

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE
MINUTES

DATE: May 7, 2012

TIME: 4:00 pm

PLACE: Municipal Building Training Room

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

ABSENT: Chris Johnson

ALSO PRESENT: Elisabeth Brown, Oak Ridge Economic Partnership; Kathy Barber, Oak Ridge Economic Partnership; Sam Tate, NAI Knoxville; Trygve Myhre; Doug Colclasure, citizen; Ron Asher, Ridge Realty; Andrew Clark, BWSC; Ray Evans, COR; Nikki Bradley, ORUD; Beverly Majors, Oak Ridger; Parker Hardy, Oak Ridge Chamber; Kathryn Baldwin, COR; Dan Gelb, RSI; Anne Garcia Garland, City Council; Joseph Lee; Mark Mamantov; Bass Berry & Sims; Susan Fallon, COR; Mark Watson, COR

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 April 2, 2012, with two minor corrections noted. Ms. Dunlap seconded the motion. Motion carried with all in favor.

Treasurer's Report

Mr. Trapp reported on both the March and April Financial Reports. Mr. Trapp reported a checking account balance of \$48,949.39. Mr. Trapp noted several large bills have been paid recently including the final payment related to the sewer project. Mr. Wilson made the motion to accept the Treasurer's Report as presented. Mr. Mason seconded the motion. Motion carried with all in favor.

Executive Director's Report

- a) **Prospect Update** – Ms. Denton reported on a new target industry regional project. Otherwise, there is not much new in the pipeline. Projects previously reported are still active.
- b) **NAI Marketing Report** – Mr. Tate presented NAI's Monthly Marketing Report to the Board. He reviewed with the board the sheet reflecting all prospect activity on Horizon Center. There are currently no active prospects for Horizon Center. Mr. Tate did report there are two new signs at Horizon and a post card mailing going out mid-month. It was suggested Mr. Tate send a direct mailing to those companies affiliated with the Carbon Fiber Consortium.

- c) **Ridge Realty Marketing Report** – Mr. Asher presented his report regarding the Bethel Valley Industrial Park. He stated that he is discussing a potential spec project for Bethel Valley. Otherwise, prospect activity has been slow.
- d) **FastTrack Grant Update** – Ms. Denton informed the board that Pay Request 4 has been received. Pay Requests 5 & 6 are still outstanding. Pay Request 7, the final request, has been processed and submitted to ETTD for payment.
- e) **FastTrack Proposed Legislation** – Ms. Denton reported this important legislation was passed during this past legislative session and is awaiting the Governor’s signature. The fund will flow through local IDBs with no local match. Ms. Denton feels it will be a valuable asset in assisting in being competitive with other states to land a project.
- f) **Sewer Line Extension Update** – Mr. Clark of BWSC gave the update this month in Mr. Strunk’s place. He reported the final paperwork for the project has been completed. All that remains is to record the plat. Chairman Biloski commended BWSC for their excellent work on this project.
- g) **Land Clearing Update** – Mr. Clark informed the board the land clearing project is now complete. All that remains is for the final paperwork to be complete to release the retainage from the State and the City. Again, Chairman Biloski commended BWSC for a job well done.

Attorney’s Report

- a) **RSI Property Closing** – Mr. Krushenski reported there is a proposed amendment to the contract by RSI. A representative of RSI, Dan Gelb, explained that RSI is requesting to modify the closing date and clarified the company would like to have the ability to perform due diligence on the property which would allow RSI to proceed with topo surveys, etc. for additional work to be performed on the property. Discussion ensued regarding further amending the sales contract to reflect the loss of .16 of an acre due to sewer lift station project. This .16 acres is road frontage. RSI is asking for a \$10,000 credit off the purchase price due to loss of road frontage property. Discussion ensued. Mr. Osucha made a motion to amend the sales contract to reflect the change in acreage from 11.75 to 11.59. Mr. Mason seconded the motion. After discussion, the Motion was amended by Mr. Wilson, seconded by Mr. Patrick, to reflect an adjusted sales price of \$283,750 (a \$10,000 reduction from original contract price) in conjunction with the loss of acreage. Amended Motion carried with Mr. Chinn abstaining, citing a conflict of interest. Additionally, Mr. Biloski made a motion to include a “hold harmless clause” in the amended sales contract. Mr. Wilson seconded the motion. Motion carried with Mr. Chinn abstaining. The original Motion, to amend the sales contract to reflect the reduction in acreage from 11.75 to 11.59 acres, reduce the sales price from \$293,750 to \$283,750 and to include a “hold harmless” clause to the contract was carried with Mr. Chinn abstaining.
- b) **Woodland Town Center TIF Closing** – Mr. Mamantov presented his report on the closing of the Woodland Town Center property. He stated the TIF financing closing is imminent. Mr. Mamantov feels the TIF will be paid off quickly, particularly if additional adjacent property is developed.
- c) **Debt Management Policy** – Mr. Mamantov informed the IDB it is required to have a debt management policy in place by state law. Mr. Mamantov explained how this policy came to be. It is administered by the State Comptroller’s Office. Mr. Mason made a motion to approve the Debt

Management Policy as presented. Mr. Wilson seconded the motion. Motion carried with all in favor. Also presented was the Oak Ridge Project, LLC Resolution for Exclusion of Certain Officer and/or Directors. Mr. Mamantov explained the purpose of this Resolution, mandated by the Federal Government, requires any entity who owns title to a highly secured facility to have officers who maintain a security clearance. This Resolution excludes Mr. Trapp, because he does not hold a security clearance, from unauthorized access to the facility. Mr. Mason made a motion to accept the Oak Ridge Project, LLC Resolution for Exclusion of Certain Officer and/or Directors as presented. Mr. Wilson seconded the motion. Motion carried with all in favor.

Committee Reports

1. **Finance Committee** – Mr. Trapp reported the Finance Committee met on May 2nd to discuss the projected 2013 budget, including projected increases/decreases in expenses. Mr. Trapp reviewed line items for the FY 2013 Budget Assumptions. Mr. Trapp will take the suggestions made from discussion of this review and incorporate into the FY 2013 Draft Budget to be presented at the next meeting.

2. **Land Use Committee**
 - a. Horizon Center Electrical Infrastructure Update
Mr. Biloski reported Mr. Suggs has informed him the easement survey and language has been approved by DOE. There are several other steps that must be completed before this process is finished and Mr. Biloski will continue to work with Mr. Suggs to work this issue.

 - b. Horizon Center Entrance Work
Mr. Osucha reported that the road work at the entrances of Horizon Center continues with an estimated June 1st completion date. Mr. Osucha discussed with the landscaper getting the landscaping repair work done in this fiscal year. He will continue to follow-up.

 - c. Horizon Center Marketing Next Steps
Ms. Denton presented a draft spec sheet for Horizon Center. Ms. Denton also informed the board the NAI marketing package is being revamped and anticipates presenting it at the June meeting.

3. **Special Projects Committee**
 - a. Process for awarding future grants
Mr. Mason reported the Committee met again to continue to develop a process for awarding future grants. It is a work in progress.

 - b. Ridge Realty Property Listing Contract
Mr. Mason reported the Committee reviewed the proposed contract and recommends accepting the contract. Mr. Mason made a motion to accept the Ridge Realty Listing Contract as presented. Mr. Wilson seconded the motion. Motion carried with all in favor.

4. **Spec Building Committee**
No report.

Old Business

IDB-OREP Alliance Menu of Services

Mr. Biloski presented the proposed IDB-OREP Alliance Menu of Services as well as the Horizon Center Property Management Scope. Mr. Biloski also presented an Alternative Approach to IDB Staffing and reviewed the terms therein. Mr. Wilson made a motion to approve the Alternative Approach to IDB Staffing. Mr. Trapp seconded the motion. Discussion ensued regarding the future of the IDB and the direction the IDB would like to be headed. While the board feels Ms. Denton has done a good job as Executive Director of the IDB, some board members feel Ms. Denton is wearing too many hats and needs to fully focus on marketing and recruiting of Oak Ridge to bring projects to the IDB. Mr. Mason made a motion to amend the motion on the floor to extend the IDB-OREP contract for 90 days. Mr. Patrick seconded the motion. A roll call vote was taken with Mr. Mason and Mr. Patrick voting yes and Mr. Biloski, Mr. Chinn, Mr. Osucha, Mr. Trapp, and Mr. Wilson voting no. The motion failed. Mr. Osucha made a motion to extend the current IDB-OREP Alliance Agreement until December 31, 2012. Mr. Patrick seconded the motion. A roll call vote was taken with Mr. Osucha and Mr. Patrick voting yes and Mr. Biloski, Mr. Chinn, Mr. Mason, Mr. Trapp and Mr. Wilson voting no. The motion failed. A roll call vote was taken on the original motion to accept the Alternative IDB Staffing Proposal of the IDB-OREP Alliance Agreement with Mr. Biloski, Mr. Chinn, Mr. Trapp and Mr. Wilson voting yes and Mr. Mason, Mr. Osucha and Mr. Patrick voting no. The motion carried.

PILOT Report Follow-Up

Ms. Fallon presented her PILOT Report follow-up and reviewed with the board. Ms. Fallon is still waiting on additional information from the Anderson County Property Assessor's Office before sending out tax bills in July.

Babcock Services FastTrack Grant

Ms. Barber has nothing new to report. The company's closing has been delayed. The project continues to move forward.

New Business

None.

Adjournment

Mr. Wilson made a motion to adjourn the meeting. Mr. Osucha seconded the motion. Motion carried with all in favor and the meeting adjourned at 6:05 pm.


Harold Trapp
Secretary/Treasurer