

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

August 4, 2014

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on August 4, 2014 in the Training Room of the Municipal Building. David Wilson, Chairman, call the meeting to order.

ROLL CALL

The following members were present: Buzz Patrick, David Mason, Hal Osucha, Harold Trapp and David Wilson.

The following member was absent: Richard Chinn, Lou Dunlap, Melissa Freiderich, and Chris Johnson.

Also present were: Ken Krushenski; Oak Ridge City Attorney, Doug Colclasure; Citizen of Oak Ridge City, Parker Hardy; President, Chamber of Commerce, Ray Evans and Steve Jones; City of Oak Ridge, Ron Asher; Ridge Realty, and Jennifer Johnson; Executive Administrative Assistant to the IDB.

APPROVAL OF THE AGENDA

Mr. Patrick made a motion to approve the agenda. Mr. Mason second the motion. The motion carried unanimously.

APPROVAL OF THE MINUTES

July 7, 2014 – Mr. Mason made a motion to approve the July 7, 2014 IDB Meeting minutes. Mr. Trapp second the motion. The motion carried unanimously.

July 21, 2014 – Mr. Mason made a motion to approve the July 21, 2014 Work Session notes. Mr. Osucha second the motion. Motion carried unanimously.

July 21, 2014 – Mr. Mason made a motion to approve the July 21, 2014 Call Meeting minutes. Mr. Osucha second the motion. The motion carried unanimously.

July 31, 2014 – Mr. Patrick made a motion to approve July 31, 2014 Call meeting minutes. Mr. Mason second the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Johnson was not able to attend the meeting and all the financial reports were sent out to the Board Members for review. \$8,063.33 in expenses were paid out. Mr. Osucha asked for a copy of the Fiscal Year close out. Mr. Trapp asked on the status of the Audit.

Mr. Mason made a motion to accept the financial reports as given. Mr. Patrick second the motion. The motion carried unanimously.

PROSPECT ACTIVITY REPORT

Mr. Hardy reported that in the retail and commercial arena there are 44 active retail/commercial parties that they are in communication with. Normally, a prospect is considered one that has visited the community but in retail and commercial world, companies will use brokers to represent their interests.

11 of the 44 are shopping center developers, real estate brokers, or Business Broker. 6 of those 44, we know are associate with developers and brokers. That leaves 28 others that appear to not be using brokers or developers that we know of.

Greatest level of interest is food/restaurant business right now. Many of those are franchise operations. When the franchisee develops his/her own financing their not using corporate resources by taking a loan out at a local bank or borrowing the money from family. So, there is a concern that there are a half a dozen businesses that would be willing to come to Oak Ridge today, if they can find the Franchisee that is ready to open a store that meets their criteria. There are conversations to see if there are other communities who successfully overcame this franchise challenge. We had a couple of workshops with companies that work specifically with franchisees but the results have been mediocre. 8 of the 44 in the last four months have turned out to be dead ends. Which is to say that we reached back to them at least 3 times with no response. However, we do have 3 prospects or 3 live contacts that are in the hospitality industry and 2 existing industries that are interested in possible expansion. At this time they are not ready.

Our most recent work has been with the Tennessee-Kentucky Exchange as part of the International Council of Shopping Centers and consists of developers and retailers that are only interested in doing business in Tennessee and Kentucky.

Mr. Osucha asked when the next point of discussion or announcement come on the mall. Mr. Evans reported that there might be some discussion between now and then but looks like closing could occur sometime near the end of the year with demolition occurring somewhere in the beginning of next year. Everything is progressing smoothly with leases and letters of intent and the negotiation with financing. The developers are in town this week for a series of meetings.

Mr. Mason asked Mr. Hardy if there was a concern that there were enough food and beverage places in the City. Mr. Parker responded that we all have that concern but they're in that business and they know better than we. For example, a couple of years ago we had to (2) businesses looking at Oak Ridge and both knew the other was coming to this market place. We can do out leakage studies, which we do and we know that our most recent analysis on this market said home improvement, home furnishings, apparel. These could possibly be the top three out leakages that we have.

Mr. Jones reported that he didn't have anything that would need IDB action this month. There's a lot of activity and it really picked up last December. Last 90 days, there's been an average of 1 RFP per week and two site visits a week. Prospects range from people looking for 25,000 sq. f.t building, looking for 500,000 sq. ft. buildings, occasionally we will have people looking for a 100-150,000 sq. ft. buildings. Now, if we get a prospect or an RFP from the State that's requiring a spec building that we don't have, we wouldn't respond. Last year would have responded to it would have offered up a Greenfield but in this case no. Hot prospects are looking at the Certified Site. Last week we had three site visit and two on Friday.

Mr. Evans added to Mr. Jones report that activity in the other counties he represents in Middle Tennessee has also had more activity in the first 7 months of this than he saw for all of last year. The most common group has been Automotive. As for active projects, you probably have seen the ground breaking construction area between the Nissan Dealership and the Pizza Inn. That project has pans approved and is going well. The project adjacent to Aldi, is going through the final stages of rezoning and site plan approval within the City and I have every reason to believe the 15,000 sq. ft. will move forward with the plans and construction.

ATTORNEY REPORT

Mr. Krushenski reported that the Protomet/TV loan closed. Which does not affect the IDB PILOT agreement.

COMMITTEE REPORTS

- a. Finance Committee – No Report.
- b. Land Use Committee –
 - 1. Jack Suggs meeting – Mr. Mason reported that Mr. Suggs will talk to the City Manager about getting permission to cross the easements between Areas 5 and 6. Mr. Osucha followed up and Mr. Suggs said Mr. Watson is indeed working the issue. Mr. Suggs suggested stringing a small line of 13kv (which would be about 10 megawatts) to the east edge of Area 5 but use poles large enough to add two more 13kv lines or (1) 69kv line. Mr. Suggs is going to get an estimate for the cost.
 - 2. Ridge Realty Marketing Report – Mr. Asher reported that he's still working with the same prospect that he has been working with. He will provide a marketing report next month.
- c. Special Projects Committee – No report.
- d. Spec Building Committee – No report.
- e. Policies and Procedures Committee – No report.

OLD BUSINESS

Protomet was negotiated and finalized and is under refinancing.

NEW BUSINESS

Provide a letter to the City to ask for financial participation in the design and development of the IDB website.

ADJOURN

Mr. Trapp 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

September 2, 2014



Chris Johnson
Secretary/Treasurer