5000.00 with the concurrence of the Vice Chairman or Secretary/Treasurer which may be done by email. Mr. Mason made the motion to approve. Mrs. Dunlap second the motion. The motion carried unanimously.

ADJOURN

Mr. Trapp made a motion to adjourn the meeting. Mr. Mason second the motion. The motion carried unanimously.

The meeting adjourned at 4:42 p.m.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

October 6, 2014

A handwritten signature in black ink, appearing to read 'Chris Johnson', written over a horizontal line.

Chris Johnson
Secretary/Treasurer