

CITY CLERK MEMORANDUM
13-49

DATE: October 8, 2013

TO: Honorable Mayor and Members of City Council

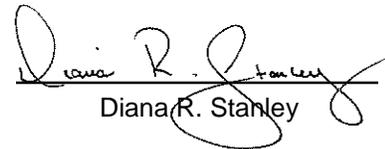
FROM: Diana R. Stanley, City Clerk

SUBJECT: ADDITIONS TO THE OCTOBER 14, 2013 CITY COUNCIL AGENDA

Since the agenda's posting on Monday, October 7, 2013, city staff is requesting that two (2) additional resolutions be added to the October 14, 2013 City Council Agenda.

City staff recommends the following amendments to the October 14, 2013 City Council Agenda:

- (1) Add a resolution titled "a resolution approving an amendment to the Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures approved by Resolution 12-112-11" to the *Consent Agenda*.
- (2) Add a resolution titled "a resolution to adopt the *City of Oak Ridge, Tennessee 2014 State and Federal Legislative Agenda* to inform state and federal officials of key projects, policies, and priorities in the City of Oak Ridge, and to help secure funding for agreed upon priorities of the community" to *Resolutions*.


Diana R. Stanley

Attachments

cc: Mark S. Watson, City Manager
Kenneth R. Krushenski, City Attorney
Department Directors
The OakRidger
The Oak Ridge Observer
Knoxville News Sentinel

LEGAL DEPARTMENT MEMORANDUM
13-40

DATE: October 8, 2013
TO: Honorable Mayor and Members of City Council
FROM: Kenneth R. Krushenski, City Attorney
SUBJECT: RESOLUTION APPROVING AN AMENDMENT TO THE INDUSTRIAL DEVELOPMENT BOARD'S TAX INCREMENT FINANCING (TIF) PROGRAM POLICIES AND PROCEDURES

Introduction

An item for City Council's consideration is a resolution to approving an amendment to the Industrial Development Board's (IDB) Tax Increment Financing (TIF) Program Policies and Procedures.

Background

By Resolution 12-112-11, City Council approved the "Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures" for use by the IDB with the Tax Incentive Policy. A copy of this resolution (without the policy document) is attached.

At its October 7, 2013 meeting, the IDB unanimously voted to approve an amendment to the Policies and Procedures to conform to the provisions in the Uniformity in Tax Increment Financing Act of 2012 codified in Tennessee Code Annotated §§9-23-101 et seq. The amendment also gives the IDB authority to amend or reduce the fees set out in Section 5.1 and Section 5.4 of the Policies and Procedures and to cap the administrative fee set out in Section 5.4 of the Policies and Procedures at \$5,000.00.

For ease of reference, a bold/strikethrough of the Policies and Procedures is attached showing the language of the amendment incorporated into the document. What is attached to the resolution, however, is Amendment No. 1 to the Policies and Procedures as approved by the IDB and not a complete revision of the document.

Recommendation

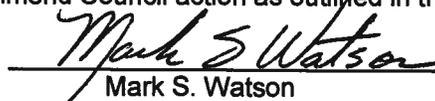
Staff recommends approval of the attached resolution.


Kenneth R. Krushenski

Attachments: Resolution 12-112-11 (without policy document)
Bold/Strikethrough of Policies and Procedures as Amended
Resolution with Amendment No. 1 attached

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.


Mark S. Watson

10/8/13
Date

RESOLUTION

A RESOLUTION APPROVING THE *INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE, TENNESSEE TAX INCREMENT FINANCING PROGRAM POLICIES AND PROCEDURES FOR CONTINUED USE BY THE OAK RIDGE INDUSTRIAL DEVELOPMENT BOARD WITH THE TAX INCENTIVE POLICY.*

WHEREAS, by Resolution 4-33-08, City Council approved the *Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures* for use by the Oak Ridge Industrial Development Board; and

WHEREAS, at its December 5, 2011 meeting, the IDB unanimously voted to ask Council to approve the continued use of the same policies and procedures, without change, with the Tax Incentive Policy; and

WHEREAS, this document establishes an orderly process for evaluating each request for tax increment financing and outlines the process for issuing tax increment financing to qualifying entities under the Tax Incentive Policy; and

WHEREAS, the IDB recommends approval of the attached *Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures* for continued use with the Tax Incentive Policy.

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

That the recommendation of the Oak Ridge Industrial Development Board is approved and the attached *Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures*, which is identical to the policies and procedures previously approved by City Council through Resolution 4-33-08, is hereby approved for continued use by the Oak Ridge Industrial Development Board with the Tax Incentive Policy.

This the 12th day of December 2011.

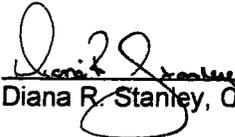
APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney



Thomas L. Beehan, Mayor



Diana R. Stanley, City Clerk

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF OAK RIDGE, TENNESSEE
TAX INCREMENT FINANCING PROGRAM
POLICIES AND PROCEDURES**

Section 1. General Purpose and Objectives

The Industrial Development Board of the City of Oak Ridge (the "Board") is committed to improving the economy in the City of Oak Ridge, Tennessee (the "City"). In furtherance of this objective, the Board is establishing a program to evaluate requests from private entities to utilize tax increment financing in support of qualifying projects. This program is intended to provide an orderly process for evaluating each request for tax increment financing in the City and, if such request is determined by the Board to merit support, to outline the process for issuing the tax increment financing.

The Board is a public nonprofit corporation established pursuant to the Tennessee Industrial Development Corporation Act ("Act"), Tenn. Code Ann. §§7-53-101 *et seq.* The Board's statutory purposes include promoting industry, commerce and trade in Tennessee and in particular, the City. In 2004, and in furtherance of these purposes, the Act was amended to authorize the Board to issue tax increment debt to finance costs of qualifying projects. Such debt would be secured solely by incremental taxes generated by the qualifying project and would otherwise be non-recourse to the Board.

The Board has adopted these Policies and Procedures to provide guidance to applicants for tax increment financing as to the procedure the Board intends to use in evaluating on a case-by-case basis whether particular projects in the City will be eligible for tax increment financing. The approval of the issuance of tax increment financing is within the discretion of the Board acting within the parameters of these Policies and Procedures and is subject to the approval of the City and, if applicable, the County in which the particular project is located. In no event shall these Policies and Procedures be construed to create any contractual right in any Person or to limit the Board's discretion to decline to issue any tax increment debt.

These Policies and Procedures only apply to any tax increment financing requested by a private party. If the City or other governmental entity requests the Board to incur tax increment debt, the Board shall follow such procedures as the Board and the City deem appropriate under the circumstances, provided, however, that the Board and the City shall comply with all requirements of the Act.

These Policies and Procedures are in addition to any other rules and procedures applicable to the Board. From time to time, these Policies and Procedures may be amended by the Board, and new policies may also be adopted by the Board.

Section 2. Tax Increment Financing

Tax increment financing is a financing tool that is used in many states to provide public assistance to economic development projects. Through tax increment financing, incremental taxes from a designated area are allocated to pay debt service on debt incurred to pay for qualifying improvements that are made in connection with a particular project. In some states, the incremental tax revenues that may be utilized to pay the debt service on tax increment financing include property tax revenues, sales tax revenues and other tax sources. Under the Act in Tennessee, only incremental property tax revenues, and not sales tax or other tax revenues, may be used to pay debt service on tax increment financing.

The Act establishes certain requirements relating to the Board's use of tax increment financing. Under the Act, the Board initiates the process of issuing tax increment debt by preparing a document

known as an economic impact plan. The economic impact plan must identify the area from which the incremental tax revenues will be derived, identify the qualifying project that will be located in the area, discuss the benefits of the project to the municipality in which the project will be located, including anticipated tax receipts and job creation, and specifically provide for the allocation of the incremental property taxes within the Plan Area to the Board. The incremental property taxes that may be allocated to the Board include both real and personal property taxes.

Pursuant to the Act, the Board must hold a public hearing on any economic impact plan. Notice of such public hearing must be published in the local newspaper at least two weeks before the public hearing. In addition to giving details regarding the time and location of the public hearing, the notice must inform the public where a map of the proposed Plan Area can be reviewed.

After a public hearing is held with respect to an economic impact plan, the Board may then submit the plan to the City Council of the City for approval. If the economic impact plan provides for an allocation to the Board of incremental property taxes from the County in which the Plan Area is located, the plan must also be submitted to the County Commission of that County for approval. The City Council and the County Commission may approve an economic impact plan at one reading by resolution, notwithstanding any local charter provision to the contrary.

Pursuant to the Act, incremental ~~tax~~ revenues as to any property may not be allocated to the Board for a period ~~in excess of thirty~~ not more than twenty (20) years; ~~however, the Board, in its discretion, may limit such period, unless both the Commissioner and the Comptroller have made a written determination that a longer period is in the best interest of the State of Tennessee.~~ The plan may provide for a shorter allocation period. During the allocation period, the City's finance department and, if applicable, the County trustee are required to pay the incremental taxes from the Plan Area to a separate fund created by the Board for that purpose. A separate fund is usually established for each tax increment financing, and that fund is usually held by or for the benefit of the holder(s) of the tax increment debt.

The Plan Area must include a "project" within the meaning of the Act. For purposes of the Act, the term "project" includes the types of facilities that are typical economic development projects, such as manufacturing and warehousing facilities. Qualifying projects under the Act also include, however, commercial facilities, such as retail shopping facilities, office buildings and multi-family housing facilities for persons of low and moderate income. Pollution control facilities, including wastewater facilities, are also eligible projects.

In addition to the area on which the qualifying project is located, the Plan Area may also include any other property that the Board determines will be directly improved or benefited due to the undertaking of the qualifying project. For example, if a retail shopping center is the qualifying project for purposes of an economic impact plan, and, as a part of the construction of the retail shopping center, a new public road provides access to other properties, those other properties would directly benefit from the project.

Once an economic impact plan is approved, the property taxes imposed on property within the Plan Area are divided between the Board, the City and, if applicable, the County. The base tax amount is allocated to the City and, if applicable, the County. The base tax amount is equal to the amount of taxes payable with respect to the property in the Plan Area for the year prior to the date the economic impact plan was improved. Therefore, if an economic impact plan was approved in 2007, the tax year for determining the base tax amount would be 2006. Any excess over the base tax amount generally is allocated to the Board. However, taxes levied by a taxing authority to pay debt service on bonds or other obligations of the City or, if applicable, the County are not subject to allocation to the Board. Also, an

economic impact plan may provide for a lesser amount of the incremental property tax revenues from the Plan Area to be allocated to the Board.

Once the economic impact plan has been approved by the City Council and, if applicable, the appropriate County Commission, the Board can proceed to issue tax increment debt secured by the incremental property tax revenues from the Plan Area. In most cases, the Applicant, in consultation with the Board's representatives, will negotiate the terms of the tax increment financing with a lender or bond underwriter. However, all documents relating to the tax increment financing are subject to the Board's approval.

Section 3. Procedures for Tax Increment Financing

3.1. **Application.** An Applicant may request the Board to issue tax increment debt to pay eligible costs incurred in connection with a Project. To initiate such a request, the Applicant should submit a completed Application in the form attached to these Policies and Procedures as Exhibit A together with all exhibits, schedules and documents required by the Application. The Applicant shall also tender a non-refundable application fee to the Board in an amount set forth in Section 5 of these Policies and Procedures. No action will be taken with respect to an Application until the Board's staff determines that the Application is complete. **Acceptance of the Application does not imply, evidence or confirm the Board's support for, or recommendation of, the request for tax increment financing.**

3.2. **Initial Review by Application Review Committee.** The Board shall appoint a committee of Board members (the "Application Review Committee") to undertake the functions described in these Policies and Procedures for such committee. Before an Application is presented to the Board, the Application Review Committee will review the Application and make a recommendation to the Board whether an economic impact plan should be prepared for presentation to the Board for the area described in the Application. The Application Review Committee will not recommend that an economic impact plan be prepared unless the Committee determines that the Project described in the Application will (i) substantially benefit and enhance the economy of the City and the County in which the Project is located and (ii) the Project would not be acquired, constructed and/or installed unless tax increment financing was made available to finance a portion of the eligible Project costs.

3.3. **Initial Resolution by the Board.** After review of the Application by the Application Review Committee, the Board as a whole will consider such Application. After such consideration, the Board will vote on whether an economic impact plan should be prepared for the area that is the subject of the Application. The Board will not approve the preparation of a plan unless the Board makes the same findings as are required above for the Application Review Committee, and in reviewing an Application, the Board will give deference to the recommendations of the Application Review Committee. If the Board votes to cause an economic impact plan to be prepared, the Board will also decide whether the plan will be prepared by the Applicant (or a third party retained by the Applicant) or whether the plan will be prepared by the Board (or a third party retained by the Board). If the plan is to be prepared by a third-party consultant retained by the Applicant or the Board, such consultant shall be subject to the reasonable approval of both the Applicant and the Board. The expenses of the Board in connection with the preparation of the plan shall be paid by the Applicant as provided in Section 5.2 below.

3.4. **Economic Impact Plan.** If the Board approves the preparation of an economic impact plan, the Applicant or the Board, as the case may be, will cause a proposed economic impact plan to be prepared and submitted to the Application Review Committee. The plan shall contain the information required by Section 7-53-312(b) of the Act and such other information as the Board deems necessary, including but not limited to:

- (1) Identification of the boundaries of the area subject to the plan;
- (2) Identification of the project located within the area subject to the plan;
- (3) Discussion of the expected benefits to the City and, if applicable, the County from the development of the area subject to the plan, including anticipated tax receipts and jobs created; and
- (4) A provision providing that the property taxes imposed on the property, including the personal property (if applicable), located within the area subject to the plan will be distributable among the City, the Board and the County, as applicable, in accordance with the Act.

If the Applicant is responsible for preparing the initial draft of the economic impact plan, the Applicant shall submit such draft to the Board's staff no later than sixty (60) days after the Board adopts an initial resolution requesting the plan. If the Applicant does not submit the proposed plan within that period, the Board will take no further action with respect to the Application. The Board will consider any requests of the Applicant after the 60-day period as a new request requiring a new Application, and the payment of another application fee. If the Board assumes responsibility for preparing the initial draft of a plan, such draft shall be submitted to the Application Review Committee within sixty (60) days after the Board adopts an initial resolution requesting the plan.

If the Applicant prepares the initial draft of an economic impact plan, the Board's staff will review such draft and will advise the Applicant of any recommended changes to the plan, and the Applicant may cause the draft plan to be amended accordingly. The Applicant shall then submit the plan to the Application Review Committee.

3.5. Review of Plan by Application Review Committee. The Application Review Committee will review each proposed economic impact plan. The Application Review Committee will make a determination whether the economic impact plan complies with the Act and these Policies and Procedures and should be submitted the City Council and, if applicable, the County Commission for approval. The Application Review Committee's determinations will be summarized in writing for the Board. The Application Review Committee will then establish a proposed date for the Board to hold a public hearing relating to the plan and a meeting to determine whether to submit the economic impact plan to the City Council and, if applicable, the County Commission for approval.

3.6. Public Hearing and Approval by Board. After review by the Application Review Committee, the Board will hold a public hearing relative to the proposed plan at a regular or special meeting. Notice of the public hearing shall be published in a newspaper of general circulation in the City at least two weeks prior to the date of the public hearing, as required by Section 7-53-312(g) of the Act. After such public hearing, if the Board determines that the economic impact plan substantially complies with the Act and these Policies and Procedures, it will submit the economic impact plan to the City Council and, if applicable, the County Commission for consideration and approval. The submission shall include a summary of any comments from the public hearing on the proposed plan and any additional information that the Board deems relevant.

3.7. Approval by Taxing Authorities. Upon approval of an economic impact plan by the Board, the plan will be promptly submitted to the City Council and, if applicable, the County Commission for consideration. If City Council approves the plan but County Commission is requested to approve the plan and fails to do so, the Board will not proceed with tax increment financing unless a revised plan is approved by the Board in the manner described above that only allocates the City's incremental property tax revenues and such revised plan is again approved by the City Council.

3.8. Financing Documents. If the City Council and, if applicable, the County Commission approve the economic impact plan, the Applicant and the Board will use their best efforts to consummate the tax increment financing. In connection with any tax increment financing, the Applicant and the Board will enter into a Development and Financing Agreement. The Development and Financing Agreement will provide for the expenditure of the proceeds of the tax increment financing in compliance with the plan and provide for such other covenants as the Board deems necessary to protect the interests of the Board, the City and, if applicable, the County. Any tax increment financing shall be non-recourse as to the Board and payable solely from incremental property tax revenues, and all financing documents shall be subject to the review and approval of the Board's counsel and bond counsel.

Any tax increment financing shall close within one (1) year after approval of the economic impact plan by City Council. If the closing does not occur within such period, unless extended by the Board, the Applicant will be deemed to have withdrawn its Application, and all approvals by the Board will lapse and be of no further force or effect.

3.9. Approval by Board. Notwithstanding anything to the contrary herein, the Board may elect to consider a proposed economic impact plan without appointing an Application Review Committee and without the Application Review Committee or the Board having first reviewed and approved the application for the economic impact plan and without the Application Review Committee having first reviewed and approved the proposed economic impact plan.

Section 4. Policies for Tax Increment Financing

The following policies shall apply with respect to the issuance of tax increment financing by the Board. The Board will not submit an economic impact plan to the City Council of the City that does not comply with these policies unless (a) the policy in question is waived by the Board at the time an initial resolution is adopted approving further action on an Application or (b) the Board is specifically directed to do so by the City Council.

4.1. ~~Maximum Term. The maximum~~Allocation Period for any. No allocation of tax increment ~~financing will be 20 years from the April 1 following the expected completion of the Project within the Plan Area; provided, however, the Board, in its sole discretion, may approve a maximum period of up to 30 years as provided in the Act.~~revenues shall be made with respect to any property for a period of more than twenty (20) years, unless both the Commissioner and the Comptroller have made a written determination that a longer period is in the best interest of the State of Tennessee.

4.2. Eligible Costs. Under the Act, tax increment financing may be issued by the Board to finance any costs of a qualifying project. The costs of a qualifying project include any cost of any land, real property and personal property that are deemed necessary by the Board to be incurred in connection with a qualifying project. Therefore, any financed costs must have a direct relationship to a qualifying project.

The Board has also determined that the proceeds of the tax increment financing may ~~only~~ be used to finance ~~Public Improvements that are qualifying costs of a Project or that constitute a qualifying project in and of themselves, such as wastewater facilities. "Public Improvements" for this purpose include the following: streets, roads, curbs, gutters, water facilities, wastewater facilities, electric facilities, public telecommunication facilities, natural gas facilities, storm drainage facilities, bridges, traffic signals, sidewalks, walking and running trails, public transportation facilities, retaining walls, lighting, public parking improvements and structures, fencing, landscaping, signage, and public parks.~~any costs specified

in Tenn. Code Ann. § 9-23-108, provided however, other than for land, improvements, or equipment utilized for public infrastructure, the proceeds from tax increment financing may not be used for privately-owned land, improvements, or equipment, or for other purposes authorized by Tenn. Code Ann. § 7-53-101, et seq., but not specified in Tenn. Code Ann. § 9-23-108, unless both the Commissioner and the Comptroller have made a written determination that the use of tax increment revenues for such purposes is in the best interest of the State of Tennessee.

~~The eligible expenses that may be financed in connection with Public Improvements include:~~

- ~~(i) costs incurred for construction of Public Improvements, including clearing, grading, excavating, site work, and other hard construction expenses;~~
- ~~(ii) costs of acquiring property on which the Public Improvements will be located;~~
- ~~(iii) capitalized interest to the extent permitted by the Act;~~
- ~~(iv) premiums for payment and performance bonds relating to the construction of Public Improvements;~~
- ~~(v) professional fees for architectural and engineering services relating to the construction of Public Improvements;~~
- ~~(vi) other items that can be capitalized as an expense of the Public Improvements and that are approved by the Board; and~~
- ~~(vii) fees and expenses of the Board and other fees and expenses related to the tax increment financing.~~

4.3. Minimum Percentage of Cost and Minimum Size. The amount of the tax increment financing shall not exceed 20% of the total Project cost. The Applicant must also reasonably anticipate an investment of at least \$5,000,000 in capital expenditures with respect to the Project, without taking into account any costs financed with tax increment financing.

Section 5. Fees and Expenses of Board

5.1. Application Fee. The Applicant will submit the Application with an Application Fee in an amount equal to one half of one percent (1/2%) of the requested principal amount of the tax increment financing; provided, however, the Application Fee shall not exceed \$10,000. The Board may agree to amend or reduce any such fee or fees upon the request of an Applicant in connection with the approval of any economic impact plan.

5.2 Expenses relating to Preparation of the Plan. The Applicant shall pay all expenses, including attorney's fees, incurred by the Board in connection with the preparation of an economic impact plan, whether or not such plan is approved and whether or not the plan is prepared by or on behalf of the Board or the Applicant. The Board may require that these expenses be paid in advance.

5.3 Expenses Relating to Tax Increment Financing. The Applicant shall pay all expenses, including attorney's fees, incurred by the Board in connection with any proposed tax increment financing, whether or not such financing is closed. The Board may require that these expenses be paid in advance of any Board action with respect to a tax increment financing.

5.4 Annual Administrative Fee. To reimburse the Board for its administrative expenses in connection with administering the tax increment financing, the Board shall retain an annual Administrative Fee in an amount equal to one quarter of one percent (1/4%) of the principal amount of the tax increment financing from any tax increment revenues allocated to the Board pursuant to an economic impact plan. The Board may agree to amend or reduce any such fee or fees upon the request of an Applicant in connection with the approval of any economic impact plan. In no event shall the fee payable pursuant to this section exceed \$5,000 in any year.

5.5 Amendments. The Applicant will pay all expenses, including attorney's fees, incurred by the Board in connection with any Amendments to an economic impact plan or to any documents entered into in connection with a tax increment financing. The Board may require that these expenses be paid in advance of any Board action.

Section 6. Definitions

For purposes of this Program, including the Application, the following terms shall have the following meanings:

"Amendment" means an amendment to an existing economic impact plan.

"Applicant" means the Person submitting the Application for tax increment financing. The Applicant shall be the Person that is expected to be an initial owner of all or a portion of the Project that is within a Plan Area.

"Application" means the Application submitted hereunder in the form designated by the Board and as amended from time to time. The initial form of the Application is attached hereto as Exhibit A.

"Application Review Committee" means a committee of members of the Board formed for the purpose of reviewing Applications, economic impact plans and related documents.

"Development and Financing Agreement" means the Development and Financing Agreement between the Board and the Applicant or similar agreement or contract providing for the expenditure of the proceeds of any tax increment financing and related matters.

"Person" means any individual, sole proprietorship, corporation, limited liability company, association, partnership (general, limited, or limited liability partnership), organization, business, trust, individual and governmental entity.

"Plan Area" means the area subject to an economic impact plan.

"Project" means a project within the meaning of Section 7-53-101(11) of the Act that is within a Plan Area

"Project Area" means the parcel or parcels of real property on which the Project will be located.

~~**"Public Improvements"** has the meaning assigned to it in Section 4.2.~~

EXHIBIT A TO TAX INCREMENT FINANCING PROGRAM

TAX INCREMENT FINANCING APPLICATION FORM

TAX INCREMENT FINANCING APPLICATION

Please return the completed application and supporting documentation to:

The Industrial Development Board for the City of Oak Ridge, Tennessee
200 South Tulane Avenue
Oak Ridge, Tennessee 37830

I. Applicant Information

1. Name of Applicant: _____

2. Business Name and Address: _____

State of Organization (if an entity): _____

3. Contact Person: _____

Phone Number: _____

Fax Number: _____

E-Mail Address: _____

4. Website of Applicant (if any): _____

5. Type of Business Entity: Sole Proprietorship Limited Partnership
 For-Profit Corporation General Partnership
 Limited Liability Company Nonprofit Corporation

6. Development Team

Please list the business name, contact person, address, phone number and email address for the following members of the Applicant's development team for the Project (if not known, please so indicate):

Contractor: _____

Architect/Engineers: _____

Attorney: _____

II. Project Information

7. Provide the parcel number(s) of the Project Area and attach a map showing such parcels (if the Project Area does not include specific parcels, show Project Area on an attached map):

8. Does the Applicant currently own or lease the Project Area? (Check one)

Own Lease Neither

9. Evidence of Site Control:

- A. If the Applicant owns the Project Area, attach a copy of the Applicant's deed.
- B. If the Applicant has a contract or option to purchase the Project Area, attach a copy of the agreement or option contract.
- C. If the Applicant currently leases or will lease the Project Area, attach a copy of the lease or lease option contract.

10. Project Narrative (Provide a brief description of the qualifying project that will be located within the Plan Area):

11. If the Project is to be leased to tenants, identify tenants or, if tenants are not known, describe types of tenants to which the Project will be marketed:

III. Tax Increment Financing

12. Indicate the maximum amount of tax increment financing requested. \$ _____

13. Indicate maximum maturity of requested tax increment financing: _____ years following completion of the Project

14. Has any other government assistance (tax incentives, contributions or other economic benefits) been requested by the Applicant to assist with the Project? (Check one): Yes No

If yes, describe the type, source, and amount of assistance requested:

15. Provide a list of all properties comprising the Plan Area by parcel identification number, along with the current tax assessment and taxes paid or payable for the prior tax year for each parcel (attach additional sheets if necessary).

Parcel Identification Number	Assessed Value	Taxes
_____	_____	_____
_____	_____	_____
_____	_____	_____

-
16. For each parcel in the proposed Plan Area that is not within the Project Area, if any, explain how the Project will benefit such parcel:

17. Attach a detailed budget for the Project showing anticipated sources of funds to pay Project costs and anticipated uses of those funds.
18. Attach a detail list of the anticipated uses of proceeds of the tax increment financing.

IV. Supplemental Information

Please attach to this Application the following:

- Brief business history of the Applicant
- Resumes of all owners and officers of Applicant
- Project timetable for the Project
- Site Plan of Project Area (if available)
- Rendering of Project (if available)
- Survey of Project Area (if available)
- Map of the Plan Area showing parcels included

V. Representations of Applicant

1. By executing this Application, Applicant hereby represents, certifies and agrees as follows:

(a) The Project, including the Public Improvements, would not result in a reasonable rate of return on investment to the Applicant without the use of tax increment financing, and the Applicant would not undertake the Project as described in this Application unless tax increment financing is available to finance eligible costs of Public Improvements.

(b) The undersigned Applicant hereby agrees that the Applicant shall meet with a designated member of the Board or the Board's designee, upon request, to answer any questions that may arise in connection with the Board's review of this Application and that Applicant shall provide to the Board or the Board's designee, upon request, any supplemental information requested in connection with the Board's review of the Application, including, without limitation, such financial information as the Board may request in order to determine that the Project would not be undertaken without tax increment financing.

(c) The Applicant shall pay all fees and expenses required by Section 5 of the Policies and Procedures of the Board relating to the tax increment financing.

(d) The Applicant shall indemnify and hold harmless the Board, its employees, officers, directors, attorneys and consultants against all losses, costs, damages, expenses (including reasonable attorney's fees), and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the acceptance, consideration, approval or disapproval of this Application for tax increment financing.

VI. Signature

The undersigned Applicant affirms that the information provided in this Application is true and complete. The Applicant hereby confirms that the Applicant has read and understood the requirements in the Policies and Procedures of the Board relative to tax increment financing.

Applicant: _____

Signed: _____ Date: _____, 20_____

Title (if Applicant is an entity): _____

6553178.5

Summary Report:	
Litera Change-Pro ML 6.5.0.369 Document Comparison done on 10/8/2013 10:58:06 AM	
Style Name: Donna	
Original Filename:	
Original DMS: iw://BBSLIBRARY/BBS/6553178/5	
Modified Filename:	
Modified DMS: iw://BBSLIBRARY/BBS/6553178/6	
Changes:	
<u>Add</u>	12
Delete	38
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Total Changes:	50

RESOLUTION

A RESOLUTION APPROVING AN AMENDMENT TO THE *INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE, TENNESSEE TAX INCREMENT FINANCING PROGRAM POLICIES AND PROCEDURES* APPROVED BY RESOLUTION 12-112-11.

WHEREAS, by Resolution 12-112-11, City Council approved the *Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures* for continued use by the IDB with the Tax Incentive Policy; and

WHEREAS, at its October 7, 2013 meeting, the IDB unanimously voted to approve an amendment to the Policies and Procedures to conform the provisions to the Uniformity in Tax Increment Financing Act of 2012 codified in Tennessee Code Annotated §§9-23-101 et seq. and to give the IDB authority to amend or reduce the fees set out in Section 5.1 and Section 5.4 and to cap the administrative fee set out in Section 5.4 at \$5,000.00; and

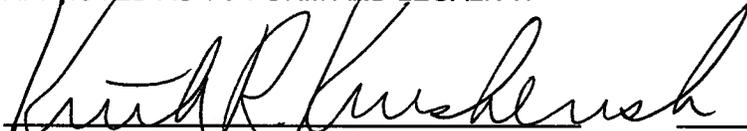
WHEREAS, the IDB recommends approval of the attached Amendment No. 1 to the *Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures*.

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

That the recommendation of the Oak Ridge Industrial Development Board (IDB) is approved and the attached Amendment No. 1 to the *Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures* is hereby approved for continued use by the IDB with the Tax Incentive Policy.

This the 14th day of October 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF OAK RIDGE, TENNESSEE**

**AMENDMENT NO 1 TO TAX INCREMENT FINANCING PROGRAM
POLICIES AND PROCEDURES**

WHEREAS, The Industrial Development Board of the City of Oak Ridge (the "Board") adopted its Tax Increment Financing Program Policies and Procedures (the "TIF Policy") on March 3, 2008, which was approved by the Oak Ridge City Council (the "City Council") on April 21, 2008 pursuant to Resolution No. 4-33-08; and

WHEREAS, the Board at its December 5, 2011 meeting unanimously requested that the Oak Ridge City Council approve the continued use of the TIF Policy, which approval was granted by the City Council on December 12, 2011 pursuant to Resolution No. 12-112-11; and

WHEREAS, Section 4.2 of the TIF Policy provides that the proceeds of the tax increment financing may only be used to finance "Public Improvements" which is defined to include streets, roads, curbs, gutters, water facilities, wastewater facilities, electric facilities, public telecommunication facilities, natural gas facilities, storm drainage facilities, bridges, traffic signals, sidewalks, walking and running trails, public transportation facilities, retaining walls, lighting, public parking improvements and structures, fencing, landscaping, signage, and public parks; and

WHEREAS, in 2012, the Tennessee General Assembly adopted the Uniformity in Tax Increment Financing Act of 2012, codified at Tenn. Code Ann. §§ 9-23-101, *et seq.* (the "TIF Uniformity Act"), which specified the permitted uses for the proceeds from tax increment financing and required the approval of both the Commissioner of the Tennessee Department of Economic and Community Development (the "Commissioner") and the Comptroller of certain uses thereof; and

WHEREAS, Tenn. Code Ann. § 9-23-108 provides that the proceeds from tax increment financing may be utilized to pay public infrastructure costs, the costs of acquisition of a project site, the cost of improvements to a project site, including but not limited to, demolition, clearing, grading, utility connections to public or private utilities, buildings constructed on a project site, equipment located on a project site, architects and engineering costs for the design of any improvements to a project site, access drives on a project site, landscaping for a project site, and stormwater facilities on a project site, the costs of issuance of bonds or notes relating to the foregoing costs or debt service related to the foregoing costs, provided however, other than for land, improvements, or equipment utilized for public infrastructure, the proceeds from tax increment financing may not be used for privately-owned land, improvements, or equipment, or for other purposes authorized by Tenn. Code Ann. § 7-53-101, *et seq.*, but not specified in Tenn. Code Ann. § 9-23-108, unless both the Commissioner and the Comptroller have made a written determination that the use of tax increment revenues for such purposes is in the best interest of the State of Tennessee; and

WHEREAS, Tenn. Code Ann. § 9-23-102(15) provides that “public infrastructure” is defined in as “roads, streets, publicly-owned or privately-owned parking lots, facilities or garages, traffic signals, sidewalks or other public improvements that are available for public use, utility improvements and storm water and drainage improvements, whether or not located on public property or a publicly-dedicated easement, that are necessary or desirable, as determined by the tax increment agency”; and

WHEREAS, Tenn. Code Ann. § 9-23-104 provides that no allocation of tax increment revenues shall be made with respect to any property for a period of more than twenty (20) years, unless both the Commissioner and the Comptroller have made a written determination that a longer period is in the best interest of the State of Tennessee; and

WHEREAS, the Board desires to amend the TIF Policy to conform to the provisions of the TIF Uniformity Act; and

WHEREAS, the Board further desires to modify certain other procedures and requirements found in the TIF Policy.

NOW THEREFORE, THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE AMENDS ITS TAX INCREMENT FINANCING PROGRAM POLICIES AND PROCEDURES AS FOLLOWS:

1. The fifth paragraph of Section 2 of the TIF Policy is hereby amended by deleting the first sentence and replacing it with the following:

Pursuant to the Act, incremental revenues as to any property may be allocated to the Board for a period not more than twenty (20) years, unless both the Commissioner and the Comptroller have made a written determination that a longer period is in the best interest of the State of Tennessee.

2. Section 3 of the TIF Policy is hereby amended by adding the following as a new subsection 3.9:

3.9. Approval by Board. Notwithstanding anything to the contrary herein, the Board may elect to consider a proposed economic impact plan without appointing an Application Review Committee and without the Application Review Committee or the Board having first reviewed and approved the application for the economic impact plan and without the Application Review Committee having first reviewed and approved the proposed economic impact plan.

3. Section 4.1 of the TIF Policy is hereby deleted and replaced with the following:

4.1 Maximum Allocation Period. No allocation of tax increment revenues shall be made with respect to any property for

a period of more than twenty (20) years, unless both the Commissioner and the Comptroller have made a written determination that a longer period is in the best interest of the State of Tennessee.

4. The second paragraph of Section 4.2 of the TIF Policy is deleted and replaced with the following:

The Board has also determined that the proceeds of the tax increment financing may be used to finance any costs specified in Tenn. Code Ann. § 9-23-108, provided however, other than for land, improvements, or equipment utilized for public infrastructure, the proceeds from tax increment financing may not be used for privately-owned land, improvements, or equipment, or for other purposes authorized by Tenn. Code Ann. § 7-53-101, *et seq.*, but not specified in Tenn. Code Ann. § 9-23-108, unless both the Commissioner and the Comptroller have made a written determination that the use of tax increment revenues for such purposes is in the best interest of the State of Tennessee.

5. Sections 5.1 and 5.4 of the TIF Policy are hereby amended to add the following sentence at the end of each such Section:

The Board may agree to amend or reduce any such fee or fees upon the request of an Applicant in connection with the approval of any economic impact plan.

6. Section 5.4 of the TIF Policy is hereby further amended to add the following sentence after the sentence added by the prior Section:

In no event shall the fee payable pursuant to this section exceed \$5,000 in any year.

7. All the terms and conditions of the TIF Policy that are inconsistent herewith are hereby deleted, and all other terms and conditions of the TIF Policy that are not inconsistent herewith shall remain and continue in full force and effect.

INFORMATION SERVICES MEMORANDUM
13-07

TO: Mark S. Watson
City Manager

FROM: Amy Fitzgerald, Ph.D.
Governmental Affairs & Information Services Director

DATE: September 27, 2013

SUBJECT: 2014 STATE AND FEDERAL LEGISLATIVE AGENDA

Introduction

An item for the October 14th City Council agenda is the approval of the *City of Oak Ridge 2014 State and Federal Legislative Agenda*. The resolution also authorizes transmittal to members of the Tennessee General Assembly and the Tennessee Congressional Delegation as the official 2014 state and federal legislative agenda for the City of Oak Ridge.

Background

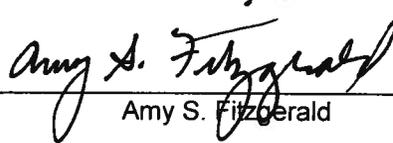
Each year the City develops a list of projects, policies, and priorities that are submitted to our representatives in the Tennessee General Assembly and the Tennessee Congressional Delegation to assist them in advocating on behalf of the City of Oak Ridge.

The draft was developed with an emphasis on current City initiatives, Council and staff input, and a review of agendas of other key organizations. In addition, staff worked with the city's state and federal legislative consultants.

While the agenda is intended to be comprehensive, as you know, issues may arise that require further action during the course of the year. Once approved, the agenda will be printed and distributed to the appropriate officials.

Recommendation

Staff recommends approval of the resolution.

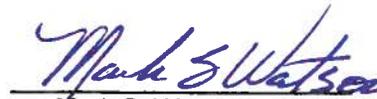


Amy S. Fitzgerald

Attachments

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson 10-2-13
Date

RESOLUTION

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

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

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

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

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

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

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

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

This the 14th day of October 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk



City of Oak Ridge, Tennessee 2014 State and Federal Legislative Agenda

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

2014 City of Oak Ridge, Tennessee State Legislative Agenda

Legislative Priorities

Project/Issue	Responsible Agency/Organization	Issue/Action Needed
Funding for Oak Ridge School System	General Assembly and Tennessee Department of Education	<p>Background: The Oak Ridge educational system is a key asset to the State of Tennessee and to the Oak Ridge community. The City and School administrations are required to collaborate to achieve greater efficiency and effectiveness in the delivery of municipal services and K-12 education while state and local funding sources decrease. Problem: Continued reductions/elimination of Halls tax, economic recession and varied fluctuations in sales tax collections, are placing enormous pressures on Oak Ridge property taxpayers to fund K-12 according to the current formula for school funding. The Basic Education Program (BEP) formula is complex and does not accommodate needed flexibility for communities like Oak Ridge, whose student population and economy may experience significant fluctuation based on an economy dependent on federal government programs. The existing local capacity measure does not adequately represent the significant per pupil expenditure invested by communities like Oak Ridge. Further, unfunded education mandates imposed by the federal and state governments are having significant, adverse financial impacts at the local level.</p> <p>Action needed: Initiate efforts to improve, clarify and modify relevant provisions of state law allowing for BEP to accommodate adjustments based on economic</p>

		<p>fluctuations at the local level. In conjunction with other Tennessee City-funded school systems, recognize and modify the existing local capacity model to recognize/reward communities that invest above the state average in education. Support school board efforts to oppose election of school superintendents.</p>
<p>Homeowners Bill of Rights</p>	<p>General Assembly</p>	<p>Background: Homeowners associations (HOAs) are established in order to: (1) define and maintain common space of planned residential developments; and (2) protect individual property owners through implementation of agreed upon rules and standards designed to facilitate the beneficial value and use of one’s property. Homes are typically the single, largest investment made by individuals and families; maintenance of neighborhood assets through HOAs is critical to protect a homeowner’s investment. Thus, HOAs are important institutions to work with local governments in order to maintain overall property values by protecting the assessed values of homeowners. Problem: Typical HOAs delegate <i>one vote per owner of each parcel</i> in the development, when in many instances values of constructed homes exceed the values of undeveloped lots. Given the national recession of the past five years, vacant, overgrown lots are prevalent in many planned developments, oftentimes owned by a single person, banks, LLCs or another entity that has majority control over HOA membership. Such situations: (1) impact values of properties if the HOA is not allowed to function due to controls; (2) are problematic for HOAs, which must vote on enforcement of standards and budget for routine maintenance and upkeep of vacant and common properties; (3) infringe upon the rights of individual property owners who may lose assessed value, cannot</p>

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		<p>enjoy and/or resell their property; and (4) are costly to local governments, which repeatedly engage lot owners in response to complaints from frustrated homeowners requesting enforcement on unresponsive owners, banks, and speculators. Action needed: Urge the General Assembly to pass legislation that would elevate and protect the rights of home/property owners in situations where a majority of HOA votes are held by an individual/entity not maintaining their property according to HOA rules, resulting in a potential loss of overall assessed value. Such action would allow local governments to establish a value-based system instead of a lot-based system to ensure HOA viability.</p>
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Projects, Positions, Activities

Project/Issue	Responsible Agency/Organization	Issue/Action Needed
Oak Ridge General Aviation Airport	Tennessee Department of Transportation (TDOT) Aeronautics Division	<p>Background: The Metropolitan Knoxville Airport Authority is completing preliminary planning for the development of a general aviation airport at the East Tennessee Technology Park in Oak Ridge. Benefits include: Enhanced aviation opportunity will support regional population growth, job creation, and economic and community development for “megaprojects” in Oak Ridge; increased access for business community and reduce congestion at general aviation airports in the region. Action needed: Support funding through TDOT all for phases of study and planning; support inclusion in the National Plan of Integrated Airport Systems (NPIAS); and support land transfer to the Metropolitan Knoxville Airport Authority.</p>

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Project/Issue	Responsible Agency/Organization	Issue/Action Needed
Manhattan Project National Historical Park	General Assembly, Tennessee Historical Commission, and Tennessee Department of Tourism	<p>Background: Federal legislation to establish the Manhattan Project National Historical Park in Oak Ridge, TN, Los Alamos, NM, and Hanford, WA (three sites, one park concept) was passed by the U.S. House of Representatives in June 2013 and awaits consideration by the U.S. Senate. The State House and State Senate adopted resolutions of support in 2012 and 2013.</p> <p>Benefits include: Historical preservation and interpretation by the National Park Service of one of most significant events in Tennessee and American history.</p> <p>Action needed: Continue State support of federal legislation to establish the national park.</p>
Uranium Processing Facility (UPF)	General Assembly and Tennessee Department of Economic and Community Development	<p>Background: The National Nuclear Security Administration (NNSA) is designing a new Uranium Processing Facility (UPF) at the Y-12 site in Oak Ridge. The UPF is slated to be one of the largest construction projects in state history, with hundreds of suppliers needed to procure building materials, specialized machinery, and customized parts. The City of Oak Ridge is working with NNSA and state officials on local planning, infrastructure, and logistical issues, and also recruitment of suppliers and manufacturers to Oak Ridge. Benefits include: Supports future mission of the Y-12 National Security Complex, one of the state’s largest employers; provides significant risk reduction to workforce and community; provides major long-term economic development opportunity for the state, region, and community. Action needed: Urge the General Assembly to learn about the UPF project and its benefits, and to support incentives for private sector investment in areas such as workforce development, infrastructure programs, and brownfield reuse. Urge the Department of Economic and Community Development to</p>

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Project/Issue	Responsible Agency/Organization	Issue/Action Needed
		continue to invest in and facilitate recruitment of industries and suppliers into Oak Ridge.
Not in Our City Land Bank Program	General Assembly and Tennessee Housing Development Agency	<p>Background: Legislation was approved by General Assembly in 2012 for a City of Oak Ridge pilot program, which was featured in a recent Tennessee Advisory Commission on Intergovernmental Relations report on blight. The City is developing guidelines for implementation, including obtaining 501 status and defining housing goals. Tax credits from programs such as those administered by the Tennessee Housing Development Agency will be instrumental to the successful revitalization of Oak Ridge. Benefits include: Allows the City to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of urban property. Such programs are used in several states as a progressive way for cities to reclaim unused, vacant, or undesirable land for potential housing opportunities or public use. Action needed: Urge the General Assembly to continue support for the pilot program and to fund programs within THDA and other agencies that reduce blight and enhance community revitalization. Examine tax and fiscal policies in surrounding states that could enhance opportunities for private sector investment and redevelopment of brownfields and vacant, blighted properties for the benefit of Tennessee communities.</p>
Edgemoor Road (SR 170) Improvements—Phase 1	Tennessee Department of Transportation (TDOT)	<p>Background: With the cancellation of the Knoxville regional beltway project, congestion along this major thoroughfare continues to worsen with additional traffic load. TDOT Average Daily Traffic counts at the nexus of SR170, SR62, and SR162 are among the highest in the</p>

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Project/Issue	Responsible Agency/Organization	Issue/Action Needed
		region. The project has been added as to the regional mobility plan. Benefits include: Phase 1 from Solway to the bridge would improve safety, mitigate congestion, improve access to major employment sectors, and enhance commercial development. Action needed: Urge the Transportation Planning Organization and TDOT to formally integrate the project into the regional planning funding profile; continue to work on interpretation of cost sharing rules and rights-of-way inventory.
Recognize Local Decision Making Authority and Limited Financial Capacity	General Assembly	Action needed: Eliminate unfunded mandates and mandates that impose non-discretionary requirements on local governments.

TDEC Issues

Environmental Management Waste Management Facility Perpetual Care Fund and Need for Additional Disposal Capacity	Tennessee Department of Environment and Conservation (TDEC)	Background: The U.S. Department of Energy, the U.S. Environmental Protection Agency (EPA) and TDEC signed a Record of Decision in 1999 to construct the Environmental Management Waste Management Facility (EMWMF) to dispose of materials related to the cleanup of the Oak Ridge Reservation, which is located in the City of Oak Ridge. Under a consent order between DOE and the State of TN, DOE is paying the State \$18 million to establish a permanent trust fund for long-term surveillance and maintenance of the EMWMF after closure. Discussions are underway with TDEC regarding the need for a second waste disposal facility. Action needed: Establish TDEC requirement to provide an annual report to the City of Oak Ridge regarding the status and valuation of the current trust fund. Include the City in ongoing discussions regarding approving additional waste management and
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		disposal capacity in the city limits.
Financial Assurance for Hazardous Materials	Tennessee Department of Environment and Conservation (TDEC)	<p>Background: Owners and operators of certain businesses, including solid and hazardous waste storage facilities and processors of radioactive materials, are required by Tennessee law to provide proof that they have sufficient funds to pay for accidental releases, compensation of third parties for any damage to human health or property, and long-term maintenance and monitoring of closed sites. Problem: Local governments are concerned that the current basis for posting financial assurance is inadequate to protect host communities and local governments. Action needed: Modify the current financial assurance requirements so that: (1) financial assurance bonds are determined based on the risk associated with the licensed hazardous materials instead of square footage of the facility; (2) coverage for costs incurred by the host local governments is included and documented; and (3) financial assurance bonds are reviewed on a regular basis and adjusted for inflation.</p>
Natural Resources Damages Assessment (NRDA)	Tennessee Department of Environment and Conservation (TDEC)	<p>Background: The federal Superfund Law (CERLCA) allows State and Federal natural resource trustees to evaluate the ecological and human use impacts associated with contaminant releases from facilities at the Oak Ridge Reservation. The evaluation is used to document injuries sustained by natural resources in order to determine the damages and restoration activities that will compensate the public for losses resulting from such injuries. Problem: The ORR lies within the jurisdictions of the City of Oak Ridge, Roane and Anderson Counties. These jurisdictions are significantly impacted, yet not included in the trustee process or in pre-decisional discussions. As a result, major decisions have been, and continue to be made without representation by the affected local jurisdictions. Action</p>

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		<p>needed: Even though CERCLA does not specifically required the appointment of local government representatives, representation is not prohibited. The state should advocate inclusion of the local host governments in the NRDA trustee council and include the jurisdictions in every step of the decision making process.</p>
<p>Penalties and Fees for DOE Non-Compliance Should Restore Oak Ridge</p>	<p>Tennessee Department of Environment and Conservation (TDEC)</p>	<p>Background: The Federal Facility Agreement (FFA) between TDEC and DOE lacks a provision requiring that penalties imposed on DOE by the State of TN for violations, such as missing cleanup milestones on the Oak Ridge Reservation are used in the Oak Ridge area. Benefits include: Avoids penalizing the City of Oak Ridge, Anderson and Roane counties by redistributing environmental management resources from Oak Ridge Reservation projects so that remediation is not delayed. Action needed: Modification to FFA and other relevant policies to require that penalties, fees, and mitigation associated with CERCLA activities on the Oak Ridge Reservation are invested in environmental restoration in the affected jurisdiction(s).</p>
<p>Oak Ridge Reservation Communities Alliance (ORRCA)</p>	<p>Tennessee Department of Environment and Conservation (TDEC)</p>	<p>Background: The City and area county governments adopted the Tennessee Oversight Interlocal Agreement and formed the Oak Ridge Reservation Communities Alliance (ORRCA) in 2012. Benefits include: the new agreement and associated grant facilitates involvement of the affected local governments and public in decisions about DOE environmental management. Action needed: Continued cooperation and engagement to ensure local government involvement in federal and state cleanup decisions and emergency response planning.</p>

2014 City of Oak Ridge, Tennessee

Federal Legislative Agenda

Legislative Priorities

Project/Issue	Responsible Agency/Organization	Benefits/Action Needed
Manhattan Project National Historical Park	Congress and National Park Service	<p>Background: In 2012, the City, the Energy Communities Alliance and community representatives testified at House and Senate Committee hearings urging Congress to establish the Manhattan Project National Historical Park to protect and provide public access to Manhattan Project facilities at Hanford, Washington; Oak Ridge, Tennessee; and Los Alamos, New Mexico (three sites, one park concept). In June of this year, the House of Representatives approved the National Defense Authorization Act of 2014, which included an amendment to establish the Manhattan Project National Historic Park. The bipartisan amendment was offered by Chairman Doc Hastings (WA-04), Congressman Chuck Fleischmann (TN-03), and Congressman Ben Luján (NM-03). Benefits include: Historical preservation and interpretation of one of most significant events in Tennessee and American history. Action needed: Urge the Senate to pass legislation to establish the park and authorize development of management plan in consultation with the City.</p>
Uranium Processing Facility (UPF)	Congress and the National Nuclear Security Administration	<p>Complete design and start of construction on the Uranium Processing Facility at the Y-12 site in Oak Ridge. In 2012 the City of Oak Ridge provided testimony in support of the project at a public hearing in Knoxville. Benefits include: supports future mission of the Y-12 National Security Complex, one of the state’s largest employers; significant</p>

		<p>risk reduction to workforce and community; enhances Y-12 efficiencies; and reduces long-term costs. Action needed: Urge congressional delegation to support funding through National Nuclear Security Administration (NNSA); participate in federal and state planning efforts to facilitate project development and implementation.</p>
<p>Finish Cleanup of the Oak Ridge Reservation</p>	<p>Congress and NNSA/Environmental Management office, with support from Office of Science, OMB</p>	<p>Significant progress has been made in addressing environmental problems associated with ORR legacy waste. However, the trend over the past several years to reduce funding has resulted in a longer time horizon to complete environmental management projects, many times with negative results. The postponement of projects at the ETPP site, for example, is detrimental to the reindustrialization and economic diversification goals of the City and region. The City has invested significant resources in reindustrialization, with the anticipated return diminished because of a reduction in cleanup funds has stalled economic development efforts. “Mortgage” costs absorb resources that should be applied to additional cleanup. Benefits of increased funding include: risk reduction to nearby population, reduction in life cycle costs, enhanced safety for workers, retention of environmental professionals; supports regional economic diversification, facilitates Y-12 and ORNL modernization, reduces stigma associated with environmental legacy. Action needed: Urge DOE and OMB to request funding at levels needed to complete timely cleanup of the Oak Ridge Reservation. Urge congressional delegation to support appropriations at the level needed to complete site cleanup. Cleanup solutions should minimize risk to Oak Ridge and avoid long-term institutional controls that stigmatize community.</p>

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<p>Marketplace Fairness Act</p>	<p>Congress</p>	<p>Background: In 1992 the Supreme Court’s decision in <i>Quill Corp. v. North Dakota</i>, 504 U.S. 298 (1992) ruled that states could not require out-of-state catalogs or online businesses to collect sales tax because it was too complicated to calculate sales taxes in each state and in individual communities. As a result, state and local governments across the nation have been unable to collect sales taxes on catalog and Internet purchases made by citizens in their states and in cities and towns. Problem: The National League of Cities estimates that the State of Tennessee and its local governments lost a combined \$748 million in sales tax on e-commerce in 2012. In addition, small businesses, Main Street and local retailers in Oak Ridge and throughout Tennessee have operated at nearly a 10 percent competitive price disadvantage to remote sellers. Action needed: Urge the congressional delegation to pass the Marketplace Fairness Act, which will benefit Oak Ridge businesses by putting Main Street retailers on an equal footing with Internet sellers, and granting individual states the authority to streamline their sales tax laws and collect sales taxes directly from online retailers.</p>
<p>Preservation of the Tax-Exempt Status of Municipal Bonds</p>	<p>Congress</p>	<p>Background: Tax-exempt municipal bonds are the primary means by which state and local governments finance critical infrastructure across the nation, including roads, bridges, hospitals, schools, and utility systems. Under current law, the owners of municipal bonds are not required to pay federal income tax on the interest income they receive from the bonds. Municipalities, including the City of Oak Ridge, benefit from this tax exemption through substantial savings on the interest cost of borrowed money. Problem: Congress continues to consider a number of options to reduce the federal deficit. One</p>

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		option Congress is evaluating would reduce, eliminate, or phase out the exemption on municipal bond interest. President Obama’s Fiscal Year 2014 Budget Proposal recommends capping the tax exemption of municipal bonds at 28%. Action needed: Urge Congress to strongly oppose any efforts by Congress or the Administration to reduce or eliminate the tax exemption on municipal bond interest.
Budgetary and Appropriations Process	Congress	Problem: The economy of Oak Ridge and the surrounding region are significantly impacted by federal programs. Action needed: Urge Congress to pass timely budgets and appropriations to avoid major impacts on the City of Oak Ridge, its citizens, businesses, and government employers.

Administrative Priorities

Project/Issue	Agency/ Program Office	Benefits/Action Needed
Rebuild Water/Wastewater Infrastructure to Support City Compliance with EPA Administrative Order	U.S. Environmental Protection Agency (EPA), U.S. Department of Energy (DOE)	The City of Oak Ridge is under an EPA Administrative Order to correct violations of the Clean Water Act for inflow and infiltration. DOE is the City’s largest customer, and needs to continue to budget and set aside funding to repair its systems on the Oak Ridge Reservation. Action needed: Continued cooperation with DOE on financing needed projects such storm water retention basins and raw water pumping stations. EPA to agree to a more flexible timeline for implementation of the Order, avoiding significant financial impacts to citizens.
Small Modular Reactor	DOE Office of Nuclear Energy	Action needed: Coordination with DOE, Oak Ridge, the Tennessee Valley Authority, and Nuclear Regulatory Commission to ensure proper implementation of grant funding and project development. Consult with the City regarding the possible development of a visitor’s center

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Project/Issue	Agency/ Program Office	Benefits/Action Needed
		associated with the project.
Partnership with Oak Ridge Library	DOE and National Park Service	Action needed: Secure support for joint project with Oak Ridge Library. Project would include mutual support, mutual benefits, and shared responsibilities with the National Park Service.
ETTP Site Interpretation	DOE EM, NNSA	Action needed: Begin implementation of Section 106 commitment from DOE for dual use of Oak Ridge Fire Station #4, with building use for normal Fire Department operations and needs and space dedicated for site historical interpretation.
Timely, Cost Effective Land Transfers	DOE EM, Science, NNSA, and OMB	The Economic Development process requires fast response at the local level to transfer and acquire real property. In some cases, transfer of DOE property has taken in excess of 400 days or has not occurred. Action needed: Resolve problems in order to expedite transfer of surplus land and brownfields to the City for the purposes of economic development, at no, or extremely low cost, and with necessary indemnification.
Penalties and Fees for Non-Compliance Should Restore Oak Ridge	DOE in conjunction with State of TN	Action needed: Need to modify Federal Facility Agreement to require that penalties, fees, and mitigation associated with CERCLA activities in the City of Oak Ridge be invested in environmental restoration in the City of Oak Ridge. Current requirements penalize the City of Oak Ridge.
Contract Renewals and Rebids	DOE and NNSA, Small Business Administration	Action needed: Incentivize contractors to invest in Oak Ridge community. Benefits include live where you work, expansion of local tax base to support municipal services, quality of life, and enhance economic diversification. Work with SBA to identify resources for training and support for local workforce needed for UPF and other DOE projects.
DOE Reorganization	Headquarters and OR Site Office	Action needed: Ensure access and accountability for Oak Ridge Site Office to protect investment and missions.

UNAPPROVED WORKING DRAFT – 10/7/13

Project/Issue	Agency/ Program Office	Benefits/Action Needed
		Enhance communications among DOE offices and with Oak Ridge community.