

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

April 7, 2014

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on April 7, 2014 in the Training Room of the Municipal Building. David Wilson, Chairman, call the meeting to order.

ROLL CALL

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

Also present were: Ken Krushenski; Oak Ridge City Attorney, Doug Colclasure; Citizen of Oak Ridge City, James Moneyhun, Jr.; Bass, Berry, & Sims, Parker Hardy; President, Chamber of Commerce, Ray Evans and Steve Jones; City of Oak Ridge, Ron Asher; Ridge Realty, Russell Langley; The Oak Ridger, Andy Boyer; Capital Mark Bank, Richard Rudesill; Oak Ridge Senior Living, LLC, Bruce Ryals; Tax Credit Management, and Jennifer Johnson; Administrative Assistant to the IDB.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES

March 3, 2014 – Mr. Trapp made a motion to approve March 3, 2014 minutes. Mrs. Friederich second the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Johnson reported the cash balance to date is \$469,244.81. A certificate of deposit recently matured and was deposited into the general fund account. The Finance Committee will be prepared discuss in the Finance Committee meeting on 4/14, what investment options we have, look ahead to uses for cash and coordination for other projects. Another deposit was made for Oak Ridge Senior Living for \$4000.00 for their application fee.

Mr. Osucha 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 retail activity was slow since his last report. Everyone is getting ready for the International Council of Shopping Centers Annual conference in May. We will have a new report from

Retail Strategies to provide to the Board sometime in early June. This report will give another look at our market as far as the out leakages and inter leakages would be. We would not be able to list specific names of companies due to the proprietary information. Mrs. Dunlap asked the question if there are small business looking at the Kroger Marketplace. Mr. Hardy responded the Kroger Marketplace is planning on a late June opening for the store. There a number of letters of intent that he cannot disclose on the specific companies but there are smaller retailers looking at Crosland. Mr. Osucha asked how many small parcels are being built. Mr. Hardy responded there is 12,000 sq. ft. of small shop space that could be parceled up to (6) 2,000 sq. ft. shops. There is also 5 outparcels that could be utilized for small businesses.

Mr. Jones reported there has been a lot of prospect activity but couldn't give any more information at this time due to client confidentiality. He also reported there are economic entities that are interested in Horizon Center Park but won't move due to lack of power distribution. Anything that can be done to beef up the power in the park will greatly increase the chances of moving the property.

Mr. Evans reported the City will submit application/documentation under Adventure Tourism Act of 2012 to create an Adventure Tourism District in Oak Ridge. This will allow any business that is directly or indirectly related to adventure tourism that falls under a list of activities (i.e., rowing, trail backs) will able to apply for franchise and excise tax credits in the amount of \$4,500 per employee. Most hotels and restaurants will qualify for this tax credit. He also reported that Crosland continues to make really great progress with the retailers. Crosland will also be attending to International Council of Shopping Centers conference in May.

ATTORNEY REPORT

Mr. Krushenski reports that he is still shorthanded with getting the PILOT reports together but believes most are in compliance. There is a pending Bankruptcy Chapter 11 with USEC.

COMMITTEE REPORTS

- a. **Finance Committee** – Finance Committee meeting time has changed from 10:00 a.m. to 1:30 p.m.
- b. **Land Use Committee** –
 1. Property Identification Markings – Request approval for Lackey and Associates to do Survey Work to mark boundary lines for Lots 5 (A, B) and 6 (C, D) at Horizon Center. The cost will be roughly \$3900.00. Mrs. Dunlap made the motion to approve \$3,900.00 for Lackey and Associates to do the appropriate survey work at Horizon Center. Mr. Trapp seconded the motion. The motion carried unanimously.
 2. Ridge Realty Marketing Report – Mr. Asher reported he has one prospect still looking at the lot in Bethel Valley but not moving on purchasing yet and picked up another prospect from Knoxville showing interest in the Bethel Valley lot.
- c. **Special Projects Committee** – No report.
- d. **Spec Building Committee** – No report.

- e. Policies and Procedures Committee – No report.

OLD BUSINESS

- a. TVA Investprep – We filed the pre-application on the March 26 as prescribed. We received an invitation to submit a full application by May 12 at 6:00 p.m.

NEW BUSINESS

- a. Approval of Protomet Joinder Agreement – Change was made on the Agenda from Hypothecation Agreement to Joinder Agreement. Protomet is asking the Board to enter into agreement to allow them to borrow an additional \$95,000.00 to the original loan to finish up their expansion project. Mr. Moneyhun reported that there is a mortgage on the property and the IDB is the title holder of the property for the PILOT. The bank will record the modification to the Deed of Trust to increase the amount of the indebtedness to pick up the additional \$95,000.00. Our interest in the property will be subject to that additional amount and if there was ever a foreclosure on the property our entire interest would be subject to the existing Deed of Trust as modified by this new modification. The Board and the City is protected in the event of a foreclosure.

Mr. Trapp made to Motion to approve the Joinder Agreement. Mrs. Dunlap seconded the motion. The motion carried unanimously.

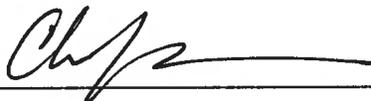
ADJOURN

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

The meeting adjourned at 4:40 p.m.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

April 7, 2014



Chris Johnson
Secretary/Treasurer