

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

April 4, 2016

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on April 4, 2016 in the Training Room of the Municipal Building. David Wilson; Chairman, declared there to be a quorum and called the meeting to order.

ROLL CALL

The following members were present: Louise Dunlap, Dave Mason, Hal Osucha, Phillip Yager, and David Wilson

The following members were absent: Richard Chinn, Buzz, Patrick, Chris Johnson, and Harold Trapp

Also present were: Ray Evans, City of Oak Ridge; Steve Jones, City of Oak Ridge; Bob Fowler, Knoxville News Sentinel; Doug Colclasure, Oak Ridge Citizen; and Samantha Royster, Executive Assistant to the IDB.

APPROVAL OF THE AGENDA

Mr. Wilson asked to amend the Agenda to add another item under New Business as follows:

- b. Letter from City Manager

Mr. Osucha made a motion to approve the agenda as amended. Mr. Mason seconded the motion. The motion carried unanimously.

APPROVAL OF THE MINUTES

Mr. Mason made a motion to approve the minutes of the regular meeting held March 7, 2016 as amended. Mr. Osucha seconded the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Yager presented the financial report for March 2016. He stated that activity was normal and highlights of the financial statements are as follows:

Balance sheet

- The only change to the balance sheet from previous month is the total cash amount that had a net decrease of approximately \$2,926 that will tie into the net income on the P & L

Profit & Loss

- Interest income received for March totaled \$288
- The last outstanding CAM fee of \$1892 was received from HJN Properties.
- Utility payments remain stable but, utility meters that have been winterized since November will be turned back on in April
- Expenses in March were all standard- Management Services totaling \$2,500, Office Equipment & Supplies of \$108, Utilities expense totaling \$203, and Mowing & Landscaping totaling \$2,295

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

PROSPECT ACTIVITY REPORT

Mr. Hardy reported that he recently returned from an ICSC conference in Charlotte, NC. This is a new conference destination for the Chamber and was selected due to the Main Street Developer's (RealtyLink) affiliation with many of the retailers attending the conference. The conference resulted in 1 developer pursuing property in Oak Ridge. He also reported that he spent time with Neil Wilson of RealtyLink while at the conference and spoke with at least one tenant who will be moving into Main Street.

Mr. Hardy also reported that 5 people will be attending the annual ICSC Recon conference next month. It is the largest gathering of retail developers in the world. They already have appointments with 2 retail developers and are working to make appointments with others during the conference. He stated that he will follow up on all leads resulting from the conference by the end of May.

Mr. Hardy reported that he continues to work with Protomet and progress is being made on their expansion issue.

Mr. Jones reported that there has been a big spike in prospect activity. He stated that activity over the last month has been as much as all of last year. He reported that he responded to 4 RFPs last month in addition to working with several existing contacts.

Mr. Evans stated that he has nothing new to report. He reported that he remains in contact daily with RealtyLink and several others working on the Main Street project.

ATTORNEY REPORT

No Report

EXECUTIVE ADMIN. REPORT

Ms. Royster included a written report with the April 2016 board packet detailing the management support services she provided to and on behalf of the IDB for March 2016. The board had no follow-up questions regarding the report.

COMMITTEE REPORTS

a. Finance Committee

Mr. Yager reported that he has scheduled a finance committee meeting for April 14th to discuss the FY2017 budget and an investment policy.

b. Land Use Committee

Mr. Osucha reported that we continue to work on the timber harvest project in regard to the bat assessment reports. He stated that the U.S. Fish and Wildlife have some additional questions for Copperhead Environmental Consulting, and he hopes to speak with them in a few days.

Mr. Osucha reported that Ms. Royster has been working on the recertification of Horizon Center, Development Area 6. The recertification items are due for review at the State by April 30th, and we are on track to have it completed by that date.

c. Special Projects Committee – No Report

d. Spec Building Committee – No Report

e. Policies and Procedures Committee

Mr. Yager reported that an Investment Policy will be reviewed by the Finance Committee at the meeting next week.

Mr. Yager made a motion to approve the IDB Record's Retention and Document Destruction Policy (see attached Exhibit A). Mr. Mason seconded the motion. The motion carried unanimously.

OLD BUSINESS

Mr. Wilson asked Ms. Royster to speak on the Select Tennessee Site Development Grant that was submitted in February. Ms. Royster stated that the State did not approve us to receive this grant. Ms. Royster spoke with the State who informed her that we scored low in 2 of the 4 categories. Public Benefit/Impact category- Lower points awarded due to Roane County being only a tier 1 distressed county. Some additional points were added based on the impact to surrounding distressed counties but not many for this particular grant. Performance Measures category- The consultant (Austin Consulting) basically said that they saw nothing in the plan that would enhance the marketability of the site. They did suggest that if we apply again next year (or apply for another similar grant) that we consider rough grading a large section of the site. The State also indicated that they would be using a different consultant to score this grant next year. Basically, the grant was intended to benefit the more rural, distressed counties and they were awarded the highest points. TNECD stated that they will be sending us some detailed correspondence regarding our score at a future date.

NEW BUSINESS

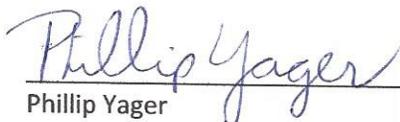
- a. Mr. Wilson reported that a letter has been sent to CROET in order to comply with the requirements set forth in the Horizon Center transfer agreement dated March 12, 2010 regarding Horizon's Option to Purchase. (See attached Exhibit B) Mr. Wilson recommends that the IDB spend no more funds on new capital improvements or other items at Horizon Center until CROET states that they will not exercise the option to purchase.
- b. Mr. Wilson reported that the IDB received a copy of the letter from the City Manager to Chander Bhateja regarding his potential PILOT application regarding his planned hotel project. The City Manager thanked him for his interest in locating a Marriott hotel product within Oak Ridge. The letter stated that the project will be eligible for participation in the Tennessee Adventure Tourism incentive program but not the TIF program of the Oak Ridge-Main Street Project due to the planned location of the hotel. No other incentives would be recommended at this time due to the current occupancy rate of the city's existing hotels.

ADJOURN

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

The meeting adjourned at 4:32 P.M.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD
May 2, 2016



Phillip Yager
Secretary/Treasurer

Exhibit A

**INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF OAK RIDGE
RECORDS RETENTION AND
DOCUMENT DESTRUCTION POLICY**

Purpose

In accordance with the federal and Tennessee state law, specifically the regulations outlined in T.C.A. § 10-7, this policy provides for the systematic review, retention, and destruction of documents received or created by The Industrial Development Board of the City of Oak Ridge in connection with the transaction of board business. This policy covers all records and documents, regardless of physical form, and contains guidelines for how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate the IDB's operations by promoting efficiency and freeing up valuable storage space.

Document Retention

The IDB follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule, will be retained for the appropriate length of time.

Corporate Records	Minimum Requirement
Article of Incorporation	Permanently
Bylaws	Permanently
Board Policies	Permanently
Resolutions	Permanently
Tax or Employee Identification Number Designation	Permanently
Annual Corporate Filing (maintained by City of Oak Ridge)	Permanently

Legal Documents	Minimum Requirement
Contracts	Retain for 7 years after contract termination
Leases	Permanently
Deeds, mortgages, and bills of sale	Permanently

Tax Records	Minimum Requirement
Tax Returns and Worksheets	Permanently
Withholding Tax Statements	7 years

Financial Records	Minimum Requirement
Accounts Payable	10 years
Accounts Receivable	10 years
Chart of Accounts- General Ledger	Permanently
Audit reports	Permanently
Bank Statements and Reconciliations	7 years
Canceled Checks	7 years / Permanently for important purchases
Bank Deposit Slips/Books/Records	7 years
Year End Financial Statements	Permanently
Depreciation Schedules	Permanently
Bid Documentation on Equipment, Supplies, and Services	7 years after contract expiration
Grant Documentation and Files	Retain for life of the grant plus 7 years
Development and Proposal Files	Retain all unsuccessful proposals for 5 years
Investment Ledger	10 years
Budget Records and Reports	Budget is preserved permanently in board minutes, all other budget documentation 7 years
Annual Reports to City Officials	Permanently

Internal Documents	Minimum Requirement
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
E-Mail: Spam & other email not relative to any litigation	Can be discarded immediately
E-Mail: Email relative to contracts	7 years
E-Mail: Email that might be relative to tort litigation	2 years
E-Mail: Other	Retain based on subject matter
Insurance Policies	10 years after expiration or replacement of the policy

Personnel Records	Minimum Requirement
Employment Applications/Resumes	7 years after termination
Contracts, Employees/Independent Contractors	7 years after termination

Electronic Documents

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. Backup and recovery methods will be tested on a regular basis.

Emergency Planning

The IDB's records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping the IDB operating in an emergency will be duplicated or backed up on a regular basis.

Public Access to Records

IDB records are not subject to the federal Freedom of Information Act; however, T.C.A. § 10-7-503 states that certain municipal records are open to public inspection. Any citizen of Tennessee's request for IDB records should be submitted to the City of Oak Ridge City Clerk's office in accordance with its policies and procedures for open records requests.

Document Destruction

The IDB Chairman or his designee is responsible for the ongoing process of identifying IDB records that have met the required retention period and overseeing their destruction. Destruction of financial and personnel related documents will be accomplished by shredding.

Anytime a document is destroyed, a Certificate of Records Destruction must be executed and signed off by the IDB administrative assistant and the IDB Chairman.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

Compliance

The IDB chairman or his designee will be responsible for records management and compliance.

Exhibit B



Industrial Development Board
of the City of Oak Ridge
1400 Oak Ridge Turnpike
Oak Ridge, TN 37830

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Board of Directors

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Vice Chairman

Phillip Yager
Secretary-Treasurer

Richard G. Chinn

Louise B. Dunlap

Chris Johnson

David L. Mason

H.D. Osucha

Harold Trapp

Samantha W. Royster
Executive Assistant

April 4, 2016

Mr. Lawrence Young
Community Reuse Organization
of East Tennessee (CROET)
1020 Commerce Park Drive, Suite L
Oak Ridge, TN 37830

Re: Option Notice- Horizon's Option to Purchase

Mr. Young:

This letter is in reference to the Agreement between Horizon Center, LLC and The Industrial Development Board of the City of Oak Ridge ("ORIDB") dated March 12th, 2010. Pursuant to paragraph 19(a) of the Agreement, Horizon's Option to Purchase, ORIDB hereby gives notice that it has sold or leased 59.684 acres (15.22%) of the 392.153 acres of Horizon Center Park (the "Property") subject to and identified in Exhibit A of the Agreement. The portions of the Property sold or leased by ORIDB as of March 12, 2016 is more specifically identified as follows:

<u>Portions of Property Sold/Leased</u>	<u>Acreage</u>
Lot 1.01-19 BC	4.310 acres
Lot 1.02-19 BC	5.640 acres
Lot 1-17 BD	37.984 acres
Lot 1-17 BF	<u>11.750 acres</u>
Total	59.684 acres

In addition, ORIDB has incurred \$21,401.00 in depreciable land improvements in FY2016 at Horizon Center Park as follows:

<u>Land Improvement</u>	<u>Cost</u>
New Irrigation System	\$ 7,850.00
New Landscaping	\$ 9,671.00
New Lighting	<u>\$ 3,880.00</u>
Total	\$21,401.00

Therefore, let this letter serve as the First Option Notice to Horizon Center, LLC or its Successor and the First Option Period shall begin as of the date of this Option Notice.

If you have any questions regarding this notice, please do not hesitate to contact me.

Sincerely,

David E. Wilson
Chairman

DEW/swr