

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

December 7, 2015

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on December 7, 2015 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, Chris Johnson, Buzz, Patrick, Dave Mason, Hal Osucha, Phillip Yager, Richard Chinn, Harold Trapp and David Wilson

The following members were absent: None

Also present were: Ken Krushenski, Oak Ridge City Attorney; Mark Watson, Oak Ridge City Manager; Janice McGinnis, City of Oak Ridge; Parker Hardy, Chamber of Commerce; Kathryn Baldwin, City of Oak Ridge; John Huotari, Oak Ridge Today; Ray Evans, City of Oak Ridge; Jay Moneyhun, Bass, Berry, & Sims; Mark Mamantov, Bass, Berry & Sims; David Bradshaw, Capital Mark; Nathan Long, RealtyLink; and Samantha Royster, Executive Assistant to the IDB.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES

Mr. Yager made a motion to approve the minutes of the regular meeting held November 2, 2015 as amended. Mr. Mason seconded the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Johnson stated that there was not a lot of activity to report, but highlights of the November 2015 financial statements are as follows:

Balance sheet

- The only change to the balance sheet from previous month is the total cash amount of approximately \$15,850.00 that will tie in to the P & L
- Certificate of Deposit with CTB matured in November and was transferred to the TNBank general fund at the Board's request

Profit & Loss

- Interest was the only income received for November
- There are still 2 outstanding CAM fees. Follow up letters have been sent out, and we will continue to pursue collection of these items.
- Expenses in November were all pretty standard. Two items to note are the \$1,000.00 payment to Dale Isabell for the annual audit contract and \$8,703.90 in payments to Reno Land Design for the Landscaping contract at Horizon Center.

Mr. Johnson stated that he and Ms. Royster have reviewed the Capitalization Policy in regard to some of the larger improvements at Horizon Center. They are in the process of updating the financial statements to reflect the capitalization.

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

PROSPECT ACTIVITY REPORT

Mr. Hardy reported that retail prospect activity tends to be slow this time of year. He stated that he has been involved in discussions with two shopping center developers interested in Oak Ridge, but he does not expect any activity from them until the Main Street Project is underway.

Mr. Hardy also reported that he has been working with one existing manufacturer wishing to expand. The expansion has the potential to bring 100 new jobs over a 5 year period with up to 15 million in capital investments.

Mr. Hardy stated that he is in contact with approximately 90 commercial prospects, but the process to get them here is sometimes very slow. He reported working with one retailer since 2007 whose ribbon cutting is this week.

Mr. Watson reported on the industrial recruitment in the absence of Mr. Jones. He apologized for not getting us a copy of the CVMR letter that sent to the press any sooner. There was a lot of work behind the scenes to make sure the information was clear in order to not damage our economic development efforts. The City continues to work with CVMR on ways to move the development forward with a shift from an R & D focus to that of a manufacturing focus. He stated that he will keep us advised of their efforts.

Mr. Evans reported on the retail center pertaining to the S. Illinois Avenue TIF. After the opening of the urgent care facility, there will only be one 1500 sq. ft. retail space left. There are multiple prospects for the space, and he expects it will not be long before it is 100 % leased.

Mr. Evans also reported that the State of Tennessee Department of Economic Development announced 6 million in site development grants as part of the new Tennessee Rural Development Funds. The IDB would be eligible to apply for grants on projects pertaining only to area 6 if we are interested.

ATTORNEY REPORT

No report

EXECUTIVE ADMIN. REPORT

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

COMMITTEE REPORTS

- a. Finance Committee - No Report
- b. Land Use Committee

Mr. Osucha presented an overview of the proposal by Copperhead Environmental Consulting to perform a Phase I Federally Listed Bat Habitat Assessment of area 5 in Horizon Center at a cost of \$4,950.00. This study is in conjunction with the Board's previous actions to clear the timber in area 5 and a portion of area 6. The Phase I Bat Assessment would be performed in coordination

with the U.S. Fish and Wildlife Service, Cookeville, TN office and will determine whether our project can move forward or if a more in-depth Phase II Bat Assessment is required.

Mr. Chinn suggested that we ask Copperhead the cost to include area 6 in their proposal. A brief discussion followed as to the necessity of adding area 6 to the proposal and the overall necessity of performing the Phase I Bat Habitat Assessment resulting in the following resolution.

Mr. Osucha made a motion to approve a contract with Copperhead Environmental Consulting to perform a Phase I Federally Listed Bat Habitat Assessment of area 5 and the Eastern portion of area 6 at a cost not to exceed \$8,000.00. Ms. Dunlap seconded the motion. The motion carried, but it was not unanimous. Mr. Osucha, Mr. Trapp, Mr. Chinn, Ms. Dunlap, Mr. Johnson, Mr. Mason, Mr. Patrick, and Mr. Yager all voted "yes". Mr. Wilson voted "no".

c. Special Projects Committee - No report

d. Spec Building Committee

Mr. Wilson stated that he has been in communication with financial organizations that would provide low interest loans for the construction of a spec building if the Board chooses to go that route. Mr. Wilson also reported that he has also been looking into partnerships with other entities that could provide oversight on a spec building project with the IDB. He stated that he hopes to have further information at the next board meeting.

e. Policies and Procedures Committee- No report

OLD BUSINESS

None

NEW BUSINESS

a. Mr. Evans and Mr. Mamantov provided the board with details regarding the new tax increment financing (TIF) documents for the Main Street Oak Ridge Development project due to the change of the "Developer". A brief discussion followed.

Mr. Evans is requesting the Board approve the resolution authorizing the Board of Directors of the Industrial Development Board of the City of Oak Ridge, Tennessee to execute documents relating to tax increment financing of costs relating to the Main Street Oak Ridge Development. Mr. Mason made a motion to approve the resolution. Mr. Johnson seconded the motion. The motion carried unanimously. (See attached Resolution)

b. Mr. Wilson reminded the Board that Officer elections will be on the January 2016 Agenda.

c. After Board review and discussion of the Administrative Support Services Contract, Mr. Patrick made a motion to approve a new 1 year contract effective January 1, 2016 at an annual cost of \$30,000.00 for the Executive Assistant, Samantha Royster. Mr. Yager seconded the motion. The motion carried unanimously.

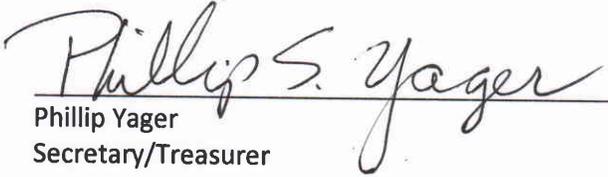
ADJOURN

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

The meeting adjourned at 5:05 p.m.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

January 4, 2016



Phillip Yager
Secretary/Treasurer

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE, TENNESSEE AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING TO TAX INCREMENT FINANCING OF COSTS RELATING TO THE MAIN STREET OAK RIDGE DEVELOPMENT

WHEREAS, The Industrial Development Board of the City of Oak Ridge, Tennessee (the "Board") is an industrial development corporation created by the City of Oak Ridge, Tennessee (the "City") and is duly incorporated pursuant to Sections 7-53-101 et seq., Tennessee Code Annotated; and

WHEREAS, the Board has previously approved and adopted that certain the Economic Impact Plan (as amended, the "Economic Impact Plan") for the Oak Ridge Mall Economic Development Area located in the City of Oak Ridge, Tennessee and Anderson County, Tennessee (the "Plan Area"); and

WHEREAS, the development the Plan Area would include a retail development (collectively the "Main Street Oak Ridge Development") to be developed by TN Oak Ridge Rutgers, LLC and its affiliates (the "Developer"); and

WHEREAS, the Economic Impact Plan would permit certain tax increment financing ("Tax Increment Financing") for improvements in and around the Main Street Oak Ridge Development (the "Project") to be provided through the issuance of the Board's bonds, notes and other obligations; and

WHEREAS, the Board desires to authorize the execution of the documents necessary to implement such Tax Increment Financing pursuant to Section 7-53-312, Tennessee Code Annotated in an amount not to exceed \$13,000,000; and

WHEREAS, there have been submitted to the Board the forms of the following instruments (collectively, the "Documents") which the Board proposes to execute to carry out the transactions described above, copies of which Documents shall be filed with the records of the Board:

(a) Loan Agreement (the "Loan Agreement"), between the Board and CapitalMark Bank and Trust, a division of Pinnacle Bank, a state-chartered Tennessee bank (the "Lender") providing for a loan not to exceed \$13,000,000 (the "Loan") to the Board;

(b) The form of the Board's \$13,000,000 Tax Increment Revenue Note (Main Street Oak Ridge Development) (the "Tax Increment Note") that will evidence the Board's obligation to repay the Loan on the terms set forth therein;

(c) Assignment of Tax Increment Revenues, (the "Assignment") from the Board for the benefit of the Lender assigning tax increment revenues to secure the Tax Increment Note;

(d) Development and Financing Agreement (the "Development Agreement") between the Board and the Developer relating to the development of the Project and the Main Street Oak Ridge Development;

(e) Collateral Assignment of Development and Financing Agreement (the "Collateral Assignment") from the Board for the benefit of the Lender assigning the Development Agreement as additional consideration of the Lender's extending credit pursuant to the Loan Agreement and the Note; and

(g) Contribution Agreement (the "Contribution Agreement") between the Board and the City of Oak Ridge, Tennessee; and

WHEREAS, such Tax Increment Financing will further the public purposes of the Board by promoting development in the Plan Area.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Board of the City of Oak Ridge, Tennessee, as follows:

1. It is hereby found and determined that the financing of the Project will promote the economy and development in the State of Tennessee and City of Oak Ridge, Tennessee and the welfare of the citizens thereof.
2. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Loan Agreement to the Lender.
3. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Tax Increment Note to the Lender.
4. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Assignment to the Lender.
5. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Development Agreement to the Developer.
6. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Collateral Assignment to the Lender.
7. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver the Contribution Agreement to the City of Oak Ridge, Tennessee.
8. The Loan Agreement, Tax Increment Note, Assignment, Development Agreement, Collateral Assignment and Contribution Agreement shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes.

9. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and, if requested, its Secretary or Assistant Secretary is hereby authorized to attest, and either is authorized and directed to deliver any and all other instruments, documents and agreements deemed necessary or desirable by the Lender in order to evidence and secure the Tax Increment Financing properly in accordance with the requirements of the Lender, including, without limitation, security agreements, certificates, affidavits, and any other instruments of any kind or nature whatsoever, all in the form required by the Lender.

10. The officer or officers of the Board executing the Loan Agreement are hereby authorized to designate the allocation period of the incremental tax revenues for the Plan Area.

11. Any authorization herein to execute any document shall include authorization to record such document where appropriate.

12. All other acts of the officers of the Board which are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project are hereby approved and confirmed.