

**CITY OF
OAK RIDGE
TENNESSEE**



**2014
State and
Federal
Legislative
Agenda**

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CITY OFFICIALS**

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This document describes the 2014 legislative and policy agenda adopted by the elected officials of the City of Oak Ridge. Described herein are key projects, policies, and priorities that the City urges the Tennessee General Assembly and the Tennessee Congressional Delegation to support. Other issues may arise that require separate action by City Council.

KEY STATE ISSUES

Legislative Priorities

1. Funding for Oak Ridge School System

Responsible Agency/Organization:

General Assembly and Tennessee Department of Education

Background:

The Oak Ridge educational system is a key asset to the State of Tennessee and to the Oak Ridge community. The City and School administrations are required to collaborate to achieve greater efficiency and effectiveness in the delivery of municipal services and K-12 education while state and local funding sources decrease. **Problem:** Continued reductions/elimination of Halls tax, economic recession and varied fluctuations in sales tax collections, are placing enormous pressures on Oak Ridge property taxpayers to fund K-12 according to the current formula for school funding. The Basic Education Program (BEP) formula is complex and does not accommodate needed flexibility for communities like Oak Ridge, whose student population and economy may experience significant fluctuation based on an economy dependent on federal government programs. The existing local capacity measure does not adequately represent the significant per pupil expenditure invested by communities like Oak Ridge. Further, unfunded education mandates imposed by the federal and state governments are having significant, adverse financial impacts at the local level. **Action needed:** Initiate efforts to improve, clarify and modify relevant provisions of state law allowing for BEP to accommodate adjustments based on economic fluctuations at the local level. In conjunction with other Tennessee City-funded school systems, recognize and modify the existing local capacity model to recognize/reward communities that invest *above* the state average in education. Support school board efforts to oppose election of school superintendents.

2. Homeowners Bill of Rights

Responsible Agency/Organization:

General Assembly

Background:

Homeowners associations (HOAs) are established in order to: (1) define and maintain common space of planned residential developments; and (2) protect individual property owners through implementation of agreed upon rules and standards designed to facilitate the beneficial value and use of one's property. Homes are typically the single, largest investment made by individuals and families; maintenance of neighborhood assets through HOAs is critical to protect a homeowner's investment. Thus, HOAs are important institutions to work with local governments in order to maintain overall property values by protecting the assessed values of homeowners. **Problem:** Typical HOAs delegate *one vote per owner of each parcel* in the development, when in many instances values of constructed homes exceed the values of undeveloped lots. Given the national recession of the past five years, vacant, overgrown lots are prevalent in many planned developments, oftentimes owned by a single person, banks, LLCs or another entity that has majority control over HOA membership. Such situations: (1) impact values of properties if the HOA is not allowed to function due to controls; (2) are problematic for HOAs, which must vote on enforcement of standards and budget for routine maintenance and upkeep of vacant and common properties; (3) infringe upon the rights of individual property owners who may lose assessed value, cannot enjoy and/or resell their property; and (4) are costly to local governments, which repeatedly engage lot owners in response to complaints from frustrated homeowners requesting enforcement on unresponsive owners, banks, and speculators. **Action needed:** Urge the General Assembly to pass legislation that would elevate and protect the rights of home/property owners in situations where a majority of HOA votes are held by an individual/entity not maintaining their property according to HOA rules, resulting in a potential loss of overall assessed value. Such action would allow local governments to establish a value-based system instead of a lot-based system to ensure HOA viability.

Projects, Positions, Activities

1. Oak Ridge General Aviation Airport

Responsible Agency/Organization:

Tennessee Department of Transportation (TDOT)
Aeronautics Division

Background:

The Metropolitan Knoxville Airport Authority is completing preliminary planning for the development of a

general aviation airport at the East Tennessee Technology Park in Oak Ridge. **Benefits include:** Enhanced aviation opportunity will support regional population growth, job creation, and economic and community development for “megaprojects” in Oak Ridge; increased access for business community and reduce congestion at general aviation airports in the region. **Action needed:** Support funding through TDOT all for phases of study and planning; support inclusion in the National Plan of Integrated Airport Systems (NPIAS); and support land transfer to the Metropolitan Knoxville Airport Authority.

2. Manhattan Project National Historical Park

Responsible Agency/Organization:

General Assembly, Tennessee Historical Commission, and Tennessee Department of Tourism

Background:

Federal legislation to establish the Manhattan Project National Historical Park in Oak Ridge, TN, Los Alamos, NM, and Hanford, WA (three sites, one park concept) was passed by the U.S. House of Representatives in June 2013 and awaits consideration by the U.S. Senate. The State House and State Senate adopted resolutions of support in 2012 and 2013. **Benefits include:** Historical preservation and interpretation by the National Park Service of one of most significant events in Tennessee and American history. **Action needed:** Continue State support of federal legislation to establish the national park.

3. Uranium Processing Facility (UPF)

Responsible Agency/Organization:

General Assembly and Tennessee Department of Economic and Community Development

Background:

The National Nuclear Security Administration (NNSA) is designing a new Uranium Processing Facility (UPF) at the Y-12 site in Oak Ridge. The UPF is slated to be one of the largest construction projects in state history, with hundreds of suppliers needed to procure building materials, specialized machinery, and customized parts. The City of Oak Ridge is working with NNSA and state officials on local planning, infrastructure, and logistical issues, and also recruitment of suppliers and manufacturers to Oak Ridge. **Benefits include:** Supports future mission of the Y-12 National Security Complex, one of the state’s largest employers; provides significant risk reduction to workforce and community; provides major long-term economic development opportunity for the state, region, and community. **Action needed:** Urge the General Assembly to learn about the UPF project and its benefits, and to support incentives for private sector investment in areas such as

workforce development, infrastructure programs, and brownfield reuse. Urge the Department of Economic and Community Development to continue to invest in and facilitate recruitment of industries and suppliers into Oak Ridge.

4. Not in Our City Land Bank Program

Responsible Agency/Organization:

General Assembly and Tennessee Housing Development Agency

Background:

Legislation was approved by General Assembly in 2012 for a City of Oak Ridge pilot program, which was featured in a recent Tennessee Advisory Commission on Intergovernmental Relations report on blight. The City is developing guidelines for implementation, including obtaining 501 status and defining housing goals. Tax credits from programs such as those administered by the Tennessee Housing Development Agency will be instrumental to the successful revitalization of Oak Ridge. **Benefits include:** Allows the City to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of urban property. Such programs are used in several states as a progressive way for cities to reclaim unused, vacant, or undesirable land for potential housing opportunities or public use. **Action needed:** Urge the General Assembly to continue support for the pilot program and to fund programs within THDA and other agencies that reduce blight and enhance community revitalization. Examine tax and fiscal policies in surrounding states that could enhance opportunities for private sector investment and redevelopment of brownfields and vacant, blighted properties for the benefit of Tennessee communities.

5. Edgemoor Road (SR 170) Improvements—Phase 1

Responsible Agency/Organization:

Tennessee Department of Transportation (TDOT)

Background:

With the cancellation of the Knoxville regional beltway project, congestion along this major thoroughfare continues to worsen with additional traffic load. TDOT Average Daily Traffic counts at the nexus of SR170, SR62, and SR162 are among the highest in the region. The project has been added as to the regional mobility plan. **Benefits include:** Phase 1 from Solway to the bridge would improve safety, mitigate congestion, improve access to major employment sectors, and enhance commercial development. **Action needed:** Urge the Transportation Planning Organization and TDOT to formally integrate the project into the

regional planning funding profile; continue to work on interpretation of cost sharing rules and rights-of-way inventory.

6. Recognize Local Decision Making Authority and Limited Financial Capacity

Responsible Agency/Organization:

General Assembly

Action needed:

Eliminate unfunded mandates and mandates that impose non-discretionary requirements on local governments.

TDEC Issues

1. Environmental Management Waste Management Facility Perpetual Care Fund and Need for Additional Disposal Capacity

Responsible Agency/Organization:

Tennessee Department of Environment and Conservation (TDEC)

Background:

The U.S. Department of Energy, the U.S. Environmental Protection Agency (EPA) and TDEC signed a Record of Decision in 1999 to construct the Environmental Management Waste Management Facility (EMWMF) to dispose of materials related to the cleanup of the Oak Ridge Reservation, which is located in the City of Oak Ridge. Under a consent order between DOE and the State of TN, DOE is paying the State \$18 million to establish a permanent trust fund for long-term surveillance and maintenance of the EMWMF after closure. Discussions are underway with TDEC regarding the need for a second waste disposal facility. **Action needed:** Establish TDEC requirement to provide an annual report to the City of Oak Ridge regarding the status and valuation of the current trust fund. Include the City in ongoing discussions regarding approving additional waste management and disposal capacity in the city limits.

2. Financial Assurance for Hazardous Materials

Responsible Agency/Organization:

Tennessee Department of Environment and Conservation (TDEC)

Background:

Owners and operators of certain businesses, including solid and hazardous waste storage facilities and processors of radioactive materials, are required by Tennessee law to provide proof that they have sufficient funds to pay for accidental releases, compensation of third parties for any damage to human health or property, and long-term maintenance and monitoring of closed

sites. **Problem:** Local governments are concerned that the current basis for posting financial assurance is inadequate to protect host communities and local governments. **Action needed:** Modify the current financial assurance requirements so that: (1) financial assurance bonds are determined based on the risk associated with the licensed hazardous materials instead of square footage of the facility; (2) coverage for costs incurred by the host local governments is included and documented; and (3) financial assurance bonds are reviewed on a regular basis and adjusted for inflation.

3. Natural Resources Damages Assessment (NRDA)

Responsible Agency/Organization:

Tennessee Department of Environment and Conservation (TDEC)

Background:

The federal Superfund Law (CERCLA) allows State and Federal natural resource trustees to evaluate the ecological and human use impacts associated with contaminant releases from facilities at the Oak Ridge Reservation. The evaluation is used to document injuries sustained by natural resources in order to determine the damages and restoration activities that will compensate the public for losses resulting from such injuries. **Problem:** The ORR lies within the jurisdictions of the City of Oak Ridge, Roane and Anderson Counties. These jurisdictions are significantly impacted, yet not included in the past or current trustee council or in pre-decisional discussions. As a result, major decisions have been, and continue to be made without representation by the affected local jurisdictions. **Action needed:** CERCLA does not specifically require the appointment of local government representatives; however inclusion is not prohibited. The state and other trustees must include the City of Oak Ridge, Roane, and Anderson counties in the NRDA decision making process currently underway.

4. Penalties and Fees for DOE Non-Compliance Should Restore Oak Ridge

Responsible Agency/Organization:

Tennessee Department of Environment and Conservation (TDEC)

Background:

The Federal Facility Agreement (FFA) between TDEC and DOE lacks a provision requiring that penalties imposed on DOE by the State of TN for violations, such as missing cleanup milestones on the Oak Ridge Reservation are used in the Oak Ridge area. **Benefits include:** Avoids penalizing the City of Oak Ridge, Anderson and Roane counties by redistributing environmental management resources from Oak Ridge Reservation projects so that remediation is not delayed. **Action needed:** Modification to FFA and other relevant policies to require that penalties, fees, and mitigation associated with CERCLA activities on the Oak Ridge Reservation are invested in environmental restoration in the affected jurisdiction(s).

5. Oak Ridge Reservation Communities Alliance (ORRCA)

Responsible Agency/Organization:

Tennessee Department of Environment and Conservation (TDEC)

Background:

The City and area county governments adopted the Tennessee Oversight Interlocal Agreement and formed the Oak Ridge Reservation Communities Alliance (ORRCA) in 2012. **Benefits include:** the new agreement and associated grant facilitates involvement of the affected local governments and public in decisions about DOE environmental management. **Action needed:** Continued cooperation and engagement to ensure local government involvement in federal and state cleanup decisions and emergency response planning.

KEY FEDERAL ISSUES

Legislative Priorities

1. Manhattan Project National Historical Park

Responsible Agency/Organization:

Congress and National Park Service

Background:

In 2012, the City, the Energy Communities Alliance and community representatives testified at House and Senate Committee hearings urging Congress to establish the Manhattan Project National Historical Park to protect and provide public access to Manhattan Project facilities at Hanford, Washington; Oak Ridge, Tennessee; and Los Alamos, New Mexico (three sites, one park concept). In June of this year, the House of Representatives approved the National Defense Authorization Act of 2014, which included an amendment to establish the Manhattan Project National Historic Park. The bipartisan amendment was offered by Chairman Doc Hastings (WA-04), Congressman Chuck Fleischmann (TN-03), and Congressman Ben Lujan (NM-03). **Benefits include:** Historical preservation and interpretation of one of most significant events in Tennessee and American history. **Action needed:** Urge the Senate to pass legislation to establish the park and authorize development of management plan in consultation with the City.

2. Uranium Processing Facility (UPF)

Responsible Agency/Organization:

Congress and the National Nuclear Security Administration

Background:

Complete design and start of construction on the Uranium Processing Facility at the Y-12 site in Oak Ridge. In 2012 the City of Oak Ridge provided testimony in support of the

project at a public hearing in Knoxville. **Benefits include:** supports future mission of the Y-12 National Security Complex, one of the state's largest employers; significant risk reduction to workforce and community; enhances Y-12 efficiencies; and reduces long-term costs. **Action needed:** Urge congressional delegation to support funding through National Nuclear Security Administration (NNSA); participate in federal and state planning efforts to facilitate project development and implementation.

3. Finish Cleanup of the Oak Ridge Reservation

Responsible Agency/Organization:

Congress and NNSA/Environmental Management office, with support from Office of Science, OMB

Background:

Significant progress has been made in addressing environmental problems associated with ORR legacy waste. However, the trend over the past several years to reduce funding has resulted in a longer time horizon to complete environmental management projects, many times with negative results. The postponement of projects at the ETP site, for example, is detrimental to the reindustrialization and economic diversification goals of the City and region. The City has invested significant resources in reindustrialization, with the anticipated return diminished because of a reduction in cleanup funds has stalled economic development efforts. "Mortgage" costs absorb resources that should be applied to additional cleanup. Benefits of increased funding include: risk reduction to nearby population, reduction in life cycle costs, enhanced safety for workers, retention of environmental professionals; supports regional economic diversification, facilitates Y-12 and ORNL modernization, reduces stigma associated with environmental legacy. **Action needed:** Urge DOE and OMB to request funding at levels needed to complete timely cleanup of the Oak Ridge Reservation. Urge congressional delegation to support appropriations at the level needed to complete site cleanup. Cleanup solutions should minimize risk to Oak Ridge and avoid long-term institutional controls that stigmatize community.

4. Marketplace Fairness Act

Responsible Agency/Organization:

Congress

Background:

In 1992 the Supreme Court's decision in Quill Corp. v. North Dakota, 504 U.S. 298 (1992) ruled that states could not require out-of-state catalogs or online businesses to collect sales tax because it was too complicated to calculate sales taxes in each state and in individual communities. As a result, state and local governments across the nation have been unable to collect sales taxes on catalog and Internet purchases made by citizens in their states and in cities and towns. **Problem:** The National League of Cities estimates that the State of Tennessee and its local governments lost a

combined \$748 million in sales tax on e-commerce in 2012. In addition, small businesses, Main Street and local retailers in Oak Ridge and throughout Tennessee have operated at nearly a 10 percent competitive price disadvantage to remote sellers. **Action needed:** Urge the congressional delegation to pass the Marketplace Fairness Act, which will benefit Oak Ridge businesses by putting Main Street retailers on an equal footing with Internet sellers, and granting individual states the authority to streamline their sales tax laws and collect sales taxes directly from online retailers.

5. Preservation of the Tax-Exempt Status of Municipal Bonds

Responsible Agency/Organization:

Congress

Background:

Tax-exempt municipal bonds are the primary means by which state and local governments finance critical infrastructure across the nation, including roads, bridges, hospitals, schools, and utility systems. Under current law, the owners of municipal bonds are not required to pay federal income tax on the interest income they receive from the bonds. Municipalities, including the City of Oak Ridge, benefit from this tax exemption through substantial savings on the interest cost of borrowed money. **Problem:** Congress continues to consider a number of options to reduce the federal deficit. One option Congress is evaluating would reduce, eliminate, or phase out the exemption on municipal bond interest. President Obama's Fiscal Year 2014 Budget Proposal recommends capping the tax exemption of municipal Act, which will benefit Oak Ridge businesses by putting Main Street retailers on an equal footing with bonds at 28%. **Action needed:** Urge Congress to strongly oppose any efforts by Congress or the Administration to reduce or eliminate the tax exemption on municipal bond interest. Internet sellers, and granting individual states the authority to streamline their sales tax laws and collect sales taxes directly from online retailers.

6. Budgetary and Appropriations Process

Responsible Agency/Organization:

Congress

Problem: The economy of Oak Ridge and the surrounding region are significantly impacted by federal programs.

Action needed: Urge Congress to pass timely budgets and appropriations to avoid major impacts on the City of Oak Ridge, its citizens, businesses, and government employers.

Administrative Priorities

1. Rebuild Water/Wastewater Infrastructure to Support City Compliance with EPA Administrative Order

Responsible Agency/Organization:

U.S. Environmental Protection Agency (EPA), U.S. Department of Energy (DOE)

Summary:

The City of Oak Ridge is under an EPA Administrative Order to correct violations of the Clean Water Act for inflow and infiltration. DOE is the City's largest customer, and needs to continue to budget and set aside funding to repair its systems on the Oak Ridge Reservation. Action needed: Continued cooperation with DOE on financing needed projects such as storm water retention basins and raw water pumping stations. EPA to agree to a more flexible timeline for implementation of the Order, avoiding significant financial impacts to citizens.

2. Small Modular Reactor

Responsible Agency/Organization:

DOE Office of Nuclear Energy

Action needed:

Coordination among DOE, City of Oak Ridge, the Tennessee Valley Authority, and Nuclear Regulatory Commission to ensure effective communication regarding project development, licensing issues, and mitigation of potential impacts. Consult with the City regarding the possible development of a visitor's center associated with the project.

3. Partnership with Oak Ridge Library

Responsible Agency/Organization:

DOE and National Park Service

Action needed:

Secure support for joint project with Oak Ridge Library. Project would include mutual support, mutual benefits, and shared responsibilities with the National Park Service.

4. ETPP Site Interpretation

Responsible Agency/Organization:

DOE EM, NNSA

Action needed:

Begin implementation of Section 106 commitment from DOE for dual use of Oak Ridge Fire Station #4, with building use for normal Fire Department operations and needs and space dedicated for site historical interpretation.

5. Timely, Cost Effective Land Transfers

Responsible Agency/Organization:

DOE EM, Science, NNSA, and OMB

**Resolution to adopt the City of Oak Ridge
2014 State and Federal Legislative Agenda
approved by Oak Ridge City Council
October 14, 2013**

NUMBER 10-102-2013

RESOLUTION

A RESOLUTION TO ADOPT THE CITY OF OAK RIDGE, TENNESSEE 2014 STATE AND FEDERAL LEGISLATIVE AGENDA TO INFORM STATE AND FEDERAL OFFICIALS OF KEY PROJECTS, POLICIES, AND PRIORITIES IN THE CITY OF OAK RIDGE, AND TO HELP SECURE FUNDING FOR AGREED UPON PRIORITIES OF THE COMMUNITY.

WHEREAS, the Oak Ridge City Council desires to develop a state and federal legislative agenda as an instrument to inform state and federal officials of key projects, policies, and priorities in the City of Oak Ridge, and to help secure funding for agreed upon priorities of the community; and

WHEREAS, the City Manager recommends the approval of the City of Oak Ridge, Tennessee 2014 State and Federal Legislative Agenda to inform state and federal officials of key projects, policies, and priorities in the City of Oak Ridge, and to help secure funding for agreed upon priorities of the community; and

WHEREAS, while the City of Oak Ridge, Tennessee 2014 State and Federal Legislative Agenda is intended to be comprehensive, issues may arise during the course of the year that require further action.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the attached City of Oak Ridge, Tennessee 2014 State and Federal Legislative Agenda is hereby adopted to inform state and federal officials of key projects, policies, and priorities in the city of Oak Ridge, and to help secure funding for agreed upon priorities of the community.

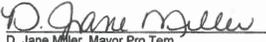
BE IT FURTHER RESOLVED that the Mayor and/or City Manager is hereby authorized to execute the appropriate legal instruments to accomplish the same.

BE IT FURTHER RESOLVED that the City of Oak Ridge, Tennessee 2014 State and Federal Legislative Agenda be transmitted to members of the Tennessee General Assembly and the Tennessee Congressional Delegation as the official 2014 state and federal legislative agenda for the City of Oak Ridge.

This the 14th day of October 2013.

APPROVED AS TO FORM AND LEGALITY:


Kenneth R. Krushenski, City Attorney


D. Jane Miller, Mayor Pro Tem


Diana R. Stanley, City Clerk



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Summary:

The Economic Development process requires fast response at the local level to transfer and acquire real property. In some cases, transfer of DOE property has taken in excess of 400 days or has not occurred. **Action needed:** Resolve problems in order to expedite transfer of surplus land and brownfields to the City for the purposes of economic development, at no, or extremely low cost, and with necessary indemnification.

6. Technology Transfer

Responsible Agency/Organization:

DOE, NNSA

Action needed:

Provide incentives and facilitate the timely transfer of technology to enhance economic development and private sector investment in Oak Ridge.

7. Penalties and Fees for Non-Compliance Should Restore Oak Ridge

Responsible Agency/Organization:

DOE in conjunction with State of TN

Action needed:

Need to modify Federal Facility Agreement to require that penalties, fees, and mitigation associated with CERCLA activities in the City of Oak Ridge be invested in environmental restoration in the City of Oak Ridge. Current requirements penalize the City of Oak Ridge.

8. Contract Renewals and Rebids

Responsible Agency/Organization:

DOE and NNSA, Small Business Administration

Action needed:

Incentivize contractors to invest in Oak Ridge community. Benefits include live where you work, expansion of local tax base to support municipal services, quality of life, and enhance economic diversification. Work with SBA to identify resources for training and support for local workforce needed for UPF and other DOE projects.

9. DOE Reorganization

Responsible Agency/Organization:

Headquarters and OR Site Office

Action needed:

Ensure access and accountability for Oak Ridge Site Office to protect investment and missions. Enhance communications among DOE offices and with Oak Ridge community.

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