

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE
MINUTES

RECEIVED
2012 JAN -6 AM 8:07
OFFICE OF THE CITY CLERK

DATE: November 18, 2011

TIME: 12:00 pm

PLACE: Municipal Building Conference Room

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

ABSENT: Louise Dunlap

ALSO PRESENT: Elisabeth Brown, Oak Ridge Economic Partnership; Kathy Barber, Oak Ridge Economic Partnership; Parker Hardy, Chamber of Commerce; Steve Jenkins, COR; Tagge Stroom, Appalachian Underwriters; Tammy Upton, B&B Properties; Jack Suggs, Oak Ridge Electric; Bob Fowler, Knoxville News Sentinel; Doug Colclasure, citizen; David Bradshaw, Oak Ridge Economic Partnership; Beverly Majors, The Oak Ridger; Ray Evans, citizen; Charlie Hensley, Oak Ridge City Council; Leslie England, ORUD

Mr. Biloski called the meeting to order at 12:00 p.m.

Appalachian Underwriters Electrical Switch

Mr. Biloski presented a packet of information pertaining to this project that was previously sent out electronically. He reviewed the revised commitment letter from Appalachian Underwriters. Highlights include the fact that Appalachian Underwriters will present an annual report the IDB to ensure their commitments are being upheld. Mr. Biloski also presented technical information regarding the electrical equipment required for this project. The Electric Department Memorandum contained two options possible for this project. Option 2 is the option being discussed. The cost to purchase the equipment needed is approximately \$68,600. The total cost of the project is expected to be approximately \$78,330. Mr. Biloski informed the board it is Appalachian Underwriters' request that the IDB purchase two switches for an approximate cost of \$68,600. Mr. Biloski then presented a budget worksheet he had prepared pertaining to the project.

Mr. Biloski stated that in accordance with the commitment letter received from the prospect, the IDB would gauge the prospect's commitment to the IDB's investment much like a PILOT is managed. If the company does not fully meet the commitment, a rebate would be cut to the IDB and the City, pursuant to the terms of the agreement. Mr. Biloski also reviewed a revised IDB budget worksheet to access how this project would affect the IDB's current budget. Mr. Biloski then opened the floor to questions and comments. Discussion ensued regarding details of the project and the commitment the prospect is making pertaining to number of jobs to be created.

Mr. Osucha made a motion for the IDB to purchase the necessary switch gear for the approximate amount of \$68,600 for Appalachian Underwriters. Mr. Chinn seconded the motion. Further discussion ensued.

Mr. Patrick proposed an amendment, consisting of two parts, to the motion on the floor. The first part was to develop a "process of the IDB" for how to handle this type of situation in the future. Mr. Patrick noted this is the first request of this nature to assist a company with a project but feels it won't be the last. The second portion of the amendment to the motion was to increase the residency commitment from 10% to 25%. Mr. Trapp seconded the two-part amendment to the original motion. Discussion ensued.

Mr. Biloski requested a roll call vote on the 2-part amendment to the original motion on the floor. Mr. Chinn, Mr. Trapp and Mr. Patrick all voted "yes." Mr. Biloski, Mr. Johnson, Mr. Mason, Mr. Osucha and Mr. Wilson all voted "no." The motion to amend the original motion failed due to lack of majority.

Mr. Biloski then requested a roll call vote on the original motion on the floor, which was for the IDB to purchase the necessary switch gear for the approximate amount of \$68,600 for Appalachian Underwriters. Mr. Biloski, Mr. Chinn, Mr. Johnson, Mr. Mason, Mr. Osucha, Mr. Trapp, Mr. Patrick and Mr. Wilson all voted "yes." The motion passed with a unanimous vote.

Adjournment

Mr. Wilson made a motion to adjourn the meeting. Mr. Mason seconded the motion. Motion carried and the meeting adjourned at 12:20 pm.


Harold Trapp
Secretary/Treasurer