

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

September 4, 2012

A regular meeting of the Industrial Development Board of the City Oak Ridge, Tennessee, convened at 4:00 p.m. on September 4, 2012 in the Training Room of the Municipal Building. Chairman, William Biloski called the meeting to order.

ROLL CALL

The following members were present: William Biloski, Richard Chinn, Louise Dunlap, Chris Johnson, David Mason, Hal Osucha, Buzz Patrick, Harold Trapp, and David Wilson.

Also present were Kathy Barber, Oak Ridge Economic Partnership; Kim Denton, Oak Ridge Economic Partnership; Kenneth R. Krushenski, City Attorney; Ron Asher, Ridge Realty; Sam Tate, NAI Knoxville and Sandy Sexton, Executive Administrative Assistant.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

Mr. Trapp made a motion to approve the minutes of the regular meeting held August 6, 2012. Mr. Wilson seconded the motion. The motion carried unanimously.

TREASURER'S REPORT

Mr. Trapp stated that since the last meeting, RSI closed on their property and IDB received a check in the amount of \$258,341.72 and out of that we paid CROET \$110,105.00 for their portion, which left the balance of \$148,236.72 profit. The balance of the account as of today is \$311,930.94 which includes a grant which we received for \$5,166.28. Mr. Wilson made a motion to approve the report. Mr. Johnson seconded the motion. The motion carried unanimously.

PROSPECT ACTIVITY REPORT

- a. Prospect Update - Ms. Denton reported that the prospect activity is not where it needs to be. There continues to be more of a demand for manufacturing space than office space at this time. She informed the board that a Bread Manufacture prospect was in town this week that looked at two different parks in Oak Ridge, one being the Horizon Center and they liked the park. Ms. Denton stated they continue to see prospects looking for existing buildings, but we just don't have the inventory so we are unable to compete with those prospects. She stated that whenever the Spec Building initiative starts to move forward, she thinks this will help our cause and bring more people into Oak Ridge. She reported that next Monday they have their project vault metro site visit which is a data site certification that TVA is undertaking and they have proposed area 5 in Horizon Center for that data site.
- b. Babcock Services Update – Mr. Biloski stated we have not received any invoices this past month. Ms. Barber reported that all the work has been completed. She informed the board that the invoices have been requested and they should be coming to Mr. Trapp soon. Mr. Biloski stated that this would bring approximately 114 jobs to Oak Ridge. Ms. Barber confirmed.

ATTORNEY'S REPORT – no report

COMMITTEE REPORTS

a. Finance Committee - No action taken

b. Land Use Committee

1. Horizon Center Entrance Work/Landscaping/Sprinkler – Mr. Osucha reported that they would need to do some bush hogging on area 6 in the spring. Mr. Chinn stated that it thought the bush hogging should be done before spring and that the entire site should all be done at the same time and possibly twice a year. Mr. Osucha stated that he would talk with Mr. Holbrook and get back to the committee next month.

Mr. Osucha stated that there were two landscape companies looking at the site's sprinkler system. Mr. Osucha reported he hopes to have proposals and a recommendation to the committee before next meeting. He also hopes to have the sprinkler system up and running by October. Mr. Chinn suggested that once the estimate is in hand that the work that needs to be done can be detailed so that the other companies can bid on the same work package.

2. NAI Marketing Report – Sam Tate, NAI, presented NAI's report and stated they had 5 prospects request information. They also sent out their inventory report/newsletter to a mass email of about 2400. Mr. Tate stated that there was a sign on the 10 acre tract which was replaced and moved the sign which says "Sites Available". They also placed a "Sold" sign on the RSI tract sign. Mr. Tate stated they had 19 inquiries on the website. He stated they did have some discussions with a packaging and distribution company.
3. Ridge Realty Marketing Report – Ron Asher presented to the board a list of several properties available in Oak Ridge. He stated that the average industrial property is selling for approximately \$139,000 an acre in this area. He also stated that there hasn't been much sold in the past 12 months. Mr. Asher did state that he is working with one prospect in the industrial field at this time. Mr. Biloski asked is there is something the board could be doing that they are not doing? Mr. Tate mentioned keeping the grass cut at the parks so the properties look presentable for prospective buyers

c. Special Projects Committee
No report; no ongoing action.

d. Spec Building Committee
Mr. Wilson stated that he plans to schedule a meeting next week.

OLD BUSINESS

- a. RSI Property Sale - Mr. Biloski stated that the sale was completed and that RSI will construct a corporate office building on that property.

- b. State of Tennessee Certified Sites Program - Ms. Barber stated the RFI has been submitted and has been referred to the review committee.
- c. South Illinois Avenue Development TIF - No report; no invoices submitted.

NEW BUSINESS

Alexander Inn TIF - Mr. Ray Evans stated they met several times with the prospect and they are trying to sort out what their true needs are. As a result of their last meeting, it appears unlikely that a TIF is what works for them. They may be looking at a payment in lieu of taxes (PILOT) instead of a TIF. Mr. Biloski asked if the potential PILOT would be a on the matrix PILOT or off the matrix City Council PILOT. Mr. Evans stated it would probably be off the matrix.

ADJOURN

Mr. Wilson made a motion to adjourn the meeting. Mr. Trapp seconded the motion. The Motion carried unanimously and the meeting adjourned at 4:25 pm.

APPROVED BY INDUSTRIAL DEVELOPMENT BOARD
October 1, 2012


Harold Trapp
Secretary/Treasurer

