

**OAK RIDGE INDUSTRIAL DEVELOPMENT BOARD
MINUTES**

DATE: September 7, 2010

TIME: 4:00 pm

PLACE: Municipal Building Training Room

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

ABSENT: None

ALSO PRESENT: Susan Fallon, City Staff; Cindy Franklin, City Staff; Mark Watson, City Manager; Ken Krushenski, City Attorney; Steve Jenkins, Deputy City Manager; Anne Garcia Garland, City Council; Kathryn Baldwin, City Staff; Keith Craft, BWSC; Bob Fowler, Knox-News Sentinel; John Huotari, Oak Ridger; Nikki Bradley, ORUD; Ron Asher, Ridge Realty; Parker Hardy, Chamber of Commerce; Sam Patel, Holiday Inn Express; Jeff Deardorff, CROET; Mark Mamontov, Bass Berry & Sims; John Hultz, Citizen

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

Approval of Agenda

Mr. Biloski suggested moving item a. Request of Fee Waiver from Heritage Center, LLC in New Business to item c. in the Attorney's Report.

Mr. Osucha made a motion to approve the agenda as amended. Mr. Mason seconded the motion. Motion carried.

Approval of Minutes

Mr. Mason made a motion to approve the minutes of the regular meeting held August 2, 2010, as submitted. Mr. Wilson seconded the motion. Motion carried.

Mr. Osucha requested inserting the following sentence into the first paragraph of the minutes of the special called meeting held August 24, 2010, under Extension of Due Diligence Period for IGAWAGA, Inc.: The closing date is December 30, 2010.

Ms. Dunlap made a motion to approve the minutes of the special called meeting held August 24, 2010, as amended. Mr. Mason seconded the motion. Motion carried.

Treasurer's Report

Mr. Trapp reported that the total balance of all accounts is \$1,114,914.72 with \$456,848.97 in CD's, \$549,452.00 in Money Market accounts, and \$108,613.75 in the checking account. Mr. Chinn made a motion to accept the treasurer's report as submitted. Mr. Osucha seconded the motion. Motion carried.

Prospect Activity (Executive Director) Report

Prospect Update

Ms. Denton reported that there is a good mix of activity consisting mainly of manufacturing and R&D prospects. There are serious prospects at the Heritage and Horizon Centers, both spec buildings and some other properties.

Restoration Services, Inc. Update

Ms. Denton reported that there is no sewer service on the parcel that Restoration Services, Inc. is interested in and has optioned. Options are currently being explored for extending sewer service to that parcel and the remainder of the park.

Ms. Denton distributed copies of the updated spec building marketing flyers.

Attorney's Report

Holiday Inn Express Lease Agreement

Mr. Mamantov, Bass Berry & Sims, gave a brief overview of the lease agreement. A brief discussion was held.

Mr. Patel will present a check on behalf of Oak Ridge Hotel Partners in the amount of \$23,085.00 for the closing fees on September 8, 2010, if the Board approves the lease agreement. Mr. Wilson made a motion to approve the lease agreement. Mr. Patrick seconded the motion. Motion carried with all in favor.

TVA Spec Building Loan Closing

Mr. Krushenski reported that all documents have been submitted and currently awaiting approval from TVA's general counsel. There will not be a formal closing meeting.

Request of Fee Waiver from Heritage Center, LLC

Mr. Biloski gave a brief overview of the letter received from Lawrence Young: Submission of PILOT Applications for two (2) Speculative Buildings; Request for Waiver of Application Fees.

Mr. Wilson made a motion to approve the Request for Fee Waiver from Heritage Center, LLC. Ms. Dunlap seconded the motion. Motion carried with all in favor.

Committee Reports

Finance

1. Audit Information

Mr. Trapp reported that material was submitted to two firms requesting quotes for an audit and one for a review. A review will cost approximately \$2,000 - \$2,500 and an audit will cost approximately \$3,500 - \$4,500. Mr. Trapp suggested that a review would be sufficient. A lengthy discussion was held.

Mr. Mason made a motion to hire Willard Carr to perform an audit for the time period of January 1, 2005, to June 30, 2010. Mr. Patrick seconded the motion. Motion carried with all in favor.

2. FY11 Budget (7/1/10 through 6/30/11)

Ms. Denton reported that as a result of the Finance committee meeting held on August 24, 2010, a meeting will be held next week with herself, Susan Fallon, Steve Jenkins and Janice McGinnis to discuss how to facilitate accounting procedures for the board. A brief discussion was held.

Land Use

1. Extension of Due Diligence Period for Pellissippi Investors, LLC

A brief discussion was held. Mr. Wilson made a motion to approve the Extension of Due Diligence Period for Pellissippi Investors, LLC, for Lot 30 BZ-1 in Bethel Valley Industrial Park, from 60 days to 120 days, with the closing date to be scheduled by November 30, 2010.

2. Horizon Center Infrastructure

Mr. Biloski reported that a series of meetings had been held to discuss increasing electrical infrastructure to the back side of Horizon Center.

3. Horizon Center CAM

Mr. Biloski reported that a check for \$857.50 had been received from Philotechnics for the 2010 Common Area Maintenance (CAM) fee. The CAM fee for 2009 was paid to CROET. The CAM fee is estimated for the year and it should be tracked. If it is higher/lower at the end of the fiscal year the bill will be adjusted accordingly.

Special Projects

1. Status of RFQ for A&E Services

Mr. Mason reported that the RFQ was issued and 13 firms responded. The evaluation of these responses will occur next week.

PILOT Reauthorization

Mr. Osucha gave a brief overview of the update process thus far and asked Board members to be prepared to vote on any changes/additions to the PILOT Reauthorization Working Draft, dated 8/31/10, at the end of the meeting. The vote is needed in order to have the document finalized and submit to City Council on September 13, 2010, for review. A lengthy discussion was held and the following changes were suggested:

1. Page 2, Item c. – Office buildings and service facilities. *New speculative office buildings are not eligible. for Roane County the majority of which is occupied by the owner.*
2. Page 3, Section III. Definitions – Insert a new definition for Speculative Buildings.
3. Page 9, Section IX. –
 - a. Delete entire section.
 - b. Correct title of Section VIII IX. City of Oak Ridge – Application Administrative Process (see Appendix D C).
4. Appendix A-2 –
 - a. Residency column – Maximum ~~50~~ 75 Points.
 - b. Residency column under Points – Change the Points to increments of five (5), starting at 5, for the Number of Employees.

- c. Available Bonus Points – Add: 10 Points if chief executive resides within the City of Oak Ridge.

Mr. Osucha made a motion to accept all of the suggested changes. Mr. Patrick seconded the motion. Motion carried with all in favor.

Old Business

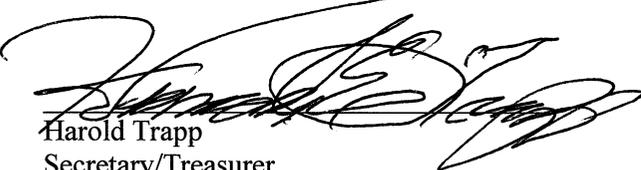
None

New Business

Item moved to Attorney's report.

Adjournment:

Mr. Patrick made a motion to adjourn the meeting. Mr. Mason seconded the motion. Motion carried and the meeting adjourned at 5:26 pm.



Harold Trapp
Secretary/Treasurer