

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

February 1, 2016

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on February 1, 2016 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, Buzz, Patrick, Chris Johnson, Dave Mason, Hal Osucha, Phillip Yager, Harold Trapp and David Wilson

The following members were absent: None

Also present were: Ken Krushenski, Oak Ridge City Attorney; Rick Chinn, City Council and R & R Enterprises; David Kitsmiller, Oak Ridge Citizen; Parker Hardy, Chamber of Commerce; John Huotari, Oak Ridge Today; Ray Evans, City of Oak Ridge; Russel Langley, The Oak Ridger; 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. Mason made a motion to approve the minutes of the regular meeting held January 4, 2016 as amended. Mr. Patrick seconded the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Yager presented the financial report for January 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 \$7,625.00 that will tie into the net income on the P & L

Profit & Loss

- Interest was the only income received for December totaling \$281.14
- Utility payments have stabilized
- Expenses in December were all standard- Management Services totaling \$2,500.00, Management Support \$3,000.00, Office Equipment & Supplies of \$84.20, Marketing of \$285.00, Utilities expense totaling \$242.43, and Mowing & Landscaping totaling \$1,795.00

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

PROSPECT ACTIVITY REPORT

Mr. Hardy reported that there has not been much new retail/commercial prospect activity but this is the time of year when activity picks up and starts moving forward. He stated that 69 retail/commercial prospects have been worked over the last 12 months. He reported that the Chamber is changing the venue in which they will go after new retail/restaurant prospects. In early March, he will be attending the ICSC conference in Charlotte instead of Atlanta. The company that is marketing the Main Street project, Core Properties, also connects with vendors who attend the conference in Charlotte.

Mr. Mason asked Mr. Hardy if he knew what might happen with the Tech2020 buildings. Mr. Krushenski stated that one of the buildings belongs to the City. Mr. Hardy stated that Tech2020 will determine the disposition of the other building over the next 60-90 days.

Mr. Evans reported that he continues to work daily with the Main Street developers. Last week, the project manager for RealtyLink met with City staff on fine tuning regarding construction, demolition, etc. They will remain in constant contact with them as they walk through the remaining issues that are delaying the closing.

Mr. Evans reported that he is working with other retail properties and retail activity is active.

ATTORNEY REPORT

No report

EXECUTIVE ADMIN. REPORT

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

Mr. Patrick made a motion to accept the report. Mr. Yager seconded the motion. The motion carried unanimously.

COMMITTEE REPORTS

a. Finance Committee

Mr. Yager reported that he will start the FY2017 budget process in April after the Land Committee has met.

b. Land Use Committee

Mr. Osucha reported that Copperhead Environmental Consulting will be here on February 8th for 1-2 days to conduct the Phase I Bat Habitat Assessment of Areas 5 and the Eastern part of Area 6 in Horizon Center for submission to the U.S. Department of Fish and Wildlife. If we receive a favorable report, we could possibly work with American Forrest Management to get an RFP ready by March or April for the tree clearing.

c. Special Projects Committee - No report

d. Spec Building Committee

Mr. Wilson stated that he is still working to activate the Spec Building Committee since surrounding communities are having success bringing in new prospects with available spec property. Prospects seem to be seeking buildings in the 80,000 – 100,000 sq. ft. range. He also stated that a spec building at Horizon Center may help with the DOE land acquisition delays regarding Protomet's expansion plans.

e. Policies and Procedures Committee

Mr. Yager reported that the committee continues to meet once or twice a month, but there is nothing new to report at this time.

OLD BUSINESS

- a. The letter was sent to the local DOE officials requesting land adjacent to Protomet's current facility on Bethel Valley Road be transferred to the IDB in order to facilitate Protomet's expansion plans. We have been informed that once the letter gets past the local DOE officials there may still be a substantial delay in transferring the land of up to 1 year. We are continuing to pursue this issue to see if we can get that timeline shortened to meet Protomet's aggressive schedule. Protomet is a great example of a small start-up business who has steadily grown and continues to grow within our community. The IDB has already assisted Protomet through one expansion, and we have reached out and told them that we will do whatever is within our power to help keep them in Oak Ridge.

Mr. Wilson asked Mr. Osucha if he could meet with Protomet on Friday, February 5th to show them the available property at Horizon Center and Mr. Osucha agreed. Ms. Dunlap asked whether Protomet would have an additional building or build a whole new facility. Mr. Wilson said that all options are on the table. There are a lot of items up in the air at the moment regarding Protomet but there are a lot of people working together on a solution. He also stated that Protomet will not be making their decision immediately, but they are planning some type of news release tomorrow.

Mr. Osucha stated that he was concerned about Protomet's power requirements if they moved to Horizon Center. Mr. Wilson stated that there should be enough power to meet their needs; however, if they are interested in a parcel that would require more power, we may need to look at changing the Horizon Center Covenants to allow for above ground utilities. At the moment, the covenants require additional utilities to be underground. Mr. Wilson asked the Special Projects Committee to look at the Horizon Center Covenant and recommend whether they should be changed regarding the utilities.

- b. Mr. Wilson asked Ms. Royster to address the board. Ms. Royster reported that she submitted the grant application to TNECD for the Select Tennessee Site Development Grant for the purpose of funding a site preparation plan with virtual spec building project. Mr. Wilson stated that according to the grant timeline, we will be notified sometime in March whether we are on the short list of approved projects. The grant is a 50/50 match. If the grant is approved, the IDB will have to vote on approving the matching funds at a subsequent board meeting.

NEW BUSINESS

- a. Mr. Wilson asked Mr. Rick Chinn to address the board. Mr. Rick Chinn reported that he and his company have been successful in bringing East Tennessee's premier restaurant developers and the Copper Cellar Family of Restaurants to the Oak Ridge market. Effective immediately, he has reached an agreement to sell them the Riverside Grille Property.

Mr. Rick Chinn reminded the board that there is a PILOT agreement on the 100 Melton Lake Peninsula property that helped the City of Oak Ridge fund improvements to Melton Lake that allowed the Oak Ridge Rowing Association to recruit the Women's National Championships. He is requesting the Board approve transferring the PILOT agreement to the new owners.

Mr. Rick Chinn 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 the Assignment and Assumption of a Lease Agreement between R & R Enterprises and Dooley Properties. Mr. Mason made a motion to approve the resolution. Mr. Trapp seconded the motion. Mr. Richard Chinn abstained from the vote. All other board members voted yes. The motion carried. (See attached Resolution)

- b. Renewal of the MOU between the IDB and the Chamber of Commerce – Mr. Wilson stated the MOU is exactly the same with the only changes to the dates. Mr. Patrick made the motion to approve the MOU effective October 1, 2015. Mr. Mason second the motion. The motion carried unanimously.

ADJOURN

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

The meeting adjourned at 4:31 P.M.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

March 7, 2016



Phillip Yager
Secretary/Treasurer

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL
DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE, TENNESSEE
RELATING TO THE ASSIGNMENT AND ASSUMPTION OF A LEASE
AGREEMENT**

WHEREAS, the Board of Directors of The Industrial Development Board of the City of Oak Ridge, Tennessee (the "Board"), has met pursuant to proper notice; and

WHEREAS, the Board and R&R Enterprises, a Tennessee general partnership (the "Assignor"), have entered into a Lease Agreement dated as of January 1, 2008 (the "Lease"), as evidenced by a Memorandum of Lease dated January 1, 2008, and recorded in Book 1474, Page 1190 in the Register's Office for Anderson County, Tennessee; and

WHEREAS, the Assignor wishes to assign its rights and obligations under the Lease to Dooley Properties, a Tennessee general partnership ("Assignee"), and the Assignee wishes to assume such obligations; and

WHEREAS, pursuant to Article XII of the Lease, the Board must consent in writing to such assignment and assumption of obligations; and

WHEREAS, the Assignor has requested that the Board adopt this resolution consenting to the assignment of the Assignor's obligations under the Lease and the assumption thereof by the Assignee; and

WHEREAS, unless otherwise defined herein, capitalized terms used in this Resolution shall have the meanings ascribed thereto in the Indenture.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE, TENNESSEE:

1. The Board hereby authorizes any of its officers to execute such documents as may be requested to consent to the assignment of the Assignee's obligations under the Lease to the Assignee, and the assumption of such obligations by the Assignee provided all documentation shall be subject to approval by the Board's counsel.

2. The officers of the Board, acting alone or together, are hereby authorized and directed to execute, deliver and file such other agreements, certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the consummation of the transactions described above relating to the Lease and an assignment and assumption agreement between the Assignor and the Assignee.

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

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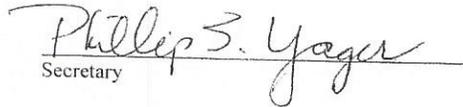
4. All other acts of the officers of the Board which are in conformity with the purposes and intent of this resolution and as approved by this resolution, are hereby approved and confirmed.

This 1st day of February, 2016.



Chairman

ATTEST:


Secretary

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