

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

January 4, 2016

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

The following members were absent: Richard Chinn, Chris Johnson

Also present were: Ken Krushenski, Oak Ridge City Attorney; Mark Watson, Oak Ridge City Manager; Parker Hardy, Chamber of Commerce; Steve Jones, City of Oak Ridge; John Huotari, Oak Ridge Today; Ray Evans, City of Oak Ridge; Bob Fowler, Knoxville News; Doug Colclasure, Oak Ridge Citizen; and Samantha Royster, Executive Assistant to the IDB.

APPROVAL OF THE AGENDA

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

ELECTION OF OFFICERS

Mr. Wilson made a motion to move agenda item 'a. Election of Officers' under 'New Business' to the first item of business for today's board meeting. Mr. Osucha seconded the motion. The motion carried unanimously.

Mr. Wilson opened the floor for nominations.

Mr. Osucha made a motion nominating David Wilson for the position of Chairman. Ms. Dunlap seconded the motion. Mr. Wilson accepted the nomination. There were no other nominations for the position of Chairman.

Mr. Osucha made a motion that David Wilson be elected Chairman by acclamation. Mr. Mason seconded the motion. The motion carried.

Mr. Mason made a motion nominating Buzz Patrick for the position of Vice-Chairman. Ms. Dunlap seconded the motion. Mr. Patrick accepted the nomination. There were no other nominations for the position of Vice-Chairman.

Mr. Trapp made a motion that Buzz Patrick be elected Vice-Chairman by acclamation. Mr. Mason seconded the motion. The motion carried.

Mr. Osucha made a motion nominating Phillip Yager for the position of Secretary/Treasurer. Mr. Trapp seconded the motion. Mr. Yager accepted the nomination. There were no other nominations for the position of Secretary/Treasurer.

Ms. Dunlap made a motion that Phillip Yager be elected Secretary/Treasurer by acclamation. Mr. Mason seconded the motion. The motion carried.

APPROVAL OF THE MINUTES

Mr. Mason made a motion to approve the minutes of the regular meeting held December 7, 2015 as amended. Mr. Patrick seconded the motion. The motion carried unanimously.

TREASURER'S REPORT

In the absence of Mr. Johnson, Ms. Royster presented the financial report for December 2015.

Ms. Royster stated that there was not a lot of activity to report, but highlights of the December 2015 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 \$3,796.00 that will tie into the net income on the P & L.

Profit & Loss

- Interest was the only income received for December totaling \$293.00.
- Expenses in December were all standard- Management Services totaling \$2,083.00, Mowing & Landscaping totaling \$1,795.00, and Utilities expense totaling \$210.00.

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

PROSPECT ACTIVITY REPORT

Mr. Hardy reported that retail and commercial activity continues to be slow this time of year. Main Street Oak Ridge project has not yet closed but continues to move forward with some signage. He stated that he will be meeting later this week with a Birmingham based company, Retail Strategies, who will help us identify new retail prospects.

Mr. Hardy reaffirmed that he has been in contact with approximately 90 retail and commercial prospects during 2015, but the process to get them here is sometimes very slow. He anticipates activity will pick up soon after the closing for the Main Street project. He stated that he has been involved in discussions with three other shopping center developers interested in Oak Ridge, but he does not expect any activity from them until the Main Street Project is underway.

Mr. Jones reported that industrial activity has also been slow throughout the holidays, but he continues to work with existing prospects. He noted that many prospects are seeking property with spec buildings. He spoke with one interested in a 100,000 sq. ft. building while other prospects were seeking buildings in the 200,000 to 250,000 sq. ft. range. Oak Ridge does not have anything that meets these specifications.

Mr. Evans reported the most recent tenant in the Woodland TIF district, Fast Pace Urgent Care, will open soon in the 3500 sq. ft. unit. The owners have also informed him they have rented the last space in the development which is a 1500 sq. ft. unit. Mr. Evans also stated that there has been recent activity on the old Ruby Tuesday's building and the old Kroger's building, but he cannot go into detail.

Mr. Evans confirmed that RealtyLink will be presenting their initial subdivision plat before the planning commission this Thursday at 5:30 P.M. and will be providing an update to City Council at their meeting on January 11th.

ATTORNEY REPORT

No report

EXECUTIVE ADMIN. REPORT

Ms. Royster included a written report with the January 2016 board packet detailing the management support services she provided to and on behalf of the IDB for December 2015. The board had no follow-up questions regarding the report.

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

COMMITTEE REPORTS

a. Finance Committee - No Report

b. Land Use Committee

Mr. Osucha reported that we are still working to execute the contract Copperhead Environmental Consulting for the Phase I Bat Habitat Assessment of Areas 5 & 6 at a cost of \$6,150.00. He should have more to report on this issue at the next meeting.

c. Special Projects Committee - No report

d. Spec Building Committee

Mr. Wilson stated that he has been in communication with a couple of developers to see if they have any interest in partnering with the IDB on an 80,000 – 100,000 sq ft spec building. He reported that this will not be a fast moving project as he is currently in the information/interest gathering stage. He also stated that no particular location has been designated for the project at this time.

e. Policies and Procedures Committee-

Mr. Yager reported one committee meeting during the month of December. There is nothing yet to bring before the board, but some progress has been made.

OLD BUSINESS

None

NEW BUSINESS

- a. The Election of Officers was moved to the first item of business for today's meeting.
- b. Mr. Wilson asked Mr. Evans to present the Board with information concerning the Select Tennessee Site Development Grant Program. Mr. Evans provided the following overview: Mr. Evans stated that the current grant opportunity is being offered under Tennessee's Rural Economic Development Fund for any site that is part of the Select Tennessee Certified Site process or the TVA Invest Prep process. Area 6 in Horizon Center would qualify since it is already a Select Tennessee Certified Site. The grant would be a 50/50 matching grant since Roane County is a Tier 1 community. \$6 million total grant funds are available statewide, individual grants are limited to \$500,000 max, and eligible activities pertain to site development.

Applicants can be a City, County or Industrial Development Board. A letter of intent to apply for the grant must be submitted to TNECD by January 15, 2016 and the application must be submitted by February 1, 2016.

The board discussed several areas of need on Area 6, Horizon Center such as natural resource studies, electrical needs, and grading plans. Mr. Jones proposed a virtual site preparation plan that includes grading plans along with architectural renderings for a 100,000 square foot speculative building expandable to 200,000 square foot and Mr. Evans echoed his support. Mr. Evans and Mr. Jones suggested the project cost to be approximately \$70,000.00. This virtual plan could be used on our website, and the specifications are in line with the needs of recent prospects. Mr. Evans will send an email to the State asking if a project of this nature is eligible under the grant.

Mr. Mason made a motion that the IDB send a Letter of Intent to TNECD to apply for the Select Tennessee Site Development Grant for the purpose of site preparation plans that include a 100,000 square foot virtual building. Mr. Osucha seconded the motion. Mr. Patrick made a motion to amend Mr. Mason's motion to include grading plans for the expansion of the virtual building to 200,000 square feet. Ms. Dunlap seconded the amendment. Both the amendment and motion carried unanimously.

- c. Mr. Wilson asked Mr. Hardy to present the Board with information concerning the DOE Land Transfer Request. Mr. Hardy provided the following overview:
Protomet Corporation is one of Oak Ridge's economic success stories. From a small start-up company, with help from the IDB and PILOT tax incentives, Protomet has consistently grown and currently employees approximately 60 people. Protomet has been evaluating making a substantial expansion that would increase their footprint to 100,000 square feet, add 100 jobs, and increase capital investments by \$15-\$20 million over 5 years. Mr. Hardy stated that as part of his job parameters, he has been working with this existing company, with support from the City, since July. Protomet plans will require 25 acres for immediate expansion, 10 acres for long range expansion plans. He suggested that the IDB request an additional 5 acres for other economic growth opportunities.

The problem hindering the expansion plans is that Protomet is currently landlocked. The logical place to expand is west of their current facility in Bethel Valley Industrial Park, but the land is owned by DOE. Mr. Hardy stated that he has been in discussion with DOE officials regarding the process by which the IDB could acquire DOE property west of the Protomet facility. DOE prefers to transfer property as excess for economic development to the IDB. The IDB would then make arrangements regarding the land with the expanding company.

Mr. Hardy is requesting that the IDB send a letter signed by the Chairman to DOE requesting the transfer of 40 acres excess land west of Protomet's current facility for economic purposes. The letter needs to be sent as soon as possible in an attempt to meet Protomet's expansion schedule. The transfer could take up to one year to process, but he hopes it can be done much quicker.

There was some discussion by the board regarding the total acreage of available DOE land west of Protomet toward ORNL and whether it would benefit the IDB to request as much land as possible due to the success of Bethel Valley Industrial Park.

The following resolution resulted due to the time constraints of Protomet's expansion schedule and in keeping with prior discussions between Mr. Hardy and DOE.

Mr. Trapp made a motion authorizing the IDB Chairman to send a letter to DOE requesting the transfer or lease of 40 acres of property from DOE to the IDB west of the Protomet facility for economic development. Mr. Osucha seconded the motion. The motion carried unanimously.

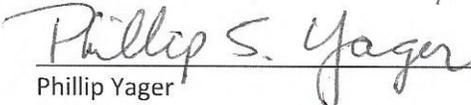
ADJOURN

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

The meeting adjourned at 5:10 P.M.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD

February 1, 2016

PHILLIP S. YAGER


Phillip Yager
Secretary/Treasurer