

# APPROVED

## OAK RIDGE INDUSTRIAL DEVELOPMENT BOARD MINUTES

DATE: August 3, 2009

TIME: 4:00 pm

PLACE: Municipal Building Training Room

PRESENT: William Biloski, Louise Dunlap, Doug Janney, David Mason, Hal Osucha, Harold Trapp, David Wilson

ABSENT: Stephen Grady, Alan Liby

ALSO PRESENT: Susan Fallon, City Staff; Steve Jenkins, Deputy City Manager; John Chilton, and Fenton White, Centennial Village Apartments, LLC; Cindy Franklin, City Staff; Walter Wise and Terry Wheeler, Woodland Town Center; Ken Krushenski, City Attorney; Jane Miller, Mayor Pro-Tem; James O'Connor, City Manager; Bob Fowler, Knoxville News-Sentinel; Amy Fitzgerald, City Staff; Emily Waddell, ORUD; Charlie Hensley, Councilman; Kathryn Baldwin, City Staff; Parker Hardy and Kim Denton, Chamber/Partnership; John Huotari, Oak Ridger; Ellen Smith, Councilwoman

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

### **Approval of Agenda**

Mr. Janney requested that the Centennial Village item under Attorney's Report be moved to New Business. He also requested that Woodland Town Center and Letter of Support for Oak Ridge City Center be added under New Business. Mr. Mason made a motion to approve the agenda as amended. Ms. Dunlap seconded the motion. Motion carried.

### **Approval of Minutes**

Mr. Trapp made a motion to approve the minutes of the regular meeting held July 6, 2009, as submitted. Ms. Dunlap seconded the motion. Motion carried.

### **Treasurer's Report**

Mr. Trapp reported there has been no change. The account balance is \$766,539.48. Mr. Wilson moved to accept the Treasurer's report as submitted. Mr. Biloski seconded the motion. Motion carried.

### **Prospect Activity**

Ms. Denton reported that activity remains good. There are some large manufacturing prospects looking for property, some of which are very high profile. They are not seeing any office activity, it is mainly manufacturing. Mr. Osucha asked if the manufacturing companies were new start companies or expanding to the area. Ms. Denton reported they were new to the area and well established. She reported one company could be considered a new start up company due to the new technology. Mr. Osucha also asked how these companies knew to contact them. Ms. Denton reported that most are contacting them directly, some through site selection consultants and the balance through the State of Tennessee and good publicity.

## **Attorney's Report**

None

## **Committee Reports**

### Spec Building

Mr. Janney reported that the building permit was issued July 27 for the 50,000 sq. ft. spec building at Heritage Center. Sequoyah Construction is on site and has started erosion control installations. The project will be completed by November. The draft architectural perspective flyer that was provided at the July meeting has been finalized and copies were provided to the Board. The IDB's partner for the low interest loan for permanent financing is TVA and John Harenza forwarded the flyer to all of TVA's industry experts throughout their area to use in recruitment efforts.

### BVIP Real Estate Listing

Mr. Osucha reported that Mr. Asher received one inquiry of semi-interest, but no real interest since then.

## **Old Business**

### EDA and ECD Grant Status

Mr. Janney reported he had spoken with Phil Layman earlier in the day and they did not have any new information on the ECD grant application. Previous information indicated that funding might become available once the state budget was approved.

The EDA co-application between the City of Oak Ridge and Heritage LLC is moving along well. The preliminary engineer report that is required for the application is completed. This item will require City Council approval and is on the agenda for August 10. The EDA has said it looks like there is good potential for grant funds. Mr. Janney stated that it was important for the infrastructure to be extended at the ED-5 site in the westerly direction to open up additional customer ready sites to fill initiatives that are underway, such as attracting suppliers to the VW project in Chattanooga.

## **New Business**

### Centennial Village

Mr. Janney introduced John Chilton and Fenton White from Centennial Village and stated the objective for the meeting was to finalize the MOU with Centennial Village and to receive a progress report. Final edits had been made to the MOU and a copy was provided to the Board prior to the meeting highlighting the changes. Centennial Village had already signed the MOU and it was ready for approval. Mr. Janney recommended a motion to approve. Mr. Mason made a motion to approve the final changes and to execute the MOU between Centennial Village and the IDB. Mr. Biloski seconded the motion. Motion carried. Mr. Janney signed the MOU and Mr. Krushenski made copies of the document for distribution.

Mr. Chilton took the floor and thanked the IDB for assisting with the project and stated that without the abatement the project would not be happening. He reported that the Atlanta HUD office sent them an endorsement letter approving their loan and the project is now on schedule. The final master plan has been approved and the construction drawings and plans for the apartments should be done by August 24 and then submitted to the City. The project is expected to start mid-November. Mr. Chilton then presented a

display and pointed out that 40.1 acres were zoned R-4 for multi-family. Phase 1 is 252 units and they will be done first. If the demand is there, they will proceed with 78 additional units. Five to seven small tenants have shown interest in the commercial section, but they have been unable to find a "big box." They have a couple of meetings set up this month and are hoping something good will come from the meetings.

Mr. Osucha asked Mr. Chilton when he thought the first tenants would be moving in and he stated pre-leasing should begin 6-months after the start of construction. The timeline is approximately 13-months from start to finish. Mr. Chilton stated that final bids would be in on August 5 and they will review and pick a builder within the next two weeks. Two management companies have been interviewed.

Mr. Wilson asked what type of amenities they would have and Mr. Chilton stated there would be a 5,000 sq. ft. community center with a swimming pool, as well as basketball and volleyball courts. They are also considering installing a storage facility for motorcycles and wave runners to make it more visually appealing. He also reported it would be gated with a nice water feature.

#### Woodland Town Center

Mr. Janney introduced Walter Wise and Terry Wheeler to present their project. Terry Wheeler gave a brief description of his background with Walter Wise and stated they are now beginning a project called the Woodland Town Center, which has already been approved by the city. Mr. Wheeler presented a virtual tour so the IDB could visualize how it would look. Mr. Wheeler stated conceptually there would be five (5) structures that would border S. Illinois Avenue and they would be creating a 2:1 landscaping ratio along the borders for a lush effect. There will be patios and outdoor dining, and parking will be at the rear. There will also be a wall that stretches all the way across the back and down one side that will cut down on sound and sight pollution.

Mr. Biloski asked what the total commercial sq. footage was and Mr. Wheeler stated it was 25,000 sq. ft. Mr. Mason asked if any residential demolition would be required and Mr. Wheeler stated they have already taken down a number of houses and at this point it is vacant lots. Ms. Dunlap asked if they had any tenants signed and Mr. Wheeler stated they have a few tenants wanting to come to Oak Ridge and he felt like they would be the kind of tenants Oak Ridgers would dream about. Mr. Wheeler stated that they wanted to familiarize the IDB with the project because at some point they will be coming back with a request of some sort.

Mr. Wheeler reported that they would be removing Quincy Avenue and the City has agreed to build a new road that will become a new signalized intersection. This traffic signal will be aligned with the driveway for the Ford Motor Company and another lane off of S. Purdue Avenue.

Mr. Wilson asked if there was a cemetery in the area and Mr. Wheeler told him there was one several hundred feet from there toward TN Bank. He also stated they had bought other parcels in the area, but there are some residential owners involved that prefer to stay at this time.

Mr. Wheeler wrapped up by discussing how Oak Ridge has lost its regional draw for retail business and they have two small "miracles" coming into town. One of which could be a demand generator and turn S. Illinois Avenue into a vibrant retail area. He also mentioned that Mr. Wise owns 40 acres up the street that borders S. Illinois Avenue. It is prime retail property and the best location in town in his opinion. Mr. Hensley asked where the 40 acres was located and he was told it was part of the old Boeing property.

The City Manager made a comment for clarification about the new street and signalization on S. Illinois Avenue. He stated the city had been discussing doing a payment in lieu of taxes similar to what was done out on the waterfront to make improvements. The road and signalization is felt to be very critical to the development. He stated that the two restaurants that Mr. Wheeler referred to are expected to generate enough tax base to make those payments to construct. It would also give the Woodland community access to a signal light on S. Illinois Avenue headed toward the downtown area.

Walter Wise took the floor and gave a brief description of how he first came to do business in Oak Ridge and stated it was his favorite place to work. Mr. Wise then summarized some the same things Mr. Wheeler had already discussed.

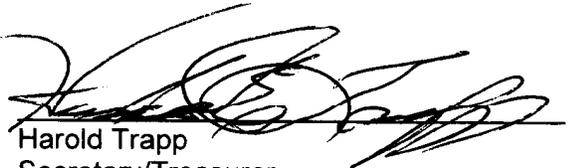
Mr. Janney thanked Mr. Wheeler and Mr. Wise for their efforts and said he was looking forward to their proposal. Ms. Dunlap stated that Oak Ridge needs new retail to re-establish shopping patterns in Oak Ridge and this would be beneficial to the City.

Letter of Support for Oak Ridge City Center

Mr. Janney stated that the IDB had been asked by David Thrash, Core Properties, to review and provide a letter of support for grant funding to support the sustainable design initiatives of the new City Center project. The approach is anticipated to substantially reduce operating costs and therefore help tenant viability, and that of the overall project. The grant funding is for Geothermal Ground Source Heat Pump technology, which would enhance employment opportunities in the City of Oak Ridge and would generate additional sales tax revenues and other revenues for the city. Mr. Janney read the letter aloud for those who had not seen a copy of it. Mr. Biloski made a motion to execute and approve the letter as drafted. Mr. Trapp seconded the motion. Motion carried.

**Adjournment:**

Mr. Wilson made a motion to adjourn the meeting. Mr. Mason seconded the motion. Motion carried and the meeting adjourned at 4:55 pm.



Harold Trapp  
Secretary/Treasurer