

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

April 6, 2015

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on April 6, 2015 in the Training Room of the Municipal Building. David Wilson; Chairman, called the meeting to order.

ROLL CALL

The following members were present: Richard Chinn, Louise Dunlap, Dave Mason, Hal Osucha, Harold Trapp, Phillip Yager, and David Wilson.

The following members were absent: Chris Johnson and Buzz Patrick

Also present were: Doug Colclasure, Oak Ridge Citizen; Ron Asher, Ridge Realty; Ken Krushenski, Oak Ridge City Attorney; Parker Hardy, Chamber of Commerce; Steve Jones, City of Oak Ridge; John Huotari, Oak Ridge Today; and Jennifer Johnson, Executive Administrative Assistant to the IDB.

APPROVAL OF THE AGENDA

Mr. Wilson amended the agenda adding under New Business – b.TVA InvestPrep. Mr. Mason made a motion to approve the amended agenda. Mr. Trapp second the motion. The motion carried unanimously.

APPROVAL OF THE MINUTES

March 2, 2015 – Mrs. Dunlap made a motion to approve March 2, 2015 meeting minutes with amendment to Parker Hardy's Prospect Activity report to change the speculative purchase year of Main Street Oak Ridge from 2016 to 2015. Mr. Osucha second the motion. The motion carried unanimously.

TREASURER'S REPORT

Ms. Johnson reported the balance in the general fund is \$177,101.76. Interest income accrued for the general fund and the money market accounts total \$253.00. Payments made were for landscaping, utilities, and administrative support. There is a certificate of deposit that is up for renewal on April 19, 2015. The Finance Committee recommendations are to let that certificate mature and move it into a money market account. Mr. Osucha asked if the intentions are to keep the funds at the current financial institution. Ms. Johnson responded that the Finance Committee will have to meet again to discuss which institution the money market will be located. Mr. Yager also added that the Finance Committee wants to request from local financial institutions to assist the Board in creating a cash management plan. A letter will be sent out requesting interested institutions to come in and give a 15 minute presentation to the Finance Committee. No date has been specified for this meeting.

Mr. Mason made a motion to approve the financial report given. Mr. Osucha seconded the motion. The motion carried unanimously.

PROSPECT ACTIVITY REPORT

Mr. Hardy reported retail and commercial activity remains pretty steady. Everything is geared up for the May recon trip. There will be a group of 6 attending the International Council of Shopping Centers convention in Las Vegas on May 17th. Retail Strategies has been assisting with making appointments.

Mr. Yager inquired if there was anything going on with the old Food Lion strip. He noted the Curves Fitness facility that was located in that strip has moved out. Mr. Hardy responded that there is interest but he's not at liberty to go into any details at this time.

Mr. Jones reported that CVMR (a Canadian based company) announced they were moving its international headquarters to Oak Ridge Horizon Center a couple of weeks ago. There was a lot of hard work put into Project Elisabeth. The success of this project is due to the collaboration of the State of Tennessee, the Chamber of Commerce, Mr. Barker, Oak Ridge National Laboratory and CROET. CVMR will be applying for a PILOT and they are hoping to present this application to the Board by the May 4th IDB meeting. Mr. Trapp asked when they (CVMR) were going to request for applicants to fill the positions and Mr. Jones responded that the information to apply for jobs is located at CVMR's website. Mr. Jones also sent the link for applicants and vendors to Ms. Johnson to add to the ORIDB website.

Mr. Evans reported Main Street as it relates to this Board; Mark Mammantov will begin drawing up the TIF documents shortly. There is 4 or 5 that is expected to be presented to the Board. These documents will be completed by the developers, this Board and local lending groups. Mr. Mammantov will work on drafting these to present to the IDB no later than the June monthly meeting. In addition, there will be an agreement between this Board and Crosland Southeast regarding the public infrastructure. This agreement will address how the City's role and how the \$500k will flow into the project. Rezoning was approved. The revision of the UB-2 zone to allow the multi family has gone through planning commission and first reading at City Council, it will go through second reading at City Council next Monday. Also, next Monday night will be first reading of rezoning of the property to UB-2 PUD and the approval of the PUD planning. Since that plan has been submitted there has been a slight modification and it will go back before the planning commission for a minor revision on April 23rd and second reading by City Council. All the zoning will be in place by the May Council meeting.

Mr. Osucha asked if there was going to be an environmental assessment completed on the big parcel. Mr. Evans responded that every lender requires that a current assessment is done. Mr. Osucha also inquired about the expiration of the certification of Area 6 at Horizon Center. Mr. Evans responded that the certification is for 3 years from the time the IDB was awarded that in October 2013. Mr. Yager asked if there was an absolute certainty that the City would need the \$500,000 and Mr. Evans responded that it was certain that with Mr. Mammantov advice; the way this will work is the IDB would collect the monies and the IDB will be the facilitator of the money flowing into the project, including the City's money.

ATTORNEY REPORT

Mr. Krushenski reported there should be a lot of legal documents coming through with the anticipation of the PILOT application from CVMR and the TIF documents for Main Street Oak Ridge project.

EXECUTIVE ADMIN. REPORT

Ms. Johnson reported her basic monthly activities to the Board. Such as preparing the Board's monthly meeting packets and finance reports. She attended the CVMR opening and assisted Chamber staff with set up, met with Knoxville Internet regarding changes to the website and schedule training for another Board Member to serve as a backup for the website maintenance, prepared all correspondences,

prepared checks for invoices received, prepared letter for Reno Land Designs (per Board action) for request for landscape design at Horizon Center. Also, prepared the Finance Committee meeting agenda with supporting documents and prepared the April IDB meeting agenda, the March minutes for review and a resolution.

Mr. Trapp made a motion to approve Ms. Johnson's report. Mr. Chinn second the motion. The motion carried unanimously.

COMMITTEE REPORTS

- a. Finance Committee – Mr. Yager reported the Finance Committee is working on the first phase of the budget. The other main item is the letter going to local financial institutions regarding the cash management plan.
- b. Land Use Committee –
 1. Spring Upgrades for Horizon Center –
 - a. Irrigation at Horizon – Mr. Osucha reported next month the water system up to date at Horizon Center will be turned on and some of the piping is old and in need of repair. Mr. Osucha is requesting authorization to spend up to \$500.00 for necessary repairs to those pipes and valves.
 - b. Electrical Work Scope – Mr. Osucha provided the Board with a quote from Diversified Electric for repairs to 8 lighting fixtures at the East and West entrances into Horizon Center and the 8 fixtures at the flag pole display. The cost associated with this estimate is in the amount of \$1,390.00. Mr. Chinn asked if this is just to replace the fixtures or the bulbs and Mr. Osucha responded it's the bulbs. Mr. Chinn made a suggestion to look at the cost of adding LED lights/fixtures and would save money in the long run. Mr. Osucha welcomed that and suggested for Mr. Chinn get quotes for the LED fixtures to present at the next meeting.

Mrs. Dunlap made the motion to authorize funds up to for both irrigation repairs and lighting fixtures. After some discussion, Mrs. Dunlap amended the motion to approve up to \$500.00 for the repairs to the pipes and valves at Horizon Center. Mr. Mason second the motion. The motion passed unanimously

2. Ridge Realty Marketing Report – Mr. Asher reported there is a letter of intent to purchase 2 acres of the last lot available in Bethel Valley for \$30,000. The company just wants to purchase part of that lot. The remaining 2.55 acres will be unbuildable due to the terrain. Mr. Wilson made a suggestion to the Board counter offer the prospect to purchase all of the 4.55 acres of the lot including the unusable portion for a total of \$30,000. Mr. Osucha made the motion that the IDB counteroffer for the company to purchase all of 4.55 acres of the available lot for \$30,000. Mrs. Dunlap second the motion. The motion passed unanimously.
- c. Special Projects Committee – No report.
- d. Spec Building Committee – No report.
- e. Policies and Procedures Committee – No Report.

OLD BUSINESS

No Report.

NEW BUSINESS

- a. TVA InvestPrep – Mr. Wilson reported for the last two years the Board has submitted an application to match funds for assistance for the electrical upgrades at Horizon Center and in both instances we were not approved. If the Board wishes to reapply, the pre-application has to

be electronically completed and ready to submit by April 8, 2015. Which give the Board two days to submit. Mr. Evans has indicated that TVA has not provided any financial support to any project in regards to electrical upgrades. There has been discussion that TVA has provided assistance with clear cutting and spec building installations. Since the Board has committed a large amount of funds to the Main Street Oak Ridge project, it may not be feasible at this time to submit an application to match funds for any upgrades at Horizon Center. Mr. Wilson asked Mr. Jones to comment on the clear cutting of the property. Mr. Jones commented that at some point, if the Board is going to sell parcels that are already designated; for example Area 5 – a certified data processing site, the site would need to be clear cut for prospects to view the site. We don't have time to react to this pre-application this year but he suggests the Board may want to look into next year we can do site preparation to put a package together for submittal. Mr. Evans added that for whatever reasons, TVA has put special emphasis on things like signage, landscaping, and fencing. He stated he's not sure why TVA has put emphasis on these items but your project gets a few extra points, if these are requirements for the project submitted.

Mr. Osucha commented that Area 5 should have some preliminary work on that site since there has never been a survey done. There is not a good understanding of where the property boundaries lie. That property is adjacent to some conservation areas and there is also a big area of trees that is also designated a protected area. He suggests that the Board include in next year's budget to plan for a preliminary engineering study to be done to Area 5 (approximately 98 acres) to give the Board an idea of the property boundaries. He added that a prospect may not want to buy all 98 acres.

Mr. Jones agreed that there are some environmentally sensitive sites that exists within Area 5. He is not aware of any survey that was completed to the site prior certification. A survey would be very appropriate for that site and with the way the area is laid out, it doesn't make it conducive to a large potential prospect. It does make it conducive, potentially, to chop it up into maybe two or three parcels for accommodating 100,000-125,000 sq. ft. spec building spaces. With the type of prospects that he is talking to, the possibility of co-locators may have to be close to the main source of production. Mr. Jones made the recommendation due to the low fund balance and that TVA is not funding any power projects that he is aware of, he recommends the Board pass on this years' TVA InvestPrep application process. He is in favor of getting the clear cutting started as soon as possible, however, there are some restrictions on when the Board can clear cut those areas. Mr. Jones can make some recommendations for clear cutting to the Land Use Committee the next time it meets. There is a possibility that the timber cut can be harvested and the sale of the timber can generate some revenue for the Board. He also suggests that the Board may want to re-examine increasing the price per acre. Another recommendation, Mr. Jones made is for the Speculative Building Committee to review the covenants at Horizon Center and maybe take a look at what other industrial parks have in their covenants and maybe adapt the covenants to make Horizon Center more competitive to these other industrial parks with the requirements for building spec buildings on that property. Since there is not a lot of spec buildings available in this area and the IDB is in a position to address this issue.

Mrs. Dunlap made a motion that the Board does not move on submitting a TVA InvestPrep pre-application at this time. Mr. Mason second the motion. The motion passed unanimously.

- b. CVMR Recognition – On behalf of the citizens of Oak Ridge and IDB, Mr. Wilson presented Mr. Jones with the first IDB Bulldog Award for his dedication and participation in bringing industrial and commercial growth to City of Oak Ridge.

ADJOURN

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

The meeting adjourned at 4:56 p.m.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

May 4, 2015

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

Chris Johnson
Secretary/Treasurer