

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

August 1, 2016

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on August 1, 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: Buzz Patrick, Dave Mason, Richard Chinn, Chris Johnson, Harold Trapp, Louise Dunlap, Phillip Yager, and David Wilson

The following members were absent: Hal Osucha

Also present were: Parker Hardy, Chamber of Commerce; Mark Watson, City of Oak Ridge; Sarah Self, City of Oak Ridge; Steve Jones, City of Oak Ridge; Ron Asher, Ridge Realty; Doug Colclasure, Oak Ridge Citizen; 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. Patrick made a motion to approve the minutes of the regular meeting held July 5, 2016 as presented. Mr. Mason seconded the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Yager presented the financial report for July 2016 which will be placed on file.

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

CITY MANAGER REPORT

Mr. Watson expressed his and the City's thanks to the board members for all their hard, diligent work on the Main Street project and presented them with a token of appreciation. Mr. Watson gave a brief update on the economic/industrial activities of the City including those with the State, TVA, DOE and other entities. He expressed his shared concern with the board that its current business model may not be financially sustainable long-term. Mr. Watson provided the board with some information on the City's current housing initiative and revitalization plans including participation in THDA's Blight Elimination Program. He also presented an overview of some other strategic plans and concerns including new locations for the Senior Center, certain City departments, and a new preschool.

PROSPECT ACTIVITY REPORT

Mr. Hardy stated that he is still working with three industrial expansion prospects. He reported that he and Mr. Jones are actively working with one prospect to identify possible locations for a new facility. Mr. Hardy also provided an overview on retail activity. He stated that he anticipates retail activity separate from Main Street to increase now that other developers and prospects see that project has come to fruition. Mr. Parker also reported discussions with one multi-family developer and a single family developer interested in acquiring lots in an existing subdivision.

Mr. Jones reiterated some of the information on industrial activity provided by Mr. Watson and the fact that the City must keep much of this information close to the vest. He stated that industrial activity has increased dramatically over the last two months and confirmed that he priced Area 5 to a prospect recently. There has been no firm commitment, but the prospect is still in contact and working with him. Mr. Jones also praised the Diamond Team on its ability to make quick decisions regarding the funding necessary to meet and reach out to prospects as needed to bring them to the table for negotiations.

ATTORNEY REPORT

Mr. Krushenski reported that the PILOT lease on Bristol Park Apartments has expired, and they are now back on the tax rolls at 100%. He also stated that there are a few more PILOT leases due to expire in the next 1-2 years, and he will keep the Board updated when the time comes.

EXECUTIVE ASSISTANT REPORT

Ms. Royster included a written report with the August 2016 board packet detailing the management support services she provided to and on behalf of the IDB for July 2016. The board had no follow-up questions regarding the report, and the report was accepted as presented.

COMMITTEE REPORTS

- a. Finance Committee – No Report
- b. Land Use Committee
 1. Mr. Mason reported that the services agreement with AFM to solicit bids and manage the timber harvest of Area 5 has been signed. AFM will send out bid package the week of 8/8, there will be a walk and show at Area 5 site the week of 8/19, bids will be opened at AFM office the week of 8/25. The Land Use Committee will meet and review the bids and bring information to the Board at its September meeting to award the Timber Harvest contract.
 2. After brief discussion by the Board and confirmation of the budgeted amount for bush hogging. Ms. Dunlap made a motion to enter into a services agreement with Millsaps Lawn Care, LLC to bush hog 107 acres in Horizon Center at a cost of \$4,700.00. Mr. Mason seconded the motion. The motion carried unanimously.
- c. Special Projects Committee
 1. Mr. Mason reported that the committee met several times during July in response to a motion made at the last regular board meeting requesting that it look into additional marketing strategies, in addition to those performed by City staff, for the IDB property at Horizon Center Industrial Park, since there has been no land sales at the park for several years. Mr. Mason reported that after consideration of certain criteria, the committee met with commercial realtor Ron Asher of Ridge Realty Company. Mr. Asher proposed partnering with industrial real estate agent Bob Thornton of Baker Realty Company in Knoxville who is associated with several nationwide companies that market and sell property for industrial purposes. Mr. Asher stated that he and Mr. Thornton would work with City staff to market the property in Horizon Center at a commission rate of 8%/10% and asked for a contract term of 2 years.

Mr. Mason made a motion that the Board list Horizon Center with Ridge Realty/Baker Realty Companies for two years at an 8%/10% commission split depending on whether property is sold by Ridge/Baker or a national company. Mr. Patrick seconded the motion. During Board discussion, concerns were raised as to the necessity of contracting with a realtor to market Horizon Center at the present time. Consideration was given to the City's report on current prospect activity and its concern that an IDB marketing contract could possibly hinder negotiations. Based on several minutes of discussion both in support of and in contrast to the motion, Mr. Patrick withdrew his second of the motion. Mr. Mason also withdrew his original motion. Mr. Patrick then made a motion, based on Board discussion, to send the issue of marketing Horizon Center back to the Special Projects Committee for discussion at a later time. Mr. Chinn seconded the motion. The motion carried unanimously.
- d. Spec Building Committee – No Report
- e. Policies and Procedures Committee – No Report

OLD BUSINESS

- a. Mr. Wilson reported that he and Mr. Yager signed the closing documents for the Main Street TIF. He also stated that it was his understanding that the TIF loan closing would be completed last Friday. Mr. Krushenski stated that he had not received confirmation or copies of the final documents, yet.

NEW BUSINESS

- a. Mr. Wilson informed the board that he received a letter of intent from Rick Chinn to exercise a right to purchase the 10.33 acre tract of land in Horizon Center Industrial Park in front of the carbon fiber building.

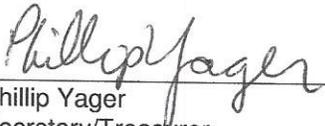
Mr. Trapp made a motion authorizing the Chairman to sign any and all documents applicable to the sale and transfer of 10.33 acres property in Horizon Center Industrial Park to RRP, LLC related to the ROFR between the IDB and RRP, LLC outlined in the Purchase and Sale Agreement dated December 30, 2010 and amended December 14, 2014. Mr. Johnson seconded the motion. Mr. Chinn abstained from the vote. All other board members voted yes. The motion carried.

ADJOURN

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

The meeting adjourned at 5:20 P.M.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD
September 6, 2016



Phillip Yager
Secretary/Treasurer