

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE
MINUTES

DATE: February 6, 2012

TIME: 4:00 pm

PLACE: Municipal Building Training Room

PRESENT: Board Members: William Biloski, Richard Chinn, Louise Dunlap, Chris Johnson, David Mason, Hal Osucha, Buzz Patrick, Harold Trapp, David Wilson
Executive Director: Kim Denton

ABSENT: None

ALSO PRESENT: Elisabeth Brown, Oak Ridge Economic Partnership; Parker Hardy, Oak Ridge Chamber of Commerce; Bryan Mills, ACHW; Walter Wise, Developer; Terry Wheeler, Developer; Lowell Strunk, BWSC; Mark Mamantov, Bass Berry & Sims; Kim Watson, Bass Berry & Sims; Bob Fowler, the Knoxville News Sentinel; Nikki Bradley, ORUD; Beverly Majors, the Oak Ridger; Sam Tate, NAI Knoxville; Susan Fallon, City of Oak Ridge; Bobby Leach, B&D Equipment Co.; Kathy Barber, Oak Ridge Economic Partnership

Mr. Biloski called the meeting to order at 4:00 p.m.

Approval of Agenda

Mr. Wilson made a motion to approve the agenda as submitted. Mr. Trapp seconded the motion. Motion carried with all in favor.

Approval of Minutes

Mr. Wilson made a motion to approve the minutes of the regular meeting held January 3, 2012. Ms. Dunlap seconded the motion. Motion carried with all in favor.

Treasurer's Report

Mr. Trapp reported the December Financial Report. Mr. Trapp reported he recently cashed in the SunTrust Money Market account in the amount of \$253,176.08 which was deposited in the IDB's checking account. Mr. Trapp made this liquidation in order to pay some rather large bills pertaining to the projects underway at Horizon Center. Mr. Patrick suggested modification of the balance sheet to reflect liability if the IDB had to sell any land back to CROET. Mr. Wilson made the motion to accept the Treasurer's Report as presented. Ms. Dunlap seconded the motion. Motion carried with all in favor.

Prospect Activity (Executive Director) Report

Ms. Denton reported that prospect activity continues to be slow. She reported recent contact with a potential prospect for the small spec building at Heritage Center. The prospect is a food processor and not an ideal tenant for that site due to its brownfield status. Ms. Denton also reported many projects are on hold until the economy picks up again. Ms. Denton asked Mr. Tate, with NAI Knoxville, to give an update on the new signage at Horizon Center. Mr. Tate reported that new "for sale" signage will be going in at Horizon as part of the contract renewal of NAI's listing of Horizon Center.

FastTrack Grant Updates

Ms. Denton reported that two of the previously submitted Pay Requests are being processed. She is hopeful she will be able to report at the next meeting they have been received.

Sewer Line Update

Mr. Strunk reported the gravity line, the force main and the bridge are all complete. He estimates the lift station is 62% complete. He also stated there are 3 big items left, expense wise. Mr. Biloski reported the 150 day sewer line contract expired on February 3, 2012. Mr. Southard is requesting a 60 day contract extension. Mr. Krushenski will check with RSI's attorney to see how such an extension will affect the closing on the sale of their land at Horizon. A motion to approve the contract extension and forgo the \$500 a day penalty in lieu of no change orders was made by Mr. Mason. Mr. Osucha seconded the motion. Motion carried with all in favor.

Land Clearing Update

Mr. Strunk reported progress has been made in the land clearing project. He stated the weather is cooperating. Mr. Leach also reported the project is almost complete with the actual clearing phase. The seeding & strawing are yet to be completed. Mr. Wilson made a motion to approve the submitted Horizon Center Land Clearing Change Order contract extension. Ms. Dunlap seconded the motion. Motion carried with all in favor.

Retail Update

Mr. Hardy presented a retail update. He touched on the Sears closing, as well as Ryan's restaurant. He also discussed the possibility the Oak Ridge Mall will soon be listed for sale. Mr. Hardy presented different scenarios for such a sale. He also discussed various other retail prospect activities in Oak Ridge. Mr. Wise also gave an update on the Woodland Town Center project and potential prospects interested in locating in the Center.

Attorney's Report

1. B&D Equipment Contract Change Order #1

This was covered under the Land Clearing update.

2. Appalachian Underwriters Grant Agreement

Mr. Krushenski reported the Agreement is included in the IDB Meeting Packet & briefly reviewed. Mr. Mason made a Motion to Approve the Agreement as presented. Mr. Osucha seconded the motion. Mr. Patrick expressed concerns regarding the residency requirements. Discussion ensued. Mr. Patrick made an amended motion to amend Exhibit B regarding points per person to be 2 instead of 1 for residency as a claw back perspective. Amended motion was withdrawn due to lack of second. Original Motion carried with all in favor.

3. RSI Property Closing

Mr. Krushenski stated he would contact Mr. Normand, RSI's attorney, regarding the status of the closing and report back at the next meeting.

Committee Reports

1. Finance Committee

a. Update on TIF Financing Project

Mr. Mamantov reported the IDB Finance Committee met recently to discuss the potential TIF financing with Mr. Jenkins, with the City of Oak Ridge. The Committee was brought up to date with ongoing negotiations with the bank. The Committee feels comfortable with the financing proposal as presented to the Board. Mr. Patrick made a Motion to Approve the Resolution as presented. Mr. Mason seconded the Motion. Discussion ensued. Mr. Mamantov addressed questions regarding specific details of the financing agreement. Some board members expressed concern with the financing of public infrastructure on private property. The motion did not carry unanimously. A roll call was done. Mr. Biloski, Ms. Dunlap, Mr. Johnson, Mr. Mason, Mr. Osucha, Mr. Trapp, Mr. Patrick and Mr. Wilson all voted "yes." Mr. Chinn voted "no."

2. Land Use Committee

a. Horizon Center Electrical Infrastructure Update

Mr. Biloski reported he received an email from DOE informing him the comments from the public reporting period are being finalized and will be forwarded to Mr. Suggs with the Oak Ridge Electric Department.

b. Horizon Center Entrance Work

Mr. Osucha reported that June is the estimated date of completion for the road widening project adjacent to Horizon Center. The entrance work will recommence once the sewer work is complete.

3. Special Projects Committee

a. Process for awarding future grants

Mr. Mason informed the board the committee has met regarding the process for awarding future grants. There is a draft process in the works and he will report back the full Board once that is complete.

4. Spec Building Committee

No report.

Old Business

PILOT Client Reports

Ms. Fallon informed the board that all but 2 PILOT Client Reports have been received. She expects to receive the remaining two reports shortly.

New Business

Mr. Wilson requested the board check the Horizon Center Covenants & Restrictions regarding the minimum number of acres a parcel must be at Horizon Center. He suggested perhaps the Board should consider whether or not some of the larger parcels should be carved up to accommodate smaller projects not needing such large tracts. Staff will check the Covenants and report back at the next meeting.

Adjournment

Mr. Mason made a motion to adjourn the meeting. Mr. Wilson seconded the motion. Motion carried with all in favor and the meeting adjourned at 5:29 pm.

A handwritten signature in blue ink, appearing to read "Harold Trapp", written over a horizontal line.

Harold Trapp
Secretary/Treasurer