

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

August 3, 2015

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on August 3, 2015 in the Training Room of the Municipal Building. David Wilson, Chairman, called the meeting to order.

ROLL CALL

The following members were present: Chris Johnson, Dave Mason, Hal Osucha, Buzz Patrick, Phillip Yager, Richard Chinn, Louise Dunlap and David Wilson

The following members were absent: Harold Trapp

Also present were: Doug Colclasure, Oak Ridge Citizen; Ken Krushenski, Oak Ridge City Attorney; Parker Hardy, Chamber of Commerce; Ray Evans, City of Oak Ridge; Steve Jones, City of Oak Ridge; Bruce Applegate, City of Oak Ridge; Mark Watson, City of Oak Ridge; Alan Hill, AT&T; Bob Fowler, Knoxville News Sentinel; and Samantha Royster, Executive Administrative Assistant to the IDB.

APPROVAL OF THE AGENDA

Mr. Mason made a motion to approve the agenda as presented. Mr. Patrick seconded the motion. The motion carried unanimously.

APPROVAL OF THE MINUTES

Mr. Mason made a motion to approve the minutes of the meeting held July 6, 2015. Ms. Dunlap seconded the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Johnson presented the financial report for July 2015 as follows:

Balance Sheet Highlights:

- CTB Money Market account increased approximately \$135.00 due to interest paid.
- TNBank General Fund balance is down approximately \$29,000.00. This use of funds is comprised of approximately \$23,000.00 in monthly expense payments as shown on the Profit and Loss Budget Performance and approximately \$6,000.00 in Accounts Payables carried over from the prior fiscal year.
- FY2015 books have been closed, and Liabilities and Equity section reflects FY2016 opening balances. Net Income at the end of FY2015 was collapsed into Unrestricted Net Assets changing that figure to \$339,920.85. The Net Income figure begins the FY2016 accounting period with a one month net use of funds of -\$22,697.11.

Profit and Loss Budget Performance Highlights:

- The only income was interest income paid on the money market and general fund accounts totaling approximately \$325.00.
- There was a \$64.00 credit to IDB Support for the refund of prorated rental fees prepaid on the Safe Deposit Box at ORNL FCU that was recently closed and transferred to TNBank.
- Initial payment was made to Dale Isabel in the amount of \$1,000.00 as stipulated in the contract approved by the board for audit services.

- Payment was made to McGrew Engineering & Surveying for Support Services-Engineering in the amount of \$15,770.00 in accordance with a contract previously approved by the board. The amount was budgeted for August instead of July and will zero out on the P & L for August.
- Mowing and Landscape expenses are billed each month for services incurred in the prior month. The bill received in July was applied toward an Accounts Payable accrual set up at FYE 2015.
- Utilities are over budget due to water issues at Horizon Center and will be discussed later in this meeting.

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

Mr. Johnson reminded the board of the FY2016 annual budget they had previously approved. He stated that included with their board packet is the budget by month figures. Main assumptions are as follows:

- One land sale is assumed and was entered for year end.
- The \$500,000 commitment of funds to the Main Street Oak Ridge project was assumed for December as previously discussed by the Board.
- Other expenses were either spread evenly throughout the year or entered for the month in which we assume payment will be made.

Mr. Osucha made a motion to accept the budget by month figures as provided by the Treasurer. Mr. Chinn seconded the motion. The motion carried unanimously.

PROSPECT ACTIVITY REPORT

Mr. Hardy reported the bulk of current retail and commercial activity is in the area of restaurants. Honey Baked Ham (former Snappy Tomato Pizza location) and Which Wich (Westgate Center) will be opening soon.

He stated that Chamber is continuing to work with prospects who have previously shown interest in the Oak Ridge market, but would like to discuss the Chamber's focus on existing industry. A team of volunteers is continuing to work with Chamber by calling on existing companies and industries to promote goodwill and to gather the concerns or suggestions from each one regarding operations in the Oak Ridge. Later this year the Chamber is helping to coordinate an Industry Appreciation/Recognition Breakfast with keynote speaker to be held at RSCC and sponsored by Comcast and ORUD. Existing industry customers will be invited and the information gathered at the visits will be shared.

Mr. Jones added to Mr. Hardy's report by stating that there was a meeting last month with an existing industry looking to expand. They are working together and it look promising.

He stated that prospect activity is relatively slow. Two companies visited looking for existing facilities in the 70,000 – 100,000 sq. ft. range and none is available. The upside is that there are some large manufacturers that they have been working with over the past 1 - 1 ½ years that are starting to get more active. There was a visit this week by a project who initially visited 5 years ago. There is another project visiting next week and one the following week that he has been working with for some time. These bigger projects sometimes take 2-3 years or longer to close. All three projects are looking at Horizon Center as well as Heritage.

Mr. Jones wanted to pass along to the IDB that he had an extensive conversation with Wade Cresswell with the Roane Alliance concerning CVMR. Every indication is that they are still coming. He did not hear anything to the contrary. They have simply run into some unforeseen delays.

Mr. Evans reported that he spoke with Mr. Wilson regarding an IDB special called board meeting for later this month regarding the Main Street Oak Ridge project TIF. The meeting is tentatively scheduled for Monday, August 24th in anticipation that TIF documents are ready for review.

ATTORNEY REPORT

Mr. Krushenski reported no items other than the closing of the sale of the final lot in Bethel Valley Industrial Park.

EXECUTIVE ADMIN. REPORT

Ms. Royster included a written report with the August 2015 board packet detailing the support services she provided to and on behalf of the IDB for July 2015. The board had no follow-up questions regarding the report.

COMMITTEE REPORTS

- a. Finance Committee – No report.
- b. Land Use Committee
 1. Mr. Osucha reported that the pre-bid meeting for the new Ground Maintenance and Landscape Services Contract was held on July 20th. Five companies attended the pre-bid meeting and all sealed bids will be due and opened on Monday, August 10th at 4 P.M. The committee will bring their recommendation regarding the award of the contract before the board in September.
 2. Mr. Chinn reported there was discussion at the pre-bid meeting for the new ground maintenance contract that there are water leaks in each of the three existing irrigation systems at Horizon Center. Mr. Osucha reported that he has discussed one option to correct the problem with a current contractor but hopes the land use committee can bring forth a proposal to solve this issue at the September meeting. Temporary controls are in place to minimize water costs until more permanent, corrective measures have been implemented.
 3. Mr. Osucha reported that the services contract for timber services in connection with the clearing of lots 5 & 6 will be signed this week and the survey should be completed this month. He hopes to report more details to the board at the September board meeting regarding this subject.
- c. Special Projects Committee – No report.
- d. Spec Building Committee – No report.
- e. Policies and Procedures Committee

Mr. Yager reported that he will be meeting with Ms. Royster next week regarding IDB Policies and Procedures.

OLD BUSINESS

None

NEW BUSINESS

Mr. Wilson reported that he met with Alan Hill, AT&T Regional Director External Affairs, who would like the IDB to enter into a Promotion Agreement with AT&T to cooperatively promote Horizon Center as a fiber ready communication services industrial park. IDB counsel has reviewed and revised the agreement provided by AT&T; however, AT&T counsel is still reviewing the changes.

Mr. Johnson made a motion approving the Chairman to sign the Promotion Agreement with AT&T on behalf of the IDB subject to any final revision by AT&T counsel be approved by the IDB counsel. Mr. Chinn seconded the motion. The motion carried unanimously.

ADJOURN

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

The meeting adjourned at 4:34 p.m.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

September 8, 2015



Chris Johnson

Secretary/Treasurer