

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE
MINUTES

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OFFICE OF THE CITY CLERK

DATE: September 6, 2011

TIME: 4:00 pm

PLACE: Municipal Building Conference Room

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

ABSENT: Richard Chinn

ALSO PRESENT: Elisabeth Brown, OREP; Kathy Barber, OREP; Parker Hardy, Chamber of Commerce; Jack Suggs, City Electric Department; Bryan Mills, ACHW; Keith Craft, BWSC; Eugene Lackey, Lackey & Associates; Sam Tate, NAI Knoxville; Lawrence Young, CROET; Mark Watson, City Manager; Andrew Clark, BWSC.

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

Approval of Agenda

Mr. Mason made a motion to approve the agenda as submitted. Ms. Dunlap seconded the motion. Motion carried with all in favor.

Approval of Minutes

Mr. Trapp made a motion to approve the minutes of the regular meeting held August 1, 2011. Mr. Mason seconded the motion. Motion carried with all in favor.

Treasurer's Report

Mr. Trapp reported that the IDB has taken a CD from Clayton Bank and deposited it in the IDB's bank account in anticipation of the land clearing expenses. All other investments remain the same. A question was raised regarding an outstanding check. Ms. Denton reported the check was made payable to BWSC and had not been released pending completion of work. Mr. Biloski authorized that check to be released. Mr. Wilson made a motion to accept the treasurer's report as submitted. Ms. Dunlap seconded the motion. Motion carried with all in favor.

Prospect Activity (Executive Director) Report

1. Prospect Update

Ms. Denton reported that the Partnership has not seen much change in regard to prospect activity. Ms. Denton reported that almost all new activity has been in the food processing arena, which, historically, Oak Ridge is not well suited. Current prospect activity remains stable and those projects include a shared services company, nuclear parts supplier, aluminum manufacturer, environmental management company and a warehouse distribution facility. Ms. Denton was encouraged by the trickle of new prospect activity.

2. FastTrack Infrastructure Development Program (FIDP) Grant Update.
Ms. Denton reported the grant contract is fully executed. The IDB has been authorized to begin submitting expenses for reimbursement.
3. Sewer Line Mobilization
Ms. Denton reported that the pre-construction meeting was held the morning of September 6, 2011. A Notice to Proceed has been issued. The 150 day contract began on September 6, 2011 hence the final estimated completion date of February 3, 2012.
4. Land Clearing Mobilization
Ms. Denton reported that the land clearing contract has been fully executed. The clearing is scheduled to begin on September 16, 2011 as soon as the date for the bat nesting habitat has passed. Mr. Biloski confirmed with Mr. Lackey that the City of Oak Ridge fire department has been contacted regarding the burn permit.
5. IDB/OREP Board Work Session
Ms. Denton reminded the IDB of the joint IDB/OREP board work session to be held immediately following the regular meeting of the IDB at the Chamber of Commerce Joyce Conference Room. This work session will be an opportunity to review the past year, the collaboration between the Partnership & the IDB, and look at the path forward to determine how the Partnership and the IDB can continue to work together successfully.

Attorney's Report

1. Restoration Services Inc. Land Purchase Update
Mr. Krushenski reported he had spoken with Mr. Normand, attorney for RSI, and Mr. Normand is working with his client on a date for a ~~Certificate of Occupancy~~ to be determined. It is anticipated this Certificate of Occupancy date will coincide with the completion date of the sewer extension.
Contract closing
2. IDB TIF Policy Submission for City Council Approval
Mr. Krushenski reported he had notes from his last conversation with Mr. Mamantov regarding changes in the TIF policy. Mr. Krushenski assumed the IDB would renew the previous TIF policy. Mr. Krushenski expects Mr. Watson will have some comments regarding potential changes in the TIF policy. Mr. Mason reported the Special Projects committee may have some very minor comments once Mr. Watson has made his suggestions.

Committee Reports

Finance

1. FY 2011 Audit
Mr. Trapp reported the audit is underway. Mr. Trapp has supplied necessary information to auditor. A completion date has not been established but Mr. Trapp does not anticipate it will take very long. It is possible the audit will be complete by the next IDB regular meeting.

Land Use

1. Construction Administration Services Bids

Mr. Biloski reported the Land Use Committee met prior to the regular meeting. In review of the bids for the construction administration services, the Land Use Committee recommends to the board that the board accept BWSC's proposal for construction administration services for both projects, one being the sewer, two being the land clearing for a total cost of \$20,250 with an hourly rate of \$45 per hour for services above and beyond as necessary. Mr. Biloski invited Keith Craft of BWSC to make comments to the board. Mr. Craft informed the board that Lowell Strunk of BWSC will be the person overseeing both projects. Mr. Osucha made a motion to accept Barge, Waggoner, Sumner & Cannon's bid for construction administration services of both projects, the sewer and land clearing, at Horizon Center for \$20,250. Mr. Patrick seconded the motion. Motion carried with all in favor.

2. Horizon Center CAM Invoices

Ms. Denton reported all CAM invoices have been received with the exception of one property owner. The outstanding invoice includes amounts for 2010 as well as 2011. Mr. Biloski has been in touch with the property owner, as has Ms. Denton.

Special Projects Committee

1. Horizon Center Real Estate Agency Agreement

Mr. Mason reported the special projects committee met on August 17, 2011. This committee brings two recommendations to the board. The first is the Executive Director meet with NAI to negotiate a lower commission for land sold at Horizon Center where the initial introduction was not made through NAI. The second is the Executive Director would discuss with the Oak Ridge Economic Partnership Board the possibility that the Executive Director would replace the broker and receive a bonus for property sold at Horizon Center. It was noted the listing contract with NAI expires September 30, 2011. It was also discussed whether the NAI contract should be extended through the end of calendar year 2011. A lengthy discussion was held regarding these options.

Mr. Mason made a motion to extend the NAI contract through December 31, 2011. The motion failed due to no second.

Mr. Mason made a second motion to extend the NAI contract through December 31, 2011 as well as ask the Executive Director to have discussions with the broker, NAI, to determine whether they would lower their fee for those land sales where they do not have a direct involvement, and finally, that the IDB Board Chairman send a letter to the Board Chair of the Partnership asking whether the Partnership would be willing to perform the functions of the broker in order to receive a bonus for land sales at Horizon Center. The motion failed due to no second.

Mr. Mason made a third motion that the board instruct the Executive Director to have discussions with NAI to see if they would be willing to accept a lower fee for those land sales in which they did not have a direct involvement; the second part of the motion would be that the Chair of the IDB to send a letter to the Chair of the Partnership asking if the Partnership would

be willing to take on the role of broker and receive a bonus for land sales. Mr. Osucha seconded the motion. The motion did not carry unanimously. A roll call was done. Mr. Biloski, Ms. Dunlap, Mr. Mason, Mr. Osucha and Mr. Patrick all voted "yes." Mr. Johnson, Mr. Trapp and Mr. Wilson all voted "no." Due to the motion receiving a majority vote, the motion carried.

Spec Building Committee

Mr. Wilson reported the committee met August 23rd. There are too many factors still unknown to come back to the board at this time with a recommendation. The committee is still in the information gathering phase. Mr. Wilson is hopeful the committee will be able to make a recommendation at the next meeting.

Old Business

1. PILOT Program Fee Refund Policy

Mr. Krushenski recommended the PILOT Program Fee Refund Policy be reviewed. It was discussed that certain measurables be put in place and that the Policy could be reviewed on a case-by-case basis. Mr. Krushenski will draft a revised PILOT Fee Refund Policy and present it at the October meeting for review.

New Business

1. Horizon Center Electrical Feed Overview

Mr. Jack Suggs, Director of the City's Electric Department, presented different scenarios for potential electrical capacity at Horizon Center. Mr. Suggs reviewed a PowerPoint presentation he had prepared which was distributed to board members for reference. Mr. Suggs reviewed what it would involve to run power to Development Area 5. A lengthy discussion was held. Mr. Mason made a motion to authorize the City to move ahead with obtaining a survey of the anticipated easement for Development Area 5 at Horizon Center with an estimated cost to be capped at \$3,000. Mr. Wilson seconded the motion. Motion carried with all in favor.

2. City Manager IDB Support Proposal

Mr. Biloski reviewed an email received from City Manager Mark Watson outlining the City's future support to the IDB after a realignment of city staff resources. A lengthy discussion was held.

Adjournment

Mr. Wilson made a motion to adjourn the meeting. Mr. Trapp seconded the motion. Motion carried and the meeting adjourned at 5:06 pm.



Harold Trapp
Secretary/Treasurer