

APPROVED

OAK RIDGE INDUSTRIAL DEVELOPMENT BOARD MINUTES

DATE: April 5, 2010

TIME: 4:00 pm

PLACE: Municipal Building Training Room

PRESENT: William Biloski, Richard Chinn, Louise Dunlap, Stephen Grady, David Mason, Hal Osucha, Harold Trapp, David Wilson

ABSENT: Chris Johnson

ALSO PRESENT: Susan Fallon, City Staff; Cindy Franklin, City Staff; Gary Cinder, Interim City Manager; Ken Krushenski, City Attorney; Steve Jenkins, Deputy City Manager; Stan Mitchell, Oak Ridge Observer; Bob Fowler, Knoxville News-Sentinel; John Houtari, Oak Ridger; Parker Hardy, Chamber of Commerce; Kim Denton and Kathy Barber, Oak Ridge Economic Partnership; Michelle Gibbs, Sperry Van Ness; Trey Miller, Maribel Koella and Sam Tate, NAI; Doug Janney, Former IDB Member; Chris Dollman, Citizen; Brad Roquemore, Lawler-Wood Y-12, LLC

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

Approval of Agenda

Mr. Wilson asked that item a. Recognition of Doug Janney and Alan Liby under New Business be moved to section IV. Ms. Dunlap made a motion to approve the agenda as amended. Mr. Trapp seconded the motion. Motion carried.

Approval of Minutes

Mr. Mason made a motion to approve the minutes of the regular meeting held March 1, 2010, as submitted. Mr. Trapp seconded the motion. Motion carried.

Recognition of Doug Janney and Alan Liby

Mr. Wilson thanked Mr. Janney for his years of service and presented him with an appreciation plaque. Mr. Wilson stated that there is a plaque for Alan Liby; however, he was unable to attend the meeting. The plaque will be delivered to Mr. Liby.

Treasurer's Report

Mr. Trapp reported that the IDB collected an additional \$1,642.83 from a CD. The total balance of all accounts after paying the first Economic Partnership check and purchasing the appreciation plaques is \$599,964.15. Ms. Dunlap made a motion to accept the treasurer's report as submitted. Mr. Mason seconded the motion. Motion carried.

Prospect Activity (Executive Director) Report

Mr. Wilson welcomed Kim Denton as the Executive Director of the Oak Ridge IDB.

NAI Market Report

Ms. Denton introduced Maribel Koella, Sam Tate and Trey Miller from NAI Knoxville to give a market overview of similar properties to Horizon Center. NAI holds the listing for the Horizon Center.

Trey Miller made a presentation on how the national economy compares to the local economy as a result of the recession. The presentation included information on market values, the commercial lending environment, transaction values nationally and locally, and the best estimate for what a recovery looks like for commercial properties. NAI feels that the local economy has not been as badly affected as the national economy.

Set-aside Properties in Horizon Center

Ms. Denton reported that DOE awarded ORNL with a Carbon Fiber Technology Center Project. A stipulation shared at an information meeting held in March was that the demonstration facility for the project must be located on a CROET developed site. There are currently three CROET developed sites in Oak Ridge including the Horizon Center, Heritage Center and the Oak Ridge Science and Technology Park.

To allow for fair and open competition to the teams proposing a building to be leased by UT-Battelle, it is recommended that two preferred pieces of property and one alternate within Horizon Center be set-aside for this project. The properties recommended to be set-aside for the proposed project include:

- CF1 consisting of approximately 13.39 acres at a price of \$25,000 per acre
- CF2 consisting of approximately 12.67 acres at a price of \$25,000 per acre
- CF3 (if required) consisting of approximately 11.42 acres at a price to be determined

If CF3 is required to be made available, it is expected that the price per acre would be higher due to the fact that it is part of the only 125⁺-acre site within the city limits. Ms. Denton recommended that CF3 not be a preferred property for this proposed project. A brief discussion followed.

Mr. Biloski made a motion to remove CF3 from the available list of properties and reduce the price of CF1 and CF2 to \$23,000 per acre. Mr. Grady seconded the motion. Motion carried with all in favor.

Letter of Interest – Horizon Center – Area 2 – 39 Acres

Ms. Denton welcomed Michelle Gibbs with Sperry Van Ness, representing CUC, LLC; and invited her to make comments on the potential acquisition of this property. Ms. Gibbs briefly summarized the terms outlined in their Letter of Intent.

Mr. Osucha made a motion to accept the proposal as listed in the Letter of Intent dated March 22, 2010. Ms. Dunlap seconded the motion. Motion carried with all in favor.

Attorney's Report

None

Committee Reports

Spec Building – Letter of extension to TVA

Mr. Wilson reported that TVA has extended the date for financing to June 30, 2010, to allow for completion of the large 50,000 sq. ft. spec building. TVA is the IDB's partner on the low interest loan for permanent financing.

Audit

Mr. Trapp stated that he did not think that the IDB needed an audit. He stated that a review should be all that is needed for now; however, an audit could be done at a later date if needed. The only two firms in Oak Ridge that perform audits are Willard Carr, LLC and Bacon Howard and Company. Mr. Wilson requested Mr. Krushenski to review the regulations and determine whether an audit is required.

Old Business

Centennial Village

Mr. Wilson reported that dirt is being moved at present.

Woodland Town Center

No news.

Holiday Inn Express

Ms. Fallon reported that Oak Ridge Hotel Partners is continuing to work on financing and the Oak Ridge Planning Commission had approved the project.

IDB/Horizon Center, LLC Agreement

Mr. Wilson reported that the agreement had been signed, closed and committed.

IDB/Oak Ridge Economic Partnership Alliance

Mr. Wilson reported that the agreement had been signed.

2009 PILOT Annual Reports

Ms. Fallon reported that all of the companies met the stated goals of their PILOT agreements and that the reports would be distributed to city and county officials.

New Business

Resolution Appointing Chief Manager of Oak Ridge Project, LLC

Mr. Krushenski read aloud the Resolution appointing Mr. Biloski as the Chief Manager of Oak Ridge Project, LLC. Mr. Mason made a motion to approve the Resolution to be adopted on April 5, 2010. Mr. Trapp seconded the motion. Motion carried.

IDB Work Session – June 14 or June 21

A brief discussion was held on determining a date for an upcoming work session to be held at the Central Services Complex. The Board decided to meet on June 14 with more information to follow at a later date.

IDB Committees

Mr. Wilson reported that he had spoken with Mr. Krushenski regarding the bylaws and committees with the Chairman having the prerogative to appoint committees. Mr. Wilson stated that he wants to appoint at least three (3) committees to be discussed at the upcoming work session. He stated that he has asked Mr. Biloski to take the lead on developing the land use, Mr. Trapp to lead the finance and audit portion, and Mr. Mason to lead some of the remaining items such as working with prospective new tenants, etc. Mr. Osucha volunteered to serve on the land use committee.

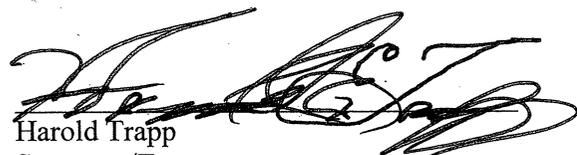
Mr. Krushenski reinforced the committee meeting policy and practices that should be followed. The policy requires that any meeting held to discuss recommendations to be made to the Board should be advertised in the newspaper when there is a public body with more than one person. Site reviews are allowed for the purposes of investigating a prospect without public notification.

Prospective Board Members

Ms. Fallon reported that three candidates have submitted resumes for the vacant board seat left by Mr. Grady, who advised the Board that he would not seek re-election. The three candidates are Ballard Jackson, Fred Stout and Buzz Patrick.

Adjournment:

Mr. Mason made a motion to adjourn the meeting. Mr. Trapp seconded the motion. Motion carried and the meeting adjourned at 5:08 pm.



Harold Trapp
Secretary/Treasurer