

**City of Oak Ridge, Tennessee**

**CITY COUNCIL WORK SESSION AGENDA**

**September 27, 2010**

6:30 P.M. - CALL TO ORDER IN THE MULTIPURPOSE ROOM OF THE CENTRAL SERVICES COMPLEX

- I. Briefing and overview by William J. Biloski, Chairman of the Industrial Development Board, on the 2010 PILOT Program Reauthorization
- II. Review of City Manager assessment of Goals and Priorities from September 7, 2010 City Council Work Session. The City Council will conduct discussions and review of identified priorities for clarification and development of staff priorities.
- III. Briefing on overall City Council committee structure and governance models being used currently and identification of changes to enhance Council transparency, communication, and government decision making efficiency
- IV. Briefing on the latest discussions and findings by the City Manager and the Public Works Director on proposed Administrative Order to be imposed on Oak Ridge by the Environmental Protection Agency.
- V. Review of schedule and options for Council Night Out / Public Citizen Meetings

UPDATES:

City Manager  
City Attorney

**EXAMPLE HOTEL PROJECT USING CURRENT INCENTIVE GUIDELINES**

**PROJECT DESCRIPTION**

Development of a 100 room hotel, charging \$100 per room, per night, on currently vacant land within the Anderson County portion of the City of Oak Ridge with a total investment/tax appraisal of \$6,000,000.

**Assumptions:**

The combined City and County property tax rate is \$4.65 per \$100 assessed value and remains at that level for the 10 year abatement period. In order to simplify, inflation is not considered. Does not impact current hotels.

Utilizing Appendix B, the Commercial/Retail Evaluation Matrix, the proposed project would receive a 50% property tax abatement for 10 years.

**FINANCIAL ANALYSIS - DIRECT TAX IMPACT**

Indirect tax impact not considered - jobs, meals, and entertainment

|  | <b>CITY AND COUNTY TAXES</b> |                     |
|--|------------------------------|---------------------|
|  | <b>One Year</b>              | <b>10 Years</b>     |
| <b><u>ESTIMATED TAXES PAID TO CITY AND COUNTY PRIOR TO CONSTRUCTION</u></b>              |                              |                     |
| Pre-Abatement Property Tax on Vacant Land (2.5 Acres)                                    | \$ 9,300                     | \$ 93,000           |
| <b>TOTAL CITY AND COUNTY TAXES FOR VACANT LAND</b>                                       | <b>\$ 9,300</b>              | <b>\$ 93,000</b>    |
| <br>   |                              |                     |
| <b><u>INVESTMENT INCENTIVE (ABATEMENT) TO HOTEL DEVELOPER</u></b>                        |                              |                     |
| Abated Property Tax on Land and Improvements @ 50%                                       | \$ 55,800                    | \$ 558,000          |
| (\$6,000,000 x 40% assessed value = \$2,400,000 / \$100 x \$4.65 x 50%)                  |                              |                     |
| <b>TOTAL INCENTIVE</b>   | <b>\$ 55,800</b>             | <b>\$ 558,000</b>   |
| <br>   |                              |                     |
| <b><u>TAXES PAID TO CITY AND COUNTY</u></b>  |                              |                     |
| Abated Property Tax on Land and Improvements @ 50%                                       | \$ 55,800                    | \$ 558,000          |
| (\$6,000,000 x 40% assessed value = \$2,400,000 / \$100 x \$4.65 x 50%)                  |                              |                     |
| Estimated Hotel/Motel Tax with 70% Occupancy   | \$ 146,000                   | \$ 1,460,000        |
| (\$100 per room x 100 rooms = \$10,000 x 70% = \$8,000 x 365 days = \$2,555,000 x 5%)    |                              |                     |
| Estimated Local Sales Tax with 70% Occupancy   | \$ 70,263                    | \$ 702,625          |
| (\$100 per room x 100 rooms = \$10,000 x 70% = \$8,000 x 365 days = \$2,555,000 x 2.75%) |                              |                     |
| <b>TOTAL CITY AND COUNTY TAXES FOR DEVELOPED PROJECT</b>                                 | <b>\$ 272,063</b>            | <b>\$ 2,720,625</b> |
| <br>   |                              |                     |
| <b>NET GAIN TO CITY AND COUNTY</b>   | <b>\$ 206,963</b>            | <b>\$ 2,069,625</b> |

**CITY COUNCIL MEMORANDUM**  
**10-26**

DATE: September 13, 2010

TO: Honorable Mayor and Members of City Council

FROM: Mark S. Watson, City Manager

SUBJECT: 2010 PILOT REAUTHORIZATION

The Chairman of the Industrial Development Board, William J. Biloski, has transmitted new documents for the reauthorization of the Payment in Lieu of Tax (PILOT) Program, which is due to sunset on December 17, 2010. The Industrial Development Board (IDB) approved the reauthorization documents at its September 7, 2010 meeting.

There has been significant discussion and review of this matter by the IDB. The 2010 PILOT Reauthorization documents consist of a summary of the review process, and a draft of the Policies and Procedures that includes Appendices A-E.

Due to the IDB meeting schedule and an inability to post for discussion, this matter will NOT be on the September 13, 2010 City Council agenda as a special report as indicated on the Summary. I am forwarding the PILOT documents to you and plan to bring it forward as an item for discussion at the September 27, 2010 Work Session. It will be reviewed then and scheduled for Council action at the October 11, 2010 meeting. This timing will allow us sufficient time for review and specific questions you may have regarding the program.

  
Mark S. Watson

**Attachments**

Copy: Ken Krushenski, City Attorney  
Chairman and Members of IDB  
Kim Denton, IDB Executive Director  
Susan Fallon, City Staff IDB Representative



## **PILOT Reauthorization – City Council Review**

Below are the major recommended changes from PILOT documents currently in place that sunset on 12/17/10 that are included in the PILOT documents dated 9/7/10. The documents include minor changes for readability and clarification.

### **Page 1, 1<sup>st</sup> Paragraph**

#### **Recommendation:**

Reverse the order of the City of Oak Ridge and Roane County and the Industrial Development Boards.

### **Page 2, Item 2, Letter C**

#### **Recommendation:**

Deletion of Roane County and addition of the following sentence.  
New speculative office buildings are not eligible.

### **Page 3, Section III, Definitions**

#### **Recommendations:**

Addition of the definition of “Economic Development Organization”.  
Addition of the definition of “Economic Leakage”.  
Addition of the definition of “LEED Certified Building”.  
Addition of the definition of “MOU”.  
Addition of the definition of “Speculative Buildings”.

### **Page 6, Item 3, 3<sup>rd</sup> Sentence**

#### **Recommendation:**

Addition of the sentence – The Matrix utilized by the Oak Ridge Board includes points for LEED certified construction.

### **Page 6, Commercial/Retail Matrix (Appendix B)**

#### **Recommendation:**

Addition of the sentence – The Matrix utilized by the Oak Ridge Board includes consideration for LEED certified construction.

#### **Recommendation:**

Change from “office” to “Commercial Office” as the 3<sup>rd</sup> item listed under the 1<sup>st</sup> paragraph.

### **Page 9, Section VII**

#### **Recommendation:**

New section for explanation of the MOU.

### **Page 9, Section IX**

#### **Recommendation:**

Deletion of written section, retain section title and add reference to Appendix C.

### **Page 10, Section X, section title**

#### **Recommendation:**

Change title of section to **Section X. Oak Ridge Board Decision Process**, which corresponds with the definition of “Oak Ridge Board” on page 1 of the document.

### **Page 10, Section XI**

#### **Recommendation:**

Addition of “the most recent” in the 1<sup>st</sup> sentence, delete the 2<sup>nd</sup> sentence.

### Appendix A

#### Recommendation:

Change to reside "within the City" in the Residency category

Change the Residency category for a Maximum of 75 points with the number of employees reflecting the numbers listed in the Job Creation category.

Change from "Notes" to "Bonus Points"

Addition of "Bonus Points" for LEED Certified building

Addition of "Bonus Points" for chief executive residing within Oak Ridge

### Appendix B

#### Recommendation:

Addition of "Commercial" in the Office category and the addition of the LEED Note.

### Appendix C

#### Recommendation:

Significant changes to the entire document so that it is transformed from a "shared" document between Roane County and the City of Oak Ridge, to a "stand alone" document for the City of Oak Ridge only.

### Appendix D, Page 5

#### Recommendation:

Added LEED certified construction question at the end of V.

### Appendix D, Page 7

#### Recommendation:

Delete "last two fiscal years", add "most recent" and "preferably", which corresponds to the wording used in Appendix C, Item 2a.

**ROANE COUNTY, TENNESSEE  
AND THE  
CITY OF OAK RIDGE, TENNESSEE  
PROPERTY TAX INCENTIVE PROGRAM  
POLICIES AND PROCEDURES**

**Section I. General Purpose and Objectives\***

*The City of Oak Ridge, Tennessee (the "City") and Roane County, Tennessee (the "County") and the City of Oak Ridge, Tennessee (the "City," and together with the CityCounty, the "Local Governments") are committed to improving their local business environment and economy. In furtherance of this objective, the Local Governments have established, in cooperation with The Industrial Development Board of the City of Oak Ridge, County of Roane, Tennessee (the "Oak Ridge Roane County Board") and The Industrial Development Board of the City of Oak RidgeRoane County, Tennessee (the "Oak Ridge BoardRoane County Board," and together with the Roane County Oak Ridge Board, the "Boards"), a program to provide economic incentives to qualifying entities based on payments in lieu of taxes ("PILOT"). This program is intended to attract and retain, on a basis competitive with other local governments, businesses that provide the types of employment, capital investment, community involvement and financial impact sought by the Local Governments for their citizens.*

The Local Governments have adopted these Policies and Procedures to guide the Boards in considering and evaluating on a case-by-case basis whether particular projects in the Local Governments will be eligible for a PILOT incentive. These Policies and Procedures should not be construed to require the Local Governments or the Boards to approve a PILOT incentive for any Person. Granting a PILOT incentive is solely within the discretion of the Boards acting within the parameters of these Policies and Procedures. In order, however, to inform potential applicants for PILOT incentives of the specific criteria that the Boards will consider in evaluating applications for PILOT incentives, the Local Governments and the Boards have adopted these Policies and Procedures to provide guidelines for evaluating requests for PILOT incentives.

The Boards administer the PILOT for the Local Governments. Each Board is a public nonprofit corporation that was established pursuant to the Tennessee Industrial Development Corporation Act ("Act"), Tenn. Code Ann. §§7-53-101 et seq. The Boards' statutory purposes include financing, owning and leasing certain real and personal properties, which will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and in particular, the Local Governments. The Boards will conduct their activities consistent with the provisions of the Act and the intent of the Local Governments as set forth in these Policies and Procedures.

*Originally, ~~these~~ These Policies and Procedures ~~were~~are intended to apply only to Projects that are within the County. ~~Since the City of Oak Ridge is located in two counties, Roane and Anderson, the City utilizes these Policies and Procedures for all Projects presented to the Oak Ridge Board. Therefore, Projects that are within the City but are located in a county other than the County will not be subject to these Policies and Procedures.~~ These Policies and Procedures will be applied by the County and the Roane County Board to Projects that are located within the County but outside the boundaries of the City, except all references to the City in these Policies and Procedures will not be applicable in those cases. For example, in applying the*

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\* Capitalized terms used in these Policies and Procedures that are not otherwise defined shall have the meanings given to such terms in Section III.

Evaluation Matrix described herein to a Project that is in the County but outside the boundaries of the City, all references to residency requirements in the City will not be applicable. Moreover, the County reserves the right to modify these Policies and Procedures as to Projects outside the boundaries of the City.

Any Applicant for a PILOT shall only be required to submit an Application to one of the Boards, and only one of the Boards shall be required to consider and/or approve an Application. Any reference in these Policies and Procedures to a "Board" shall be deemed to refer to the Board to which an Application has been submitted. Only one Board shall consider an Application at one time, and if one Board takes action on an Application, the other board shall not consider an Application for the same or substantially similar Project for a period of one year. An Applicant should submit its Application to the Board that is affiliated with the Chamber of Commerce *or Economic Development Organization* with which the Applicant has had the primary contact in connection with its Project.

In evaluating Applications to participate in the Local Governments' PILOT program, each Board will apply the following general guidelines:

1. **Public Interest/Increased Employment.** In accordance with the objectives of the Act, the Board must find that each proposed Project will be in the public interest and will increase employment within the Local Governments.
2. **Eligible Projects.** The Board will only approve PILOT incentives for the following *Project types of Projects*:
  - a. Industrial facilities that manufacture, assemble, process or fabricate agricultural, mining or other products.
  - b. Distribution facilities that receive and distribute goods.
  - c. Office buildings and service facilities ~~for Reane County~~. *New speculative office buildings are not eligible.*
  - d. Commercial and retail businesses that the Board determines will materially increase sales taxes for the Local Governments.

If a proposed Project would otherwise not be eligible for a PILOT incentive because it does not meet this guideline but the Board determines that, based upon unique factors in the particular case, a PILOT incentive would be appropriate for the Project, the Board shall not approve such PILOT incentive without obtaining the prior approval of the Local Governments.

3. **Evaluation Matrices.** Provided a Project satisfies the first two guidelines stipulated above, the Board shall determine the term, if any, of the PILOT incentive by applying the Evaluation Matrices attached hereto as Appendix A and Appendix B. The implementation of the Evaluation Matrices is described in more detail in Section IV. The term of any PILOT incentive shall be the same with respect to payments to both the City and County.

If a proposed Project would be eligible for a certain PILOT Term under the Evaluation Matrix but the Board determines that, based upon unique factors in the particular case, a longer PILOT Term would be appropriate

for such Project, the Board shall not approve a longer PILOT Term without obtaining the prior approval of the Local Governments.

## **Section II. Conflicts of Interest**

Each Board member shall be responsible for disclosing any material interest that he or she may have in or with a Project or an Applicant or any financing source for a Project. Any Board member having any material interest in or with a Project or an Applicant or financing source for a Project shall submit to the Board's counsel an explanation of that interest, and the Board's counsel shall advise both the Board and Board member whether the member should recuse himself or herself from consideration of the Application. Such recommendation of the Board's counsel shall be conclusive. If recusal is recommended, the Board will then consider the Application without participation from the member or members who recuse themselves.

To avoid conflicts of interests, the Board's counsel will disclose to the Board if he has a professional legal relationship with or material interest in a Project or an Applicant or any financing source for the Project, and in the event of such a conflict involving the Board's counsel, the Board will retain special counsel to represent it in connection with the particular Project being considered. The Board, however, may waive any such conflict in appropriate circumstances.

## **Section III. Definitions**

For purposes of these Policies and Procedures, the following terms shall have the following meanings:

**"Applicant"** means the Person applying to ~~a~~the Board ~~to for~~ enter into a Lease Agreement that ~~would include~~ a PILOT incentive with respect to a Project.

**"Application"** means the application submitted to ~~a~~the Board by an Applicant to receive a PILOT incentive.

**"Brownfield"** means (a) any property that has a prior history of industrial use and potentially has some environmental contamination as indicated by a Phase I Environmental Assessment and (b) any property that was formerly used by the U.S. Department of Energy.

***"Economic Development Organization"*** means the Oak Ridge Economic Partnership, the Roane Alliance or the Anderson County Economic Development Association.

***"Economic Leakage"*** means the loss of sales and sales tax revenue from one community to a neighboring community.

**"Expansion"** means the addition of buildings, structures, machinery and/or equipment for the purpose of expanding a Project.

**"FTZ"** means Foreign Trade Zone #148.

**"Governmental Authority"** means the United States, the State of Tennessee, any political subdivision of either, and any agency, department, commission, board, bureau or instrumentality of any of them.

**"Greyfield"** means any property in close proximity to a Brownfield that does not have known environmental contaminants but has a significantly depreciated value, as determined by a Board, as a result of its proximity to a Brownfield.

**"Lease Agreement"** means the lease agreement between the Applicant and ~~a~~-the Board pursuant to which the Board leases a Project to the Applicant and agrees upon the terms of a PILOT incentive.

*"LEED (Leadership in Energy and Environmental Design) Certified Building" is a building that employs resources more efficiently when compared to conventional buildings simply built to code.*

**"Local Company"** is a company ~~which~~-that (i) has its principal office within ~~both~~-the Local Governments, (ii) operates one of its principal facilities in ~~both~~-the Local Governments, or (iii) has a significant executive and management presence in ~~both~~-the Local Governments.

*"MOU (Memorandum of Understanding)" means the signed document that outlines all the pertinent terms and conditions required to develop the lease agreement of the PILOT incentive.*

**"National Corporate Headquarters"** means a Project that meets the following criteria as determined by the Board:

- (i) The entity occupying the Project must be a business of regional or national significance;
- (ii) A significant percentage, as determined by the Board, of the decision-making officers or employees of such entity must work and maintain their primary offices at the proposed Project;
- (iii) The Project will be the office location of a majority of the management employees of such entity; and
- (iv) The entity must make a significant financial commitment, as determined by the Board, to construct or improve the Project.

**"Payment-in-Lieu-of Taxes" or "PILOT"** means payments established by a Board to be made in lieu of ad valorem taxes with respect to a Project.

**"Person"** means any individual, sole proprietorship, corporation, limited liability company (LLC), association, partnership (general, limited, or limited liability partnership), organization, business, trustee, individual or government or political subdivision thereof or any governmental agency.

**"PILOT Term"** means the period of time, in years, during which a PILOT incentive is in effect pursuant to a Lease Agreement.

**"Project"** means the acquisition, construction and/or improvement of land, buildings, structures, machinery, equipment and related improvements as described in an Application. A Project may include any Expansion that an Applicant commits to commence within three (3) years of the execution of the Applicant's Lease Agreement. Any Expansion undertaken after such date will require a new Application to be filed with the Board with respect to the Expansion. A Project must be located on a single tract of property or contiguous tracts of property.

*"Speculative Buildings" means construction of a building with no formal commitment from an end user for the finished building.*

## **Section IV. PILOT Amount and Application of Evaluation Matrices**

### **PILOT Amount**

If an Applicant is approved for a PILOT incentive, the amount of the PILOT for the PILOT Term shall be equal to the taxes imposed by all taxing authorities on the property that is the subject of the Project for the most recent tax year prior to the execution of a Lease Agreement with an Applicant (or if the property was previously exempt from taxation, an amount equal to the taxes that would have been imposed on the property if the property had not been so exempt).

For example, if an Applicant intends to acquire an undeveloped tract of real property and to build and equip a manufacturing facility thereon, the PILOT amount for the PILOT Term shall be the amount of taxes imposed during the prior tax year on the undeveloped property by all local taxing authorities. If an Applicant intends to acquire and rehabilitate an existing facility, the PILOT amount would be the taxes imposed for the most recent tax year on the existing facility prior to its rehabilitation. If the Applicant requests a PILOT incentive only with respect to new equipment to be acquired, the PILOT amount with respect to such equipment would be \$0.

If a Project will be used as a National Corporate Headquarters, the Board, in its discretion, can agree to reduce the PILOT amount to \$0 for the PILOT Term.

### **Application of Evaluation Matrices**

The Evaluation Matrices attached as Appendix A and Appendix B are intended to provide objective criteria for the Boards to assist in determining the length of the PILOT Term, if any, with respect to a Project. The maximum PILOT Term shall be 14 years.

#### **Industrial/Office Matrix (Appendix A)**

The Industrial/Office Matrix is intended to provide objective criteria for the Boards to assist in determining the amount and length of the PILOT Term, if any, specific to each Project. All approved incentives are based on the Industrial/Office Matrix. The ~~Oak Ridge Board City of Oak Ridge IDB~~ only authorizes incentives within the parameters of the Matrix. The maximum PILOT Term shall be 14 years. The ~~Oak Ridge Board City of Oak Ridge IDB~~ may elect to recommend to ~~the~~ Oak Ridge City Council for consideration incentives outside the parameters of the Matrix.

The Industrial/Office Matrix contains five criteria to be considered by a Board in establishing a PILOT Term. The following is a brief discussion of each criterion, which discussion is intended to provide guidance as to how each criterion will be applied by the Boards:

1. **Jobs** – The number of jobs will be based upon estimates to be provided by the Applicant and the Boards may obtain other information as required. The estimate of jobs will be based upon the number of jobs that are anticipated to exist at the Project site three years after completion of the Project. Permanent full-time, full-time equivalent, seasonal, and contract jobs will be considered by the Board, but part-time employment will be appropriately weighted by the Board.
2. **Wages** – The average annualized wage that is to be paid by an Applicant, as compared to the existing per capita income published by the Tennessee Department of Employment Security for the Local Governments, will be a relevant factor in the Board's consideration of an Application. An Applicant who pays an average annualized wage that surpasses 170% of the per capita

income for the Local Governments may be given special consideration points. All special consideration points will be awarded at the Board's discretion.

3. **Capital Investment** – The Board will consider any Capital expenditure made by the Applicant in a Project. Special consideration on a case-by-case basis will be used to increase points to Applicants who are making more than \$30 million in capital expenditures. *The Matrix utilized by the Oak Ridge Board includes points for LEED certified construction.* To be eligible for a PILOT incentive, an Applicant must agree to make a minimum of \$1,000,000 in capital expenditures. Capital expenditures for specific items, such as land, building and equipment, must be made by an Applicant in substantially the manner represented to the Board in the Applicant's Application unless the Board otherwise consents.
4. **Location** – The location of a Project within any of the following areas will be a favorable factor:
  - Designated Brownfield
  - The FTZ
  - Any vacant existing business facility
5. **Residency of new employees** – The expected location of the residences of the employees at the Project site, as represented by the Applicant, within the ~~Local Governments~~ City will be a favorable consideration. For purposes of applying this factor, residency at any location within the County, ~~whether or not in the City, or at any location within the City, whether or not in the County,~~ will be considered.

#### **Commercial/Retail Matrix (Appendix B)**

The Boards use the Commercial/Retail Matrix as a guide along with other criteria in determining the feasibility of incentive requests. *The Matrix utilized by the Oak Ridge Board includes consideration for LEED certified construction.* The Matrix is separated into the following four (4) commercial components:

- ~~(1) Retail,~~
- ~~(2) Commercial Housing,~~
- ~~(3) Commercial Office, and~~
- ~~(4) Renovated Areas.~~

*In addition to the Commercial/Retail Matrix, c*onsideration for *the* Commercial/Retail incentives *may includes the following:* ~~in addition to the Commercial/Retail Matrix, (1)~~

- ~~Economic Leakage,~~
- ~~(2) Return on Investment,~~
- ~~(3) Enhancement of Quality of Life, and~~
- ~~(4) Economic Analysis~~

The Boards may consider other special circumstances as it deems relevant in determining a PILOT Term with respect to a particular Project, provided, however, in no event shall the Board award more than 30 points in the aggregate under the Evaluation Matrix for special circumstances without the consent of the Local Governments.

## **Section V. Post-Closing Monitoring**

Through the implementation of the PILOT program, the Boards intend to produce substantial and measurable changes and improvements to and for the economic and commercial environment of the Local Governments. Accordingly, each Lease Agreement with an Applicant will contain, in the manner determined by the respective Board, certain commitments relating to job creation, wage levels, and capital expenditures. The Boards will annually (or at such other times as it deems appropriate) evaluate each Project receiving a PILOT incentive to ensure compliance with the Lease Agreement applicable to the Project.

In order to assist the Boards in determining compliance with the Lease Agreements and in gathering information to help the Boards evaluate the effectiveness of its PILOT program, each Person who is a party to a Lease Agreement with the respective Board shall provide to the Board certain information in the manner described in the Lease Agreement, which information shall include, but not be limited to, the following:

1. **Capital Expenditures** – A list of all capital expenditures made with respect to the Project during the prior year.
2. **Employee Report** – ~~To include at least the following:~~
  - a. ~~T~~ total number of employees ~~of such Person, their~~
  - b. ~~T~~ total salaries, ~~the~~
  - c. ~~N~~umber of employees who reside in the ~~Local Governments~~ *City*, ~~and the~~
  - d. ~~T~~ total salaries of employees who reside in the ~~Local Governments~~ *City*. ~~The Applicant shall also provide a~~
  - e. ~~L~~ist of jobs with job classifications in such form as is required by the Board.
3. **Vendor Support Report** – The gross dollars spent locally on supplier and professional service contracts during the prior year.
4. **Comparison Criteria Report** – A comparison of the Applicant's actual job creation, wages and capital expenditures with the Applicant's initial projections for job creation, wages and capital expenditures as shown in the Applicant's Application.

If any such report or other information obtained by the Boards reveal that the Applicant has not complied with the Lease Agreement with respect to its employment, wage or capital expenditure commitments, the Board will have such remedies as are provided in the Lease Agreement. The specific remedies will be set out in the Lease Agreement, but, generally, if an Applicant fails in any year to meet the employment, wage or capital expenditure estimates provided in its Application and upon which the Evaluation Matrix was applied, the Applicant should expect that the Applicant's PILOT incentive would be proportionately reduced in that year in addition to any other remedies that may be available under the Lease Agreement.

For example, if an Applicant was awarded 100 points based upon the application of the Evaluation Matrix and the report filed by an Applicant in any year shows that the Applicant would only have been awarded 80 points for the relevant year based upon the actual facts, the Applicant would not receive 20% of its PILOT incentive for such year.

*On an annual basis*, ~~E~~ach respective Board will ~~prepare~~ *develop on an annual basis* a compilation of the information ~~that that Board receiveds~~ from these reports. This *annual* compilation will be provided, within thirty (30) days of its completion, to the County Mayor and County Trustee of the County and the Mayor and City Manager of the City. The County Mayor will make such compilation available to the County Commission of the County, and the City Manager will make such

compilation available to the City Council of the City. *For the Oak Ridge Board, the compilation and distribution of the annual reports are the responsibility of the City Staff IDB Representative.* ~~In addition, each Board will notify the County Mayor and County Trustee of the County and the Mayor and City Manager of the City of any Lease Agreement that provides for a PILOT within fourteen (14) days of entering into such Lease Agreement.~~ *(moved to next section)*

**Section VI. Fees**

Any Person desiring that a Board consider providing a PILOT incentive shall submit an Application to the appropriate Board in a form approved by the Boards. Any Applicant shall also follow the procedures set forth in Appendix C in applying for a PILOT incentive.

**1. Application Fees**

An Application fee must be submitted with each completed Application. The Application fee is not refundable. The Application Fee shall be calculated using the following chart:

| <u>Estimated Project Capital Expenditures<br/>At the Time of Application</u> | <u>Application Fee</u> |
|--|------------------------|
| \$1,000,000 - \$2,500,000  | \$2,000                |
| \$2,500,001 - \$5,000,000  | \$3,000                |
| \$5,000,001 - \$10,000,000   | \$4,000                |
| \$10,000,001 - \$25,000,000  | \$8,000                |
| Greater than \$25,000,000  | \$15,000               |

**2. Closing Fees**

A closing fee computed as described in this paragraph will be paid to the respective Board prior to or at the execution of the Lease Agreement. Closing fees for PILOT incentives are based on the benefits that an Applicant will receive (i.e. value of the tax savings over the applicable PILOT Term) rather than on the total Project investment. The closing fee for a PILOT incentive transaction with the Board will be 5% of the expected tax savings for the Applicant, as estimated by the Board, with a minimum closing fee of \$1,500 and a maximum fee of \$300,000. The Applicant receiving the PILOT incentive will also be responsible for paying expenses of the Board relating to the transaction (i.e. attorney's fees, copies, postage, long distance telephone calls, etc).

**3. Lease Amendments**

If an Applicant requests an amendment to an existing Lease Agreement, the Applicant will pay a fee of \$1,000 at the time of the request.

**4. Assignment Fee**

If the Board approves the assignment of a Lease Agreement, the Applicant shall pay an assignment fee of 1% of the tax savings for the assignee following such assignment, as estimated by the Board, up to \$1,000,000 with a minimum fee of \$4,000 and 1/2% of such savings over \$1,000,000 with a maximum fee of \$25,000. The Applicant shall also be responsible for all expenses, including attorney's fees incurred by the Board, in connection with such assignment.

**5. Reciprocal Fee Payment and Notification**

*An amount representing 20% of the applicable ~~all~~ fees received by ~~a Board~~ the Roane County or Oak Ridge Board pursuant to this Section shall be paid to the other*

board promptly upon receipt. *Each Board will notify the County Mayor and County Trustee of the County and the Mayor and City Manager of the City of any Lease Agreement that provides for a PILOT within fourteen (14) days of entering into such Lease Agreement. The City Staff IDB Representative will provide the written notification for the Oak Ridge Board.*

### **Section VII. Memorandum of Understanding**

*When the Oak Ridge Board approves a PILOT incentive, a Memorandum of Understanding (MOU) will be developed, by the City Staff IDB Representative, that outlines all pertinent terms and conditions of the incentive, attached as Appendix E. The MOU will specify a date by which both the Board and the Applicant may anticipate an appropriate Lease Agreement to be executed. Signed by both the Chairman of the Board and the Applicant, the MOU will serve as the foundation upon which a formal lease document will be built. The following items may be included in the MOU: length of the PILOT incentive, percentage of tax abatement, performance standards, reporting dates and recovery provisions.*

### **Section VIII. Assignment of Lease Agreement**

Lease Agreements will not be assignable without the prior consent of the applicable Board. An Applicant seeking an assignment of an Agreement shall confer with the Board to determine the proper procedure in the specific transaction. The Board will then determine whether the assignment will be approved or whether a new Application should be filed by the assignee.

### **Section ~~VIII~~/IX. City of Oak Ridge – Application Administrative Process (See Appendix C)**

~~Applications for incentives are processed as follows:~~

~~1. Pre-application meeting is scheduled and the following should participate:~~

- ~~\_\_\_\_\_ Potential applicant and supporting staff~~
- ~~\_\_\_\_\_ Applicable IDB Representative/City's Economic Development Director~~
- ~~\_\_\_\_\_ Chamber and/or Partnership Representative~~

~~During the pre-application meeting, an overview of the application process will be explained, application documents reviewed, fee schedules and timelines explained. No binding decisions will be made during this meeting. The purpose of the meeting is for information sharing only.~~

~~2. If the potential applicant elects to apply for incentives, within the City of Oak Ridge, the completed application document, including the payment of the appropriate fees, should be submitted to the City's Economic Development Director. Applications must be submitted prior to issuance of a building permit and at least fourteen (14) calendar days prior to the next scheduled City of Oak Ridge IDB meeting in which the incentive request will be considered. The City of Oak Ridge IDB may, at its discretion, call a special meeting to consider an application. The City's Economic Development Director will assure that the Application is complete and that appropriate fees have been paid. The Oak Ridge City Manager and staff will review all applications and make a recommendation to the City of Oak Ridge IDB based on their analysis of the application. Prior to issuing a recommendation to the City of Oak Ridge IDB, City Manager/staff will consult with the following parties:~~

~~Applicant or its representatives~~

City of Oak Ridge IDB representative  
Recruiting organization representative  
Others as needed

### **Section IX. Oak Ridge Board City of Oak Ridge IDB Decision Process**

Following receipt of the City Manager's recommendation, the ~~City of Oak Ridge Board IDB~~ will vote on the Applicant's request for an incentive. Should the ~~City of Oak Ridge Board IDB's~~ vote concur with the City Manager's recommendation, the decision is final. Should the ~~City of Oak Ridge Board IDB~~ vote differ with the City Manager's recommendation, the City Manager may reevaluate his recommendation in light of the IDB vote and resubmit. Should the IDB and City staff not reach agreement, the matter is referred to *the* Oak Ridge City Council for final resolution.

### **Section X/. Environmental Report Requirements**

Each Applicant shall submit with its Application, *the most recent* a-Phase I Environmental Site Assessment Report (unless the Project consists only of new equipment) with respect to the proposed Project site. ~~The report should be dated no more than twelve (12) months prior to its submission to the Board.~~ All such reports must grant to the Board the right to rely on such reports. All Phase I Environmental Site Assessments submitted to the Board should substantially conform to the ASTM standards. An Environmental Assessment or Environmental Impact Statement performed by or on behalf of the U.S. Department of Energy may substitute for an Environmental Site Assessment. The environmental contamination of a Project site may be a basis for rejecting an Application if the Board's counsel advises the Board that the respective Board or the Local Governments would have any obligation to remediate the contamination if the Board acquires the Project site.

### **Section XI/. Miscellaneous**

These Policies and Procedures shall not be construed to create any type of contract or agreement between the Board or the Local Governments and any third party, including any Applicant. Notwithstanding any provision of these Policies and Procedures to the contrary, the Boards retain the right, in their sole discretion, not to enter into any Lease Agreement with any Applicant and not to approve any Application for a PILOT incentive. If any Applicant does not enter into a Lease Agreement with respect to a proposed Project within one year of the initial approval by the Board of the Applicant's Application for a PILOT incentive, that Applicant's Application shall be deemed to be withdrawn, and the Applicant shall be required to resubmit a new Application if the Applicant wants the Board to continue to consider the Applicant's Project for a PILOT incentive.

**Section XII/. Program Term**

Each Board is authorized to negotiate PILOT incentives pursuant to these Policies and Procedures for a period of three years from the date these Policies and Procedures are approved by the County Commission *or City Council* of the Local Governments. After such date, the Boards shall not be authorized to negotiate PILOT incentives pursuant to these Policies and Procedures unless the County Commission of the County and the City Council of the City have reviewed these Policies and Procedures.

**Section ~~XXI~~. Modifications**

*Boards and Local Governments must approve any modification of these Policies and Procedures except as provided in Section I.*



**APPENDIX B COMMERCIAL/RETAIL EVALUATION MATRIX**

| Investment     | Retail   | Commercial Housing | Commercial Office                        | Renovated Areas    |
|----------------|--|--------------------|--|--------------------|
|                | >1,000,000 and   | >1,000,000         | >1,000,000 and                           |                    |
|                | 33% of complex must be new or expanded retail to Anderson County |                    | New tenants from outside Anderson County | 5 additional years |
|                |  |                    | No new speculative office                |                    |
| < \$5,000,000  | 33% 10 years   | 25% 10 years       | 25% 5 years                              |                    |
| > \$5,000,000  | 50% 10 years   | 33% 10 years       | 33% 5 years                              |                    |
| > \$15,000,000 | 50% 15 years   | 33% 15 years       | 33% 10 years                             |                    |

**Examples for Illustration Purposes only**

| ID  | Description                   | New Investment | New Tenants (Number of Employees on Site) | Eligible Tax Reduction Terms Based on New Investment and/or Tenants | Estimated Annual Property Tax Discount to Developer (City & County) Based on 70 Percent of Investment | Estimated Property Tax Discount to Developer Over Period (City & County) | Estimated City & County Property Tax Collections Over Reduction Period |
|-----|-------------------------------|----------------|---|---|---|--|--|
| 3   | office - speculative          | 28,000,000     |   | NONE  |   |  |  |
| 4   | retail - renovated area       | 17,000,000     |   | 50% 20 years  | 126,854   | 2,537,080  | 2,537,080  |
| 6   | Commercial housing            | 12,000,000     |   | 33% 10 years  | 84,427  | 844,272  | 1,714,128  |
| 7   | retail/hotel - renovated area | 7,500,000      |   | 50% 15 years  | 55,965  | 839,475  | 839,475  |
| 8   | retail - renovated area       | 2,000,000      |   | 33% 15 years  | 9,850   | 147,748  | 299,972  |
| 11  | retail/office                 | 2,500,000      |   | 33% 10 years  | 12,312  | 123,123  | 249,977  |
| 12  | retail                        | 2,000,000      |   | 33% 10 years  | 9,850   | 98,498   | 199,982  |
| *13 | office - renovated            | 2,000,000      | 350                                       | 25% 10 years  | 7,462   | 74,620   | 223,860  |

Requests for Infrastructure Improvements and/or other considerations must be approved by City Council on an individual basis

\* Renovation will not increase taxable value of building  
Calculations will fluctuate with tax rate changes

**NOTE:** Consideration given for LEED certified construction.

**APPENDIX C  
PILOT INCENTIVE PROGRAM PROCEDURES  
for the**

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE (IDB)**

1. An Applicant should ~~first arrange~~ request the scheduling of a pre-application ~~conference meeting~~ with the ~~City Staff IDB Representative of the applicable Board~~ to discuss the PILOT incentive procedure as it relates to the Applicant's Project. *The following representatives should participate in the pre-application meeting:*
  - a. *Potential applicant with supporting staff, if applicable*
  - b. *Applicable IDB Member Representative*
  - c. *IDB Executive Director*
  - d. *City Staff IDB Representative*
  - e. *Chamber and/or Economic Development Organization Representative*
  
2. The Applicant shall ~~file~~ submit its Application (which shall be in the form of Appendix D) and all documentation pertaining to the Application *by scheduling an appointment with and submitting it to the City Staff IDB Representative with the respective Board* no less than 14 days prior to a scheduled meeting *of the IDB regarding the proposed PILOT*. The following information must accompany the Application unless waived by the ~~Board~~ IDB:
  - a. Financial Statements – preferably audited statements, at least statements reviewed by a CPA
  - b. Phase 1 Environmental Audit addressed to the Board or equivalent
  - c. Application Fee
  
3. *The City Staff IDB Representative will assure that the Application is complete and that appropriate fees have been paid. The Oak Ridge City Manager and staff will review all applications and make a written recommendation (including an approved Matrix) to the IDB based on their analysis of the Application. Prior to issuing a written recommendation to the IDB, the City Manager / staff may consult the following parties:*
  - a. *Applicant or its representative*
  - b. *IDB Executive Director*
  - c. *City Staff IDB Representative*
  - d. *Recruiting organization representative*
  - e. *Others as needed*
  
4. *Following the receipt of the City Manager's written recommendation, the IDB will vote on the Applicant's request for an incentive. Should the IDB vote concur with the City Manager's recommendation, the decision is final. Should the IDB vote differ with the City Manager's recommendation, the City Manager may reevaluate his recommendation in light of the IDB vote and resubmit. Should the IDB and City staff not reach agreement, the matter is referred to the Oak Ridge City Council for final resolution.*
  
35. Based upon the Application, the ~~respective Board~~ IDB will determine whether to give preliminary approval for a PILOT incentive. If preliminary approval is given, *a memorandum of understanding (MOU), attached as Appendix E, outlining all pertinent terms and conditions of the incentive will be developed by the City Staff IDB Representative. The MOU serves as the foundation upon which a formal Lease Document is built. Upon execution of the MOU, the IDB Board's counsel will prepare the form of Lease Agreement and negotiate the form of such Lease Agreement with the Applicant's designated representative.*
  
46. *Once if* the Applicant and the ~~Board~~ IDBs' counsel agree on the proposed form of a Lease

Agreement, such Lease Agreement shall be submitted to the ~~Board~~ IDB for its approval. ~~When~~ If the Applicant's matter is to be considered at an IDB meeting ~~of the Board~~, a representative of the Applicant should attend such meeting.

57. Upon ~~Board~~ IDB approval of the Lease Agreement, a date for the closing can be scheduled immediately. The following documents are needed at closing:
- a. Lease Agreement
  - b. Special Warranty Deed (if real property is involved)
  - c. List of Encumbrances on the Property
  - d. Bill of Sale (if personal property is involved and has been acquired)
  - e. *Closing fees certified or cashier's check or other collected funds*
  - f. *Such others as may be referred to in the Lease Agreement*

~~All closing fees must be paid at the time of execution of the Lease Agreement. Only a certified or cashier's check or other collected funds will be accepted.~~

68. Upon closing, appropriate documentation will be filed with the County Register's Office. Originals of all documents will be held by the ~~Board~~ IDB or its counsel. The ~~Board's~~ IDB counsel will file a copy of the Lease Agreement with the *appropriate* County Mayor ~~of Reane County~~, and the Mayor of the City of Oak Ridge and with the State Comptroller's office at the following address:

The Office of the Comptroller  
Division of Property Assessment  
501 Deaderick Street  
Suite 1400 (EDA Compliance)  
Nashville, Tennessee 37243-0277

79. In accordance with these Policies and Procedures, Applicants will be required to file annual compliance reports with the ~~respective Board~~ IDB.

810. Tenn. Code Ann. §7-53-305 requires the lessee under each Lease Agreement to file with the State Board of Equalization before October 1st of each year an annual report containing a list of all the real and tangible personal property owned by the Board subject to the Lease Agreement; the value of each listed property as estimated by the lessee of property; the date and term of the lease for each listed property; the amount of payments made in lieu of property taxes for each listed property; the date each listed property is scheduled to return to the regular tax rolls; and a calculation of the taxes, which would have been due for each listed property if the properties were privately owned or otherwise subject to taxation. Each Applicant will be responsible for the timely completion and filing of such reports with respect to its Project, and failure to timely complete and file the report may subject such Applicant to the penalties set forth in the "Act". The ~~Boards require that each~~ Applicant *is required to* submit a copy of each such report to the *City Staff IDB Representative Board awarding the incentive* for inclusion in the Project file. The copy should be sent to:

~~Reane County Industrial Development Board  
1200 N. Kentucky Street  
Kingston, TN 37763~~

~~Oak Ridge~~ Industrial Development Board *of the City of Oak Ridge*  
200 S. Tulane Avenue  
P.O. Box 1  
Oak Ridge, TN 37831

**Appendix D**  
**Application for PILOT (Payment In Lieu of Taxes) / Grant Assistance**  
**City of Oak Ridge, Tennessee**  
**Oak Ridge Industrial Development Board of the City of Oak Ridge**

**I. Applicant:**

Company Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Federal Employer Identification Number: \_\_\_\_\_

Company Representative to be contacted:  
Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

Description of Principal Business:  
\_\_\_\_\_  
\_\_\_\_\_

SIC/NAICS (if known): \_\_\_\_\_ Legal Structure: \_\_\_\_\_  
If a corporation, state of incorporation: \_\_\_\_\_  
If foreign corporation, is it registered to do business in Tennessee? \_\_\_\_\_ Yes \_\_\_\_\_ No

**Principal Owner (if applicable):**

Company Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Federal Employer Identification Number: \_\_\_\_\_

Company Representative to be contacted:  
Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

Description of Principal Business:  
\_\_\_\_\_  
\_\_\_\_\_

SIC/NAICS (if known): \_\_\_\_\_ Legal Structure: \_\_\_\_\_  
If a corporation, state of incorporation: \_\_\_\_\_  
If foreign corporation, is it registered to do business in Tennessee? \_\_\_\_\_ Yes \_\_\_\_\_ No

**II. Name and address of any of the following involved in the project:**

**Legal Counsel**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

**Project Engineer(s)**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

**Project Architect(s)**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail address: \_\_\_\_\_

**General Contractor(s)**

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email address: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email address: \_\_\_\_\_

Does applicant or sponsor of the project have an application pending or intend to apply for industrial revenue bond financing for this or a similar project with any other board in the City of Oak Ridge?

Yes  No **If yes, please attach a detailed explanation.**

Does applicant or sponsor have present plans to incur indebtedness or other financial obligations, which would materially affect its financial condition other than the financing applied hereby?

Yes  No **If yes, please attach a detailed explanation.**

Does applicant or sponsor of the project know of any proposed or pending tender offers, mergers, or acquisitions by or affecting applicant or sponsor of the project or any other materially significant corporate event in any way affecting application or sponsor of the project?

Yes  No **If yes, please attach a detailed explanation.**

**III. Project Location/Ownership:**

Street address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_

Vicinity Map. *Please attach with general location of site shown.*

*Attach a copy of deed (or surveyor's description) detailing property's metes and bounds description or other legal description.*

Who owns the property at this time? \_\_\_\_\_

Does applicant have an option to purchase the property if not already owned by applicant?

Yes  No

Are there presently outstanding any options or liens with regard to the property?

Yes  No

Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Current Zoning:

\_\_\_\_\_

Is the property zoned appropriately for intended use by this project?  Yes  No

**IV. Tax Information:**

Obtain the latest property tax statement from the Anderson or Roane County Assessor's Office (include both real and any existing tangible personal property).

**Real Property**

Tax parcel ID number (s): \_\_\_\_\_

Current assessment: \_\_\_\_\_

Current tax: \_\_\_\_\_

Will this project result in the subdivision of any current tax parcel? \_\_\_\_ Yes \_\_\_\_ No

**Tangible Personal Property**

Tax parcel ID number (s): \_\_\_\_\_

Current assessment: \_\_\_\_\_

Current tax: \_\_\_\_\_

Are there any assessments under appeal? \_\_\_\_ Yes \_\_\_\_ No

If yes, please describe:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**V. Capital Investment:**

Land: Acreage: \_\_\_\_\_ Cost: \$ \_\_\_\_\_

Site Preparation Cost: \$ \_\_\_\_\_

Real Property (Building): Square Footage \_\_\_\_\_ Cost: \$ \_\_\_\_\_

Personal Property Cost: \$ \_\_\_\_\_

Indicate total capital investment forecast by year:

Year 1: \$ \_\_\_\_\_

Year 2: \$ \_\_\_\_\_

Year 3: \$ \_\_\_\_\_

Briefly describe these investments (types of tangible personal property, type of site development planned for this location and other improvements):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VI. Construction Estimate:**

Start Date: Month: \_\_\_\_\_ Year: \_\_\_\_\_

Completion Date: Month: \_\_\_\_\_ Year: \_\_\_\_\_

Describe any off-site infrastructure proposed for new public investments:

\_\_\_\_\_  
\_\_\_\_\_

Describe below construction estimates and anticipated infrastructure requirements:  
Water:

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Sanitary Sewer:

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Electric:

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Streets:

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Storm Sewer:

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Other:

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Have project utility requirements been reviewed by the appropriate local utility providers?  
 Yes  No

*LEED Certified Construction:*

*Will project be LEED Certified construction?  Yes  No*

*If yes, provide LEED Certification information with your application.*

**VII. Wages/Jobs/ Residency:**

Attach number of jobs listing by year, as formatted below, and the average per capita wages by major employment type category (Officials and Administrators, Professionals, Technicians, Protective Service Workers, Paraprofessionals, Administrative Support, Skilled Craft Workers, Service-Maintenance, Others).

| <u>Year #1</u>                 | <u>Year #2</u>                 | <u>Year #3</u>                  |
|--------------------------------|--------------------------------|---------------------------------|
| <u>Jobs # /Category/Salary</u> | <u>Jobs # /Category/Salary</u> | <u>Jobs# / Category/ Salary</u> |

Additionally indicate number of employees living within the City of Oak Ridge by job category per years 1-3 including salary as formatted above.

Wages, jobs and residency requirements shall be achieved as set out in the PILOT agreement between the applicant and the Industrial Development Board. An annual report of achievement is required by December 31 each year for the term of the PILOT agreement.

**VIII. Environmental Impacts:**

*Attach a Phase I Environmental Audit or equivalent addressed to the Industrial Development Board. Discuss any environmental impacts created by the project.*

**IX. Type of Assistance Requested**

**PILOT** (fully describe PILOT requested): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Grant** (fully describe grant requested): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Justification for PILOT/Grant request:** (substantiate and fully describe the justification for this request): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**X. Financial Information:**

Attach copies of the *most recent last two fiscal years*, preferably audited financial statements. If publicly held corporation, attach a certified statement of the corporation's net worth with corresponding disclosure notes as provided in the applicant's latest approved/audited financial statement.

**XI. Certifications:**

This application is made in order to induce the City of Oak Ridge, Tennessee and the Industrial Development Board of the City of Oak Ridge to grant financial incentives to applicant and sponsor. Applicant and sponsor represent and warrant that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to the board and its consideration of this application.

Applicant and sponsor have read and agree to comply with all requirements of the application procedures and policies of the City of Oak Ridge, Tennessee and the Industrial Development Board of the City of Oak Ridge. Applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the Board in connection with this application, whether or not the financial incentives are granted or this project built.

\_\_\_\_\_  
**Applicant**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Owner**

\_\_\_\_\_  
**Date**

**Appendix E**  
**IDB of the City of Oak Ridge**  
**PILOT Incentive Program**  
**MEMORANDUM OF UNDERSTANDING**  
**(template)**

**THIS MEMORANDUM OF UNDERSTANDING**, entered into on this the \_\_ day of \_\_\_\_\_, \_\_\_\_\_, will confirm the understanding and agreement between (company name) and the INDUSTRIAL DEVELOPMENT BOARD of the City of Oak Ridge, Tennessee (IDB) with respect to the proposed acquisition and transfer of certain real and/or personal property (the "Property"). The Property (sometimes referred to herein or in other PILOT Documents as the "Property" or the "Equipment") is to be located *within the* ~~in~~ City of Oak Ridge, Tennessee, (county name) County.

**WITNESSETH:**

This Memorandum of Understanding is intended to set forth the mutual understandings between (company name) and the IDB in regards to (i) the acquisition of the Property by the IDB for and on behalf of (company name) and (ii) the leasing of the Property pursuant to that certain PILOT Lease (the "Lease") by and between the IDB and (company name).

**1. VALUE TO CITY OF OAK RIDGE.**

(company name) proposes to construct and/or operate a (project description) facility in the city limits of Oak Ridge. The Real Property on which the facility is situated, and the building and related improvements are owned by (company name). The cost of the Real Property, Land, Building and Related Improvements to (company name) is \$(amount of total investment).

The parties recognize that the location of the Project being defined as (project name) the buildings and related items, and the investment of such funds in City of Oak Ridge by (company name) will create economic benefits for the City of Oak Ridge. Further, the IDB has made a determination that the investment made by (company name), the opening of the facility, the opportunities brought about and to be derived by such investment in the Project, and the payments to be received in lieu of taxes as described herein, are in furtherance of the public purposes of the IDB.

**2. PAYMENT IN LIEU OF TAXES.**

Approximately one year from the date of the approval of the (company name) incentive application (date of application approval date by the IDB or City Council), the IDB will enter into a Payment in Lieu of Tax Agreement ("PILOT Lease") with (company name). The PILOT Lease will be subject to the following terms and conditions:

- A. The PILOT Lease shall be for a term of (lease terms per matrix or City Council approval (reference resolution #)) with payment from (company name) to the IDB, upon signing the lease agreement, in the amount of \$ (PILOT fee determined by City staff).
- B. The amount of taxes abated under the terms of the Lease shall be set according to the following schedule:  
 Estimated Real Property Tax savings over term of Lease **(city) \$**  
 (fees determined by City staff) **(county) \$**  
 Estimated Personal Property Tax savings over term of Lease – not applicable
- C. Yearly Performance Standards shall be required of (company name) in accordance with item 3 below (Real Property Investment), as allowed by this MOU and (matrix or Oak Ridge City Council Resolution #), which provides for a % tax abatement over a term of # years.
1. Jobs Creation – (from application)
    - a. Year 1
    - b. Year 2
    - c. Year 3
    - d. Year 4
    - e. Year 5
    - f. Additional as applicable
  2. Wages Percentage – (from application)
    - a. Year 1
    - b. Year 2
    - c. Year 3
    - d. Year 4
    - e. Year 5
    - f. Additional as applicable
  3. Real Property Investment – \$(from application)
    - a. Year 1
    - b. Year 2
    - c. Year 3
    - d. Year 4
    - e. Year 5
    - f. Additional as applicable
  4. Personal Property Investment – (from application)
    - a. Year 1
    - b. Year 2
    - c. Year 3
    - d. Year 4
    - e. Year 5
    - f. Additional as applicable
  5. Location: Brownfield Y \_\_\_ N \_\_\_ FTZ Y \_\_\_ N \_\_\_ – (from application)
  6. Oak Ridge Residency – (from application)
    - a. Year 1
    - b. Year 2
    - c. Year 3
    - d. Year 4
    - e. Year 5
    - f. Additional as applicable

- D. Annual progress/status reports shall be filed by (company name) during the term of the Lease no later than January 31<sup>st</sup> each year and shall contain:
1. Jobs Created per Evaluation Matrix and Actual jobs created
  2. Wage Plan per Evaluation Matrix and Actual Wage performance
  3. Capital Expenditure in real property per Matrix and Actual Expenditure
  4. Capital Expenditure in personal property per Matrix and Actual Expenditure
  5. Confirmation of FTZ or Brownfield project site as applicable
  6. Oak Ridge residency per Matrix and actual Oak Ridge residency

E. Recovery Provisions:

If any such report as is required by Item D set out above, or other information obtained by the IDB, reveals that (company name) has not complied with the Lease Agreement with respect to its capital expenditure commitments, the IDB will have such remedies as are provided in the Lease Agreement. The specific remedies will be set out in the Lease Agreement, but, generally, if (company name) fails in any year to meet the capital expenditure estimates provided in this MOU, (company name) should expect that (company name) PILOT incentive would be proportionately reduced in that year in addition to any other remedies that may be available under the Lease Agreement.

**3. FORM OF AGREEMENTS.**

The PILOT Lease and any other agreements referred to herein or pertaining to the Project, shall be in a form satisfactory to the IDB and (company name).

**4. FEDERAL INCOME TAX.**

It is understood by the parties hereto that (company name) will remain the owners of the Real Property, the Personal Property, and the Project for Federal Income Tax purposes.

**5. AUTHORIZATIONS AND APPROVALS; ACQUISITION OF PROPERTY.**

(company name) agrees to use all reasonable efforts, including, without limitation:

- obtaining all approvals and consents of legislative or other appropriate bodies of City of Oak Ridge;
- obtaining all approvals and consents of applicable departments and agencies of City of Oak Ridge ;
- obtaining all approvals and consents of the utility companies, authorities and districts referred to herein;
- the execution, delivery and filing of such further applications, agreements, instruments or other documents as are required by applicable law or necessary to acquire any and all property which will be included in the PILOT Lease and cause the agreements set forth herein to become binding obligations of (company name) .

**6. COSTS, EXPENSES AND ATTORNEYS FEES.**

(company name) shall be responsible for the payment of all costs and expenses incurred by the IDB, including reasonable attorneys fees, in connection with the preparation of documents for the Project.

**7. ASSIGNMENT.**

(company name), as applicable, shall have the right to assign any or all of its rights under this Memorandum of Understanding to any of its affiliates.

**IN WITNESS WHEREOF**, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized officers or representatives on and as of the date indicated herein.

**INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF OAK RIDGE:**

By: \_\_\_\_\_  
(name)

Title: Chairman

**COMPANY NAME**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**6. COSTS, EXPENSES AND ATTORNEYS FEES.**

(company name) shall be responsible for the payment of all costs and expenses incurred by the IDB, including reasonable attorneys fees, in connection with the preparation of documents for the Project.

**7. ASSIGNMENT.**

(company name), as applicable, shall have the right to assign any or all of its rights under this Memorandum of Understanding to any of its affiliates.

**IN WITNESS WHEREOF**, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized officers or representatives on and as of the date indicated herein.

**INDUSTRIAL DEVELOPMENT BOARD OF  
THE CITY OF OAK RIDGE:**

By: \_\_\_\_\_  
(name)

Title: Chairman

**COMPANY NAME**

By: \_\_\_\_\_

Title: \_\_\_\_\_



## Workshop Topical Areas

1. Governance
2. Economic Development
3. Facilities
4. Public Information
5. Finances
6. Housing
7. Transportation
8. Social Services/Needs
9. State and Federal Matters

13



## Topical Priorities (Top 3)

### Governance

1. Review of Council Committee Structure
2. Council goal prioritization
3. Goal setting for City advisory boards

### Economic Development

1. Consideration, review, and re-authorization of payment in lieu of taxes policy
2. Lakefront restaurant concession review
3. Detail planning on retail options for mall or other Oak Ridge sites

14





## Topical Priorities (cont'd)

### Facilities

1. Incorporate priorities for building/facility energy enhancements
2. Develop firm plan for Senior Center
3. Review of Pre-K/Administration Center facilities impact on building priorities

### Public Information

1. Priority enhancements to new website, Facebook presence, and community outreach
2. Concentrate on common promotional message by City, Chamber, and local residents
3. Review and continuous updates of city policies

15



## Topical Priorities (cont'd)

### Finances

1. Conduct updated review of City's long-term debt outlook
2. Assess available commercial lands for community purposes through GIS system
3. Assess future financial impact with various financial scenarios

### Housing

1. Develop infill incentive policy
2. Develop strategy to reduce or minimize urban blight in targeted areas
3. Determine strategies to assist Oak Ridge revitalization efforts

16





## Topical Priorities (cont'd)

### Transportation

1. Coordinate and adopt Bicycle/Pedestrian Safety Plan
2. Develop traffic signal timing priorities
3. Evaluate public transportation opportunities

### Social Services/Needs

1. Identify and adopt portions or all of Climate Action Plan
2. Modification of policies related to police accreditation
3. Priorities of Waterfront Development Plan

17



## Topical Priorities

### State and Federal Matters

1. Positions for support related to ORNL, Y-12, and ETPP
2. Review of grant priorities or appropriations for Housing or Energy Programs
3. Development of strategy on National Park designation

18



**CITY CLERK MEMORANDUM**  
**10-65**

DATE: September 21, 2010

TO: Mark S. Watson, City Manager

FROM: Jacquelyn J. Bernard, City Clerk

SUBJECT: CITY COUNCIL COMMITTEES AND CITY BOARDS AND COMMISSIONS

**CITY COUNCIL-APPOINTED COMMITTEES**

Throughout its history, the Oak Ridge City Council has used committees to study specific issues and to provide reports and recommendations to the Council regarding their findings. Most commonly, the committees have been composed of members of City Council, but many have been composed of citizens who have a particular interest or expertise in a given subject. Because the Oak Ridge City Charter prohibits standing committees of the Council, generally the Council's committees have been dissolved after presenting their findings and recommendations. There are a few exceptions.

A small number of committees are retained on an ongoing basis. The functionality of four of them is derived directly from either the City Charter or contracts entered into by City Council. They are not perceived as standing committees because their memberships are changed annually and the Council may change their missions or methods of operation as it sees fit. Those committees are the Audit Committee, the City Manager Evaluation Committee, the City Attorney Evaluation Committee, and the Budget and Finance Committee.

**Audit Committee**

The Council has appointed an annual Audit Committee for as long as I have been in this office (and that's a long time!). The Council chose years ago to use this method for fulfilling its obligation under the City Charter, Article V, Section 19, which states: *At the end of each fiscal year an audit shall be made of the accounts and funds of the city, covering the operations of the past fiscal year, by a certified public accountant selected by the council. The council may employ certified public accountants to audit all or any of its accounts and funds at the time it takes office or at any time it may deem expedient to assure correctness thereof.* This committee (with the assistance of the City Clerk's office) issues the RFP for performance of the audit of the accounts and funds of the City at such intervals as it sees fit, reviews the proposals received, selects the firm that it perceives has submitted the best proposal, and submits its recommendations to the Council for the engagement of that firm. Once the Council has officially selected a firm, the Audit Committee's job becomes one of "overseeing" the audit by making itself available to the accounting firm as requested or deemed desirable. When the auditors have completed their work, the Audit Committee, along with the City Manager, the Deputy City Manager, and the Finance Director, meet with a principal of the firm, review the audit reports and financial statements, and based upon that review presents its report and recommendations to City Council for final action.

### City Manager Evaluation Committee

This committee is appointed by City Council to fulfill its obligation under the City Manager's Employment Agreement which provides that the City Manager shall receive performance evaluations annually. The Council has used this method of meeting its obligation for many years also, beginning with its evaluations of Jeffrey J. Broughton. Each year, the committee's first task is to develop a procedure for conducting the evaluation which it presents to the Council for approval. Upon approval, it is then the committee's job to oversee the evaluation process and to report the results to City Council, along with its recommendations for any changes in the employment agreement, increase in the salary of the City Manager, and extension of his term of office. Attached is an evaluation questionnaire, the basic format of which has been used by City Council for several years. It has been revised and refined by the evaluation committees through the years and the copy attached is the version used by the most recent (FY 2009) City Manager Evaluation Committee. No evaluation was conducted for FY 2010, the previous City Manager having resigned before the year's end.

### City Attorney Evaluation Committee

This committee functions in much the same way as the City Manager Evaluation Committee. It is appointed by City Council to fulfill its obligation under the City Attorney's Employment Agreement which also provides that the City Attorney shall receive performance evaluations annually. The committee develops a procedure for conducting the evaluation and upon its approval, oversees the evaluation process, and reports the results to City Council, along with its recommendations for any changes in the employment agreement, increase in the salary of the City Attorney, and extension of his term of office. Attached is the most current version of the evaluation questionnaire that has been used by the evaluation committees since Mr. Ken Krushenski's appointment as City Attorney.

### Budget and Finance Committee

The instrument that created this committee, Resolution No. 11-107-07 (attached), provides that its mission *shall be to assist City Council in providing guidance to the City Manager with respect to budget preparation, as required by the Oak Ridge City Charter*. The function of this committee as it relates to the Council's fulfillment of its obligation under the Charter is not so clear; i.e., the obligatory thread is a tenuous one. The relevant Charter reference is contained in Article V, Section 10, and reads: *After one or more council meetings devoted to guidance to the city manager with respect to the budget to be submitted, as determined by the council, on or before a date fixed by the council, the manager shall submit to the council a proposed budget for the next fiscal year*. The FY 2010 Budget and Finance Committee held 16 meetings and produced one report which was presented to the Council on the same date that the City Manager presented his proposed budget. Did that meet the intent of the Charter? Where were the meetings of the full Council devoted to guidance to the City Manager?

Also attached is Resolution No. 9-92-09 which extended this committee as required by the original resolution. No reexamination of its charge was made at that time.

### Other Committees

Currently, there are two other viable committees appointed by City Council. These committees have no legally obligatory mission. They are the Intergovernmental Relations Committee and the Rules and Procedures Review Committee. The current Intergovernmental Relations Committee was created at the same time as the Budget and Finance Committee, and it was extended on the same date. Attached are copies of Resolution No. 11-108-07 which created the current committee and Resolution No. 9-93-09 which extended it. As with the Budget and Finance Committee, no reexamination of this committee's charge was made at the time of its extension. While the Intergovernmental Relations Committee has a tie to the Charter (Article III, Section 7, attached), its function is not obligatory in nature.

The Rules and Procedures Review Committee is not an ongoing committee. Such a committee is created by City Council periodically when it is perceived that there is a need for possible revisions in its rules and procedures. The current committee was appointed in August of 2009 with the following charge:

1. Review of City Council's Rules and Procedures, with particular attention to the Council's travel policy, with recommended modifications to be submitted to City Council for approval and incorporation into a revised set of Rules and Procedures.
2. Review of City Council's Attendance Policy for City Boards and Commissions with recommended modifications to be presented to those bodies for review prior to submission to City Council for approval and adoption of a revised Attendance Policy.

This committee has not begun to address its charge because intervening matters, such as the goal-setting workshops and the search for a new City Manager, were considered greater priorities. Councilman David Mosby, the Committee Chair, plans to call it to order in the very near future.

### City Council Policy for Committee Appointments

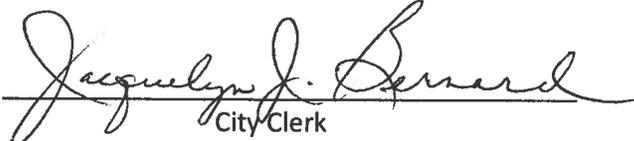
Attached is a copy of Resolution No. 11-106-17 which describes the Council's policy for appointment of members to serve on those committees which are appointed regularly to assist the Council with its performance of functions dictated by the City Charter or other legal instruments. This resolution simply establishes as policy the practice that has existed for some years; namely, that each Council member will be appointed in turn by City Council, upon the recommendation of the Mayor, rotating upward on the committee until serving as Chair and then rotating off the committee until it is the member's turn to serve again.

### City Boards and Commissions

You have asked for a list of the City's Boards and Commissions, including how each was authorized, its composition, and its general powers and duties. Attached is a copy of a booklet that is published annually by the Office of the City Clerk. It contains a list of not only the City's Boards and Commissions, but of other such bodies which have seats allocated for appointment by the Mayor or City Council.

CITY COUNCIL COMMITTEES AND CITY BOARDS AND COMMISSIONS  
September 21, 2010  
Page 4

I hope you will find this information helpful in your planned review of the Council's committee structure during the September 27, 2010 work session. Please advise if I can be of any further assistance in this regard.

  
City Clerk

Attachments

**RESOLUTION**

WHEREAS, on November 19, 2007, City Council adopted Resolution Number 11-107-07, thereby creating a Budget and Finance Special Committee whose mission was to assist City Council in providing guidance to the City Manager with respect to budget preparation, as required by the Oak Ridge City Charter; and

WHEREAS, Resolution Number 11-107-07 provided that this Special Committee would continue to exist until August 31, 2009 unless extended or dissolved prior to that time by action of City Council; and

WHEREAS, City Council has determined that there continues to be a need for the Budget and Finance Special Committee.

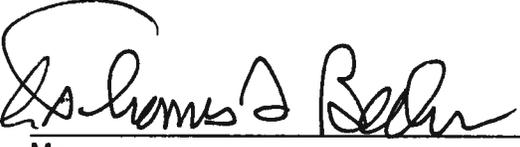
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the Budget and Finance Special Committee is hereby extended until August 31, 2011 under the same terms and conditions as those specified in Resolution Number 11-107-07.

This the 14<sup>th</sup> day of September 2009.

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk









## City Council's City Manager Evaluation Questionnaire, FY 2009

| GROUP E, GENERAL PERSONNEL MANAGEMENT AND SUPERVISION   |   | Ranking |   |   |   |    | General Comments |
|---|---|---------|---|---|---|----|------------------|
| 1   | 2   | 3       | 4 | 5 | 0 |    |                  |
| <b>Descriptive Statements</b>   |   |         |   |   |   |    |                  |
| 1   | Delegates appropriate tasks to subordinates   |         |   |   |   | 1  |                  |
| 2   | Has clearly established himself as an advocate for the staff                            |         |   |   |   | 2  |                  |
| 3   | Has gained the staff's confidence as their leader                                       |         |   |   |   | 3  |                  |
| 4   | Is consistent in decision making  |         |   |   |   | 4  |                  |
| 5   | Is adequately involved in the daily management of the City's affairs                    |         |   |   |   | 5  |                  |
| 6   | Has a positive impact on the morale of employees  |         |   |   |   | 6  |                  |
| 7   | Communicates effectively  |         |   |   |   | 7  |                  |
| 8   | Provides staff with opportunities for appropriate professional development and training |         |   |   |   | 8  |                  |
| 9   | Sets and maintains standards for quality of staff reports, both written and oral        |         |   |   |   | 9  |                  |
| 10  | Seeks to build working relationships based upon mutual respect and trust                |         |   |   |   | 10 |                  |
| <b>Additional Comments:</b>   |   |         |   |   |   |    |                  |
|   |   |         |   |   |   |    |                  |
| 1 - Unsatisfactory, 2 - Marginal, 3 - Satisfactory, 4 - Good, 5 - Excellent, 0 - No Observation |   |         |   |   |   |    |                  |

## 2010 CITY ATTORNEY EVALUATION QUESTIONNAIRE

Rating Scale 1- 5  
 1=Very Dissatisfied, 5=Very Satisfied  
 (0 = No Opinion)

| <b>COURTESY AND COMMUNICATION SKILLS</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
|---|----------|----------|----------|----------|----------|----------|
| 1. Is the City Attorney accessible, responsive, considerate and courteous in his interactions with you?           |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| 2. Are the City Attorney's legal opinions and/or advice given in a timely manner?                                 |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| 3. Does the City Attorney create a sense of trustworthiness when interacting with him?                            |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| 4. Does the City Attorney keep the Council informed about current issues, legal activities, decisions, and goals? |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |

Rating Scale 1- 5  
 1=Very Dissatisfied, 5=Very Satisfied  
 (0 = No Opinion)

| <b>COURTESY AND COMMUNICATION SKILLS (Continued)</b>   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
|--|----------|----------|----------|----------|----------|----------|
| 5. Does the City Attorney communicate well with a wide range of persons, including citizens, Council members, staff and other attorneys? |          |          |          |          |          |          |
| Comments:  |          |          |          |          |          |          |
| <b>KNOWLEDGE AND ADAPTABILITY</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
| 1. Does the City Attorney demonstrate a thorough knowledge and understanding of municipal law?   |          |          |          |          |          |          |
| Comments:  |          |          |          |          |          |          |
| 2. Is the City Attorney knowledgeable about City issues and about legal trends that may impact the City?                                 |          |          |          |          |          |          |
| Comments:  |          |          |          |          |          |          |
| 3. How would you rate the City Attorney's advice on ordinance changes, drafting of new ordinances and amendments?                        |          |          |          |          |          |          |
| Comments:  |          |          |          |          |          |          |

Rating Scale 1– 5  
 1=Very Dissatisfied, 5=Very Satisfied  
 (0 = No Opinion)

| <b>KNOWLEDGE AND ADAPTABILITY (Continued)</b>   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
|---|----------|----------|----------|----------|----------|----------|
| 4. Are the City Attorney's legal opinions and/or advice concise and understandable and helpful to you in the performance of your job? |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| 5. Does the City Attorney demonstrate openness to alternative approaches?   |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| 6. Does the City Attorney adjust rapidly to changes in plans or procedures?   |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| <b>ADMINISTRATIVE SKILLS AND EFFECTIVENESS</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
| 1. Does the City Attorney function effectively under pressure?  |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |

2010 CITY ATTORNEY EVALUATION QUESTIONNAIRE

Rating Scale 1– 5  
 1=Very Dissatisfied, 5=Very Satisfied  
 (0 = No Opinion)

| <b>ADMINISTRATIVE SKILLS AND EFFECTIVENESS (Cont.)</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
|---|----------|----------|----------|----------|----------|----------|
| 2. Does the City Attorney demonstrate leadership that contributes to achieving the City's goals and objectives?                     |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| 3. Does the City Attorney effectively evaluate legal problems and alternatives?   |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| 4. Has the City Attorney demonstrated effectiveness in avoiding unnecessary legal controversy?                                      |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| <b>PERSONAL/PROFESSIONAL RELATIONSHIPS</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
| 1. Does the City Attorney maintain high standards of ethics, honesty, and integrity in all personal and professional relationships? |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |

Rating Scale 1– 5  
 1=Very Dissatisfied, 5=Very Satisfied  
 (0 = No Opinion)

| <b>PERSONAL/PROFESSIONAL RELATIONSHIPS (Cont.)</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
|---|----------|----------|----------|----------|----------|----------|
| 2. Does the City Attorney retain your confidence when informing you of risks associated with proposed actions or decisions?   |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| <b>OVERALL PERFORMANCE</b>  | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>0</b> |
| 1. How would you rate the overall performance of the City Attorney over the past year?  |          |          |          |          |          |          |
| Comments:   |          |          |          |          |          |          |
| 2. Is a salary increase for the City Attorney warranted?<br><br>Yes _____ No _____<br><br>If your answer is yes, how large a range would you recommend relative to the expected range of other municipal employee raises this year? (For example, top of range, middle of range, or bottom of range.) | X        | X        | X        | X        | X        | X        |
| 3. Is an extension of the City Attorney's Employment Agreement beyond 2013 warranted?<br><br>Yes _____ No _____<br><br>If your answer is yes, how long?   | X        | X        | X        | X        | X        | X        |

Rating Scale 1– 5  
 1=Very Dissatisfied, 5=Very Satisfied  
 (0 = No Opinion)

| <b>GOALS AND OBJECTIVES</b>   | X | X | X | X | X | X |
|---|---|---|---|---|---|---|
| <p>1. Are there special goals and objectives that you would like the City Attorney to achieve during the next evaluation period?</p> <p>Yes _____ No _____</p> <p>If your answer is yes, please list them here.</p> |   |   |   |   |   |   |
| <p><b>GENERAL COMMENTS ON THE CITY ATTORNEY'S PERFORMANCE OR THE EVALUATION PROCESS:</b></p>  | X | X | X | X | X | X |

**RESOLUTION**

WHEREAS, on November 18, 2002, City Council adopted Resolution No. 11-152-02 creating a Budget and Finance Committee whose mission was driven by the Oak Ridge City Council's Strategic Plan, *the Path Forward: 2003 – 2007*; and

WHEREAS, said committee became dormant as a result of the Council's adoption of the revised *Oak Ridge City Council Strategic Plan, Fiscal Years 2006 – 2009*; and

WHEREAS, on September 24, 2007, City Council appointed a Committee Structure Review Committee (the Committee) with the charge to *review all current committees of City Council, both active and dormant, including their missions, functionality, method of appointment, and compliance with the Oak Ridge City Charter*; and

WHEREAS, the Committee has completed its review of current committees and recommends that the Council retain a Budget and Finance Committee as a special committee which shall assist the Council in fulfilling its role of providing guidance to the City Manager with respect to the City budget that is required by Charter to be submitted prior to each fiscal year.

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

That the Budget and Finance Committee created by Resolution No. 11-152-02 is hereby dissolved and a new Budget and Finance Special Committee is created whose mission shall be to assist City Council in providing guidance to the City Manager with respect to budget preparation, as required by the Oak Ridge City Charter.

BE IT FURTHER RESOLVED that the Budget and Finance Special Committee shall be composed of three (3) members of City Council who shall be appointed annually in September in accordance with City Council's policy for the appointment of its members to serve on Council committees.

BE IT FURTHER RESOLVED that in fulfilling its mission, the charge of the Budget and Finance Special Committee shall be:

1. To work with the staff to maintain the City's fiscal responsibility.
2. To develop budgeting and finance policy recommendations for City Council's consideration.
3. To develop recommended strategies for funding City services and employee raises.
4. To work with the staff in actively seeking expanded revenue streams.
5. To develop strategies for communicating factual information to the public about the financial position of the City and the elements that drive the tax rate.

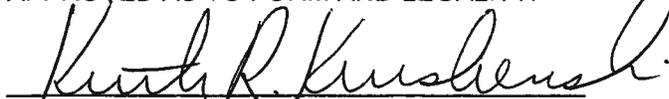
BE IT FURTHER RESOLVED that the City Manager shall provide staff support for the Budget and Finance Special Committee.

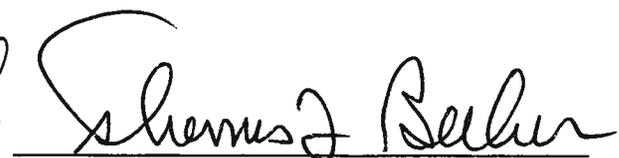
BE IT FURTHER RESOLVED that this Special Committee shall continue to exist until August 31, 2009 unless extended or dissolved prior to that time by action of City Council.

BE IT FURTHER RESOLVED that any resolution heretofore adopted by City Council in conflict with this resolution is hereby rescinded.

This the 19<sup>th</sup> day of November 2007.

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk

**RESOLUTION**

WHEREAS, on November 18, 2002, City Council adopted Resolution No. 11-153-02 creating an Intergovernmental Relations Committee whose mission was driven by the Oak Ridge City Council's Strategic Plan, *The Path Forward 2003 – 2007*; and

WHEREAS, said committee became dormant as a result of the Council's adoption of the revised *Oak Ridge City Council Strategic Plan, Fiscal Years 2006 – 2009*; and

WHEREAS, on September 24, 2007, City Council appointed a Committee Structure Review Committee (the Committee) with the charge to *review all current committees of City Council, both active and dormant, including their missions, functionality, method of appointment, and compliance with the Oak Ridge City Charter*, and

WHEREAS, the Committee has completed its review of current committees and recommends that the Council retain an Intergovernmental Relations Committee as a special committee which shall assist the Council in matters relating to intergovernmental agreements and contracts, cooperative actions, etc., as authorized by Article III, Section 7 of the Oak Ridge City Charter.

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

That the Intergovernmental Relations Committee created by Resolution No. 11-153-02 is hereby dissolved and a new Intergovernmental Relations Special Committee is created whose mission shall be to assist City Council in matters relating to intergovernmental agreements and contracts, cooperative actions, etc., as authorized by Article III, Section 7 of the Oak Ridge City Charter.

BE IT FURTHER RESOLVED that the Intergovernmental Relations Special Committee shall be composed of three (3) members of City Council and shall include the Mayor, who will serve as the Committee Chair, the Council's representative on the Board of Directors of the Energy Communities Alliance (ECA) if such representative is not the Mayor, and a third member who shall be recommended by the Mayor and appointed annually in September in accordance with the Council's policy for the appointment of its members to serve on Council committees; provided, however, that if the Mayor is serving as the City's representative on the ECA Board, that seat shall also be filled by a member of the Council who is recommended by the Mayor and appointed annually by City Council.

BE IT FURTHER RESOLVED that in fulfilling its mission, the charge of the Intergovernmental Relations Special Committee shall be:

1. To participate in the development of State and Federal Legislative Agendas for the City and to recommend such agendas for adoption by City Council.
2. To orchestrate advocacy efforts in support of the City's Legislative Agendas.
3. To maintain liaison with the East Tennessee Economic Council, the Chamber of Commerce, and other local organizations engaged in activities for the benefit of the City.
4. To work toward the enhancement of communications with the Oak Ridge Board of Education and the School Administration with a goal of working together for the benefit of the community as a whole.
5. To work toward the enhancement of communications within the surrounding region, particularly with the Anderson and Roane County Commissions and the County Mayors, with a goal of working together for the benefit of this region as a whole.
6. To foster active participation in the Energy Communities Alliance.

7. To encourage and support, as appropriate, Mutual Aid Agreements, Memorandums of Understanding and Memorandums of Cooperation with other governmental entities and agencies to maximize area resources and to create a spirit of cooperation at all levels.

BE IT FURTHER RESOLVED that the City Manager shall provide staff support for the Intergovernmental Relations Special Committee.

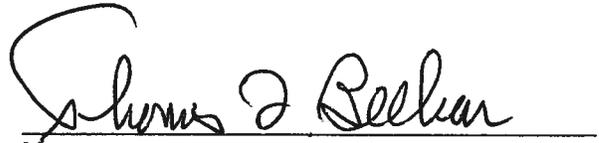
BE IT FURTHER RESOLVED that this Special Committee shall continue to exist until August 31, 2009 unless extended or dissolved prior to that time by action of City Council.

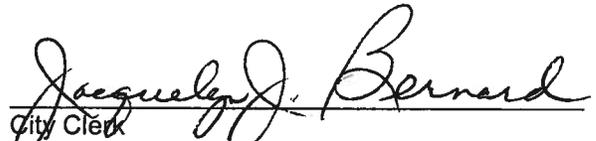
BE IT FURTHER RESOLVED that any resolution heretofore adopted by City Council in conflict with this resolution is hereby rescinded.

This the 19<sup>th</sup> day of November 2007.

APPROVED AS TO FORM AND LEGALITY:

  
City Attorney

  
Mayor

  
City Clerk

**RESOLUTION**

WHEREAS, on November 19, 2007, City Council adopted Resolution Number 11-108-07, thereby creating an Intergovernmental Relations Special Committee whose mission was to assist City Council in matters relating to intergovernmental agreements and contracts, cooperative actions, etc., as authorized by Article III, Section 7 of the Oak Ridge City Charter.

WHEREAS, Resolution Number 11-108-07 provided that this Special Committee would continue to exist until August 31, 2009 unless extended or dissolved prior to that time by action of City Council; and

WHEREAS, City Council has determined that there continues to be a need for the Intergovernmental Relations Special Committee.

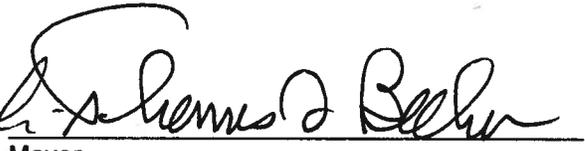
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

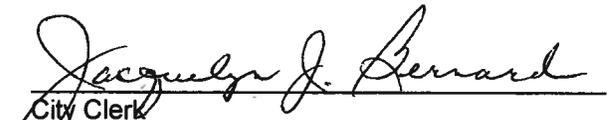
That the Intergovernmental Relations Special Committee is hereby extended until August 31, 2011 under the same terms and conditions as those specified in Resolution Number 11-108-07.

This the 14<sup>th</sup> day of September 2009.

APPROVED AS TO FORM AND LEGALITY:

  
City Attorney

  
Mayor

  
City Clerk

**Section 6. Planning commission.**

The council shall establish a planning commission and may within the framework of this Charter exercise authority in the fields of planning, zoning and subdivision control and related activities as provided by general laws of the state. At a time determined by city ordinance and consistent with applicable state law the planning commission shall submit to the city council a long-term capital improvement program with recommendations as to the priority of individual projects and the methods of financing them. The recommendations of the planning commission are to be considered by the council for the purpose of providing guidance to the city manager in preparing the annual budget as provided in Article V., Section 11. The members of the planning commission shall serve without compensation, but may be reimbursed for necessary expenses incurred in official duties.

**Section 7. Intergovernmental agreements and contracts.**

In addition to other powers granted in this Charter, the city council shall have power to contract and cooperate with any other municipality or other political subdivision of the state, or with an elective or appointive official thereof, or with any duly authorized agency of the federal or state government, for the planning, development, construction, acquisition, or operation of any public improvement, utility, or facility, for a common public service, for having the same individuals serve as officers or employees in more than one political subdivision and/or federal or state agency on a part-time basis in each, for the construction or operation of federally-owned utilities and other property on behalf of the federal government, for the acquisition by gift or by transfer or by purchase of federal property and if by purchase for the financing of its acquisition, for entering into contracts relating to acceptance of payments in lieu of taxes and/or state, federal, or other contributions, and for the furnishing of services to the federal government and its designees, outside the city limits as well as within; provided that the subject and purpose of any such contract or cooperative action made and entered into by the council shall be within the scope of the powers of the city.

**Section 8. Arrangements and contracting powers.**

The city council may exercise the powers conferred in Article III, Section 7, by ordinance setting out the terms agreed upon by the parties to such a contract or cooperative action. The parties to such a contract or cooperative action, or any of them, may acquire, by gift or purchase, or by the power of eminent domain exercised by one or more of the parties, the lands, buildings, and other property necessary or useful for the purposes of the contract or cooperative action, either within or without the corporate limits of one or more

**RESOLUTION**

WHEREAS, certain types of committees are appointed on an annual basis to assist the Council with its performance of functions dictated by the City Charter or other legal instruments; and

WHEREAS, to ensure that every member of City Council is given an equal opportunity to serve on those committees, the established practice has been for each member to be appointed in turn by City Council, upon the recommendation of the Mayor, rotating upward on the committee until serving as Chair and then rotating off the committee until it is the member's turn to serve again; and

WHEREAS, on September 24, 2007, City Council appointed a Committee Structure Review Committee (the Committee) with the charge to *review all current committees of City Council, both active and dormant, including their missions, functionality, method of appointment, and compliance with the Oak Ridge City Charter*, and

WHEREAS, the Committee has completed its review of current committees and has determined that the established practice has worked well to ensure that all members of City Council are given an equal opportunity to serve on those committees that are appointed on a regular basis; and

WHEREAS, it is the recommendation of the Committee that the established practice or a similar such practice be continued.

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

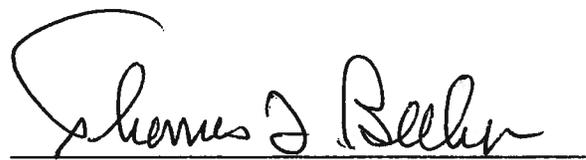
That it is the policy of this City Council that all of its members shall be given an equal opportunity to serve on those committees that are appointed regularly to assist the Council with its performance of functions dictated by the City Charter or other legal instruments.

BE IT FURTHER RESOLVED that the recommendation of City Council's Committee Structure Review Committee is approved and the established practice for appointment of its members to serve on such committees, or a similar such practice, shall be continued as a mechanism for ensuring adherence to said policy.

This the 19<sup>th</sup> day of November 2007.

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk