

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

**October 6, 2014**

A regular meeting of the Industrial Development Board of the City of Oak Ridge, Tennessee, convened at 4:00 p.m. on October 6, 2014 in the Training Room of the Municipal Building. David Wilson; Chairman, called the meeting to order.

**ROLL CALL**

The following members were present: Hal Osucha, Harold Trapp, Richard Chinn, Chris Johnson, Dave Mason and David Wilson.

The following members were absent: Lou Dunlap, Melissa Freiderich, and Buzz Patrick.

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

**APPROVAL OF THE AGENDA**

Mr. Mason made a motion to approve the agenda. Mr. Trapp seconded the motion. The motion carried unanimously.

**APPROVAL OF THE MINUTES**

September 2, 2014 – Mr. Mason made a motion to approve September 2, 2014 Call meeting minutes. Mr. Trapp seconded the motion. The motion carried unanimously.

September 29, 2014 – Mr. Trapp made a motion to approve September 29, 2014 Special Call meeting minutes. Mr. Chinn seconded the motion. The motion carried unanimously.

**TREASURER'S REPORT**

Mr. Johnson reported that he is working towards consistently providing a comparative balance sheet for monthly Board review. This will also include the income statement of profit and loss that would show the one month activity and compare that to the budget, the difference and then YTD activity compared to the YTD budget and difference. Also, he has been working with Ms. Johnson to establish a recurring process to review the reconciliation of all the accounts and review all bank statements as part of internal controls. Mr. Johnson reported a net loss on a cash basis of \$9,900. Income received were CAM fees. The bush-hogging payment was \$6500 and the quarterly rent payment of \$3000 to the Chamber of Commerce was made.

Mr. Johnson presented a Comparison Annual Budget as revised to include the grant request made by the City based on the IDB contingent commitment of the \$500,000 that was committed by Board action. This is a revised projection of the budget and is for informational purposes only. In line item 202 – Management Services is \$15,000 and has been updated to \$30,000. The Board did approve the change in the service arrangement that we have with Ms. Johnson. The other change is in line item TBD (no number has been assigned) Grants for \$500,000 and this is assuming that grant was requested and paid during our fiscal year. The cash flow analysis as originally projected was \$922,000, the revenue is \$619,000, and with ending balance of around \$600,000. The revision shows that if we did all of the things we have planned, plus the grant we would end up with a projected ending balance of \$86,000.

Given that result, it doesn't seem that the IDB would be comfortable with this as a plan. The obvious considerations are to reduce or eliminate the planned investment in the electrical power infrastructure.

Mr. Chinn asked some hypothetical questions, if we were down to \$85,000 and we accepted that budget, what happens when we run out of money? How will this Board operate if we don't sell any land and we continue spending at the rate we are? How will we be able to sustain ourselves? He commented that we have to be able to look after ourselves. Will the City help pick up some of these expenses?

David Wilson responded that he has asked Ms. Johnson to make it a priority to look into grant monies that are available through the year. He stated there are some out there and we just need to find the grants that fall into assisting with Industrial Development. Mr. Chinn added that the grant request made by the City was an absolute must and that it was right for the Board to have committed to that.

Mr. Trapp inquired about the status of IDB audit. Ms. Johnson responded that she had been in communication with Mr. Isabell regarding the status of the audit. He will be out of town the next week on vacation but hopes to have the audit completed and presented to the IDB at the November meeting.

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

### **PROSPECT ACTIVITY REPORT**

Mr. Hardy reported the focus right now is with the International Council of Shopping Centers Regional meeting in Atlanta later this fall. He will be there to meet again with Crosland and several other companies that are lined up.

Mr. Osucha asked Mr. Hardy how many outparcel units will be available at the Kroger Shopping Center. Mr. Hardy responded that there is small shopping space that is going up next to Kroger and up to five units and 5 outparcels will be available.

Mr. Wilson made the report for Mr. Evans. Subsequent to the IDB's passage of the (2) resolutions, it went to City Council and passed in a vote 6-1. It goes to the County Commission next for approval then to the State Comptroller's office, and then to ECD for final approval.

### **ATTORNEY REPORT**

Mr. Krushenski reported that OR Mall project is moving forward and that USEC is out of Chapter 11 Bankruptcy and is under a new name of Centrix.

### **COMMITTEE REPORTS**

a. Finance Committee – No Report.

b. Land Use Committee –

1. Bush Hogging – Mr. Osucha reported the project is completed.
2. Development Map – Mr. Osucha reported the 10 acres was split back in March. RRP and 93 Palladium Way Properties are the two tenants that own that property now. He also suggested the Board might want to consider in the future having someone do an assessment of area 7 to see if we can get that property sold. He also commented on the cemetery in Area 6 and asked if whoever purchases that parcel would have to acquire the responsibility to maintain that cemetery and provide access to the people who would visit there. He is going to look into the restrictions that are involved. Mr. Krushenski recommended looking into the Deed restrictions for that information.

3. Ridge Realty Marketing Report – Mr. Asher reported that there is no contract or much activity going on at this time.
- c. Special Projects Committee – Mr. Mason reported that the Chairman has asked this committee to look at the development of new website and approve what information needs to be included. He will be meeting with Ms. Johnson next week to review the website.
- d. Spec Building Committee – No report.
- e. Policies and Procedures Committee – Melissa Freiderich gave notification of her resignation to the Board earlier in the afternoon. Notification has been sent to the City. No Report.

### **OLD BUSINESS**

Mr. Wilson reiterated earlier discussion on the (2) Resolutions the IDB passed for the OR Mall TIF and the grant request by the City. City Council approved on a 6-1 vote and the next stop is County approval.

### **NEW BUSINESS**

Attendance Policy for All Boards and Commissions – The Chairman has asked Ms. Johnson to keep a log of all attendance of all Board Members.

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 and the internet connection is provided by ORCC internet access.

Mr. Mason made the motion to approve the MOU. Mr. Osucha seconded the motion. The motion carried unanimously.

Horizon Center Park Update – Mr. Jones reported that he has repeat prospects that are looking to purchase but they have a requirement of 200+ acres and he suggested combining areas 6&7 to accommodate this need. To achieve this, Mr. Jones requested that the IDB make a request by letter to the DOE to transfer or eliminate the natural area (approximately 12 acres) between areas 6 & 7 to the IDB. The areas can be combined to accommodate the prospects needs. Also, approximately 18 acres in Area 7 will be designated as a natural resources corridor to replace the area eliminated.

Mr. Mason made the motion for the IDB to submit a request to the DOE to eliminate the natural resource area between Area 6&7. Mr. Trapp seconded the motion. The motion carried unanimously.

Mr. Mason made the motion to ask Steve Jones to provide to the IDB draft guidelines to re-establish the replacement of the natural area in Area 7 within 90 days. Mr. Chinn seconded the motion. The motion carried unanimously.

With no further business the meeting was adjourned.

### **ADJOURN**

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

The meeting adjourned at 4:59 p.m.

APPROVED BY THE INDUSTRIAL DEVELOPMENT BOARD  
November 3, 2014



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Chris Johnson  
Secretary/Treasurer