

OAK RIDGE CITY COUNCIL SPECIAL MEETING
Municipal Building Courtroom

April 9, 2007 – 6:30 p.m.

1. Call to Order - Mayor David R. Bradshaw

2. Pledge of Allegiance

3. Roll Call

4. Adoption of Ordinances (Second Reading)

AN ORDINANCE TO AMEND ORDINANCE NO. 2, TITLED "THE ZONING ORDINANCE OF THE CITY OF OAK RIDGE, TENNESSEE," BY AMENDING THE ZONING MAP WHICH IS MADE A PART OF THE ORDINANCE BY CHANGING THE ZONING DISTRICT OF ANDERSON COUNTY TAX MAP 105K, GROUP A, PARCEL 1.00, FROM RG-1, RESIDENTIAL, OPEN SPACE AND RESERVED, TO TND, TRADITIONAL NEIGHBORHOOD DEVELOPMENT; APPROVING THE TND MASTER PAN FOR *SOUTH HILLS DEVELOPMENT*; AND AMENDING THE COMPREHENSIVE PLAN'S LAND USE PLAN BY CHANGING THE DESIGNATION OF SAID PARCEL FROM P, PUBLIC, TO R, RESIDENTIAL.

AN ORDINANCE TO AMEND TITLE 15, TITLED "MOTOR VEHICLES, TRAFFIC AND PARKING," CHAPTER 5, TITLED "SPEED REGULATIONS," OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, BY DELETING SECTION 15-502, TITLED "MAXIMUM LIMIT WHEN PASSING SCHOOLS," AND SUBSTITUTING THEREFOR A NEW SECTION 15-502, TITLED "SCHOOL ZONE SPEED LIMITS," IN ORDER TO ALLOW THE ESTABLISHMENT OF SPECIAL SCHOOL ZONE SPEED LIMITS AND TO SET FORTH ENFORCEMENT REQUIREMENTS FOR SUCH SPECIAL SPEED LIMITS; AND BY AMENDING SECTION 15-511, TITLED "SPEED LIMIT SIGNS," BY DELETING THE LAST SENTENCE OF THE SECTION PERTAINING TO SIGNAGE FOR SCHOOL ZONES.

5. Resolution


A resolution requesting termination of the \$800,000 grant (Project No. 04-01-05475) received from the Economic Development Administration for roadway system improvements to support the development of the City Center project due to a lack of progress on the project by the developer in accordance with the terms of the grant agreement.

6. Adjournment

**COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM
PLANNING DIVISION
07-21**

DATE: March 2, 2007

TO: James O'Connor, City Manager

THROUGH: Kathryn Baldwin, Community Development Director 

FROM: Kahla Gentry, Senior Planner

SUBJECT: South Hills Rezoning, TND Master Plan and Land Use Plan Amendment

The Traditional Neighborhood Development (TND) Master Plan for South Hills was recommended for approval by the Planning Commission by a 10-0 vote on February 22, 2007. If approved by City Council, this action will rezone approximately 108.74 acres of the former South Hills golf course on Tuskegee Drive from RG-1, Residential, Open Space and Reserved to TND, Traditional Neighborhood Development. The rezoning will also require a Land Use Plan amendment from Public to Residential. The property is located on the south side of Tuskegee Drive, west of the Scarboro neighborhood. The Anderson County tax map identification number is Map105K, Group A, Parcel 001.00. If approved, the developer will then submit Subarea Master Plans and proceed through the Subdivision process to obtain Planning Commission approval prior to initiating construction on roads and utilities.

The procedure for a Traditional Neighborhood Development (TND) calls for a Master Plan drawing and associated Appendices, to be submitted and adopted by reference in the ordinance rezoning the property. This Master Plan becomes the governing document the staff and Planning Commission will administer through construction. The Master Plan includes various details including: approximate street locations and street sections; approximate lot layout and lot types showing the total number of housing units and density; amenities and neighborhood structures, and the general location and amount of open space. A variety of housing types are proposed, with the higher density apartments and townhomes being located at the front of the development. As one moves further into the development the lot sizes increase from Cottage and Carriage Lots to Estate Lots. The Master Plan Appendices present information on the design and character of the various housing types within each of the sub-areas along with conceptual illustrations and specified building materials.

A mixed-use Village Commercial area of approximately 8.8 acres is proposed on Tuskegee Drive. Potential uses within the Village Commercial area include small retail shops, offices and apartments. Live/work flex units may also be developed in this vicinity. Proposed amenities include trails, an open-air pavilion within a park with active recreation, a community center with outdoor activity area, and a community storage area for indoor and outdoor storage. The streets within the development will have street trees and sidewalks.

Alleys will provide access to garages on the rear of lots. The applicant has requested that the City accept dedication of the alleys. The Planning Commission and staff have recommended that the alleys remain private and not be dedicated to the City.

The South Hills Master Plan identifies two roads connecting with Tuskegee Drive providing two means of ingress and egress for the development. A traffic impact study has been completed and a summary statement of findings is shown on the Master Plan drawing. The only mitigation action recommended in the study is modifying the existing traffic signal at S. Illinois Avenue and E. Tulsa Road, providing right-turn overlap phases to the E. Tulsa Road approach.

The Planning Commission and staff recommend approval of the South Hills TND Master Plan with accompanying appendices and related Land Use Plan amendment. The Land Use Plan map designates the majority of the City's southwest quadrant as residential. The City's Comprehensive Plan supports a moderate and steady growth in households, particularly when new development is centralized and located contiguous to existing housing, allowing growth to occur in a logical, cost-effective manner. The Comprehensive Plan also encourages the use of planned unit development standards, as provided in the TND district as well as the PUD district, to encourage developments that respond to the natural constraints of the site with a high-quality design allowing higher density housing balanced with attractive open space and desirable amenities. The TND Master Plan for the South Hills development is responsive to these development goals of the City.

Kahla Gintey

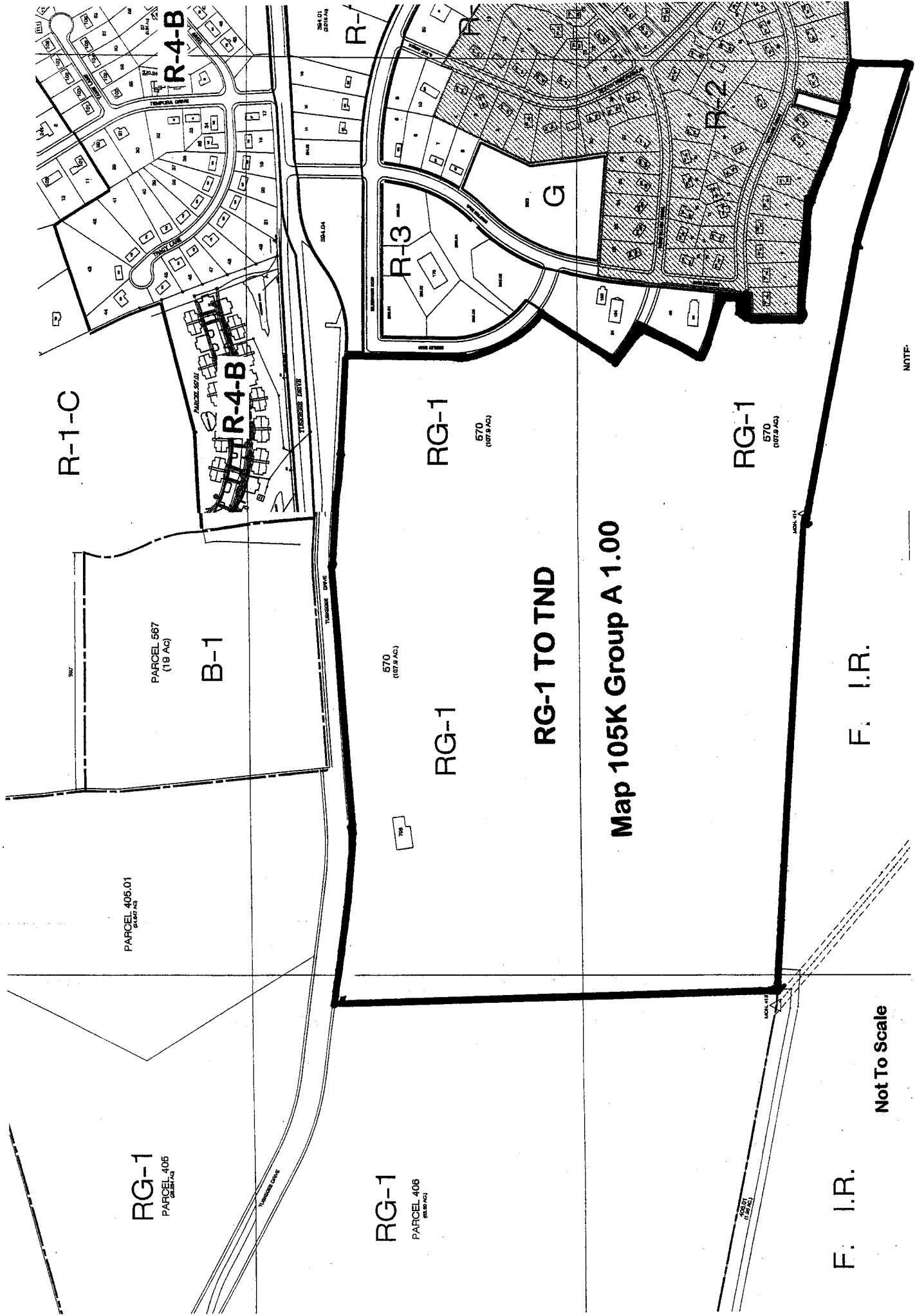
City Manager's Comments:

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

James R. O'Connor
James R. O'Connor

3/7/07
Date

South Hills Location Map



TITLE

AN ORDINANCE TO AMEND ORDINANCE NO. 2, TITLED "THE ZONING ORDINANCE OF THE CITY OF OAK RIDGE, TENNESSEE," BY AMENDING THE ZONING MAP WHICH IS MADE A PART OF THE ORDINANCE BY CHANGING THE ZONING DISTRICT OF ANDERSON COUNTY TAX MAP 105K, GROUP A, PARCEL 1.00, FROM RG-1, RESIDENTIAL, OPEN SPACE AND RESERVED, TO TND, TRADITIONAL NEIGHBORHOOD DEVELOPMENT; APPROVING THE TND MASTER PLAN FOR *SOUTH HILLS DEVELOPMENT*; AND AMENDING THE COMPREHENSIVE PLAN'S LAND USE PLAN BY CHANGING THE DESIGNATION OF SAID PARCEL FROM P, PUBLIC TO R, RESIDENTIAL.

WHEREAS, the following change has been submitted for approval or disapproval to the Oak Ridge Regional Planning Commission and the Commission has approved the same; and

WHEREAS, a public hearing thereon has been held as required by law.

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

Section 1. The district boundaries of the zoning map attached to and made a part of Ordinance No. 2, as amended, are revised as shown on the attached map and further described as follows:

<u>Property Description</u>	<u>Location</u>	<u>Present Zoning District</u>	<u>New Zoning District</u>
Anderson County Tax Map 105K, Group A, Parcel 1.00; 108.74 acres	Tuskegee Drive (former South Hills Golf Course property)	RG-1, Residential, Open Space and Reserved	TND, Traditional Neighborhood Development

Section 2. The change shall be imposed upon said map and shall be as much a part of Ordinance No. 2 as if fully described therein.

Section 3. The rezoning requires a major amendment to the Comprehensive Plan's Land Use Plan, and said Plan is hereby amended by changing the designation of Anderson County Tax Map 105K, Group A, Parcel 1.00, from P, Public to R, Residential.

Section 4. The Traditional Neighborhood Development Master Plan for *South Hills Development*, as submitted by South Fork Development, LLC, and as shown on the drawings submitted by Barge Waggoner Sumner & Cannon, Inc., and Brewer Ingram Fuller, Architects Inc., dated February 15, 2007, is hereby approved.

Section 5. This ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:


City Attorney

Mayor

City Clerk

Public Hearing: 3/19/07
 First Reading: 3/19/07
 Publication Date: 3/26/07
 Second Reading: _____
 Publication Date: _____
 Effective Date: _____

LEGAL DEPARTMENT MEMORANDUM
07-13

DATE: March 6, 2007

TO: James R. O'Connor, City Manager

FROM: Tammy M. Dunn, Senior Staff Attorney

SUBJECT: CITY CODE AMENDMENTS – SPECIAL SCHOOL ZONE SPEED LIMITS; ABILITY TO ENFORCE A 20 MPH SCHOOL ZONE SPEED LIMIT

An item for the agenda is an ordinance to amend the City Code pertaining to school zones.

All school zones within the City of Oak Ridge are currently designated as fifteen (15) mile per hour zones pursuant to City Code §15-502. Further, pursuant to City Code §15-511, signs are not required for school zones in order to enforce the 15 mph speed limit.

Recently, the City has determined that a twenty (20) mile per hour school zone speed limit is warranted on the Oak Ridge Turnpike for the Oak Ridge High School. The process for public notice of this change has begun and signs have been posted with flashing lights to indicate the times of operation for the new school zone.

Establishment of a twenty (20) mph school zone speed limit is authorized by Tennessee Code Annotated §55-8-152(d)(1)(A). Pursuant to Tennessee Code Annotated §55-8-152(d)(1)(A), a municipality may enact a special speed limit on a public road – except for controlled access highways – adjacent to school grounds that are devoted primarily to normal school day activity provided the following conditions are met:

1. The special speed limit may not be less than fifteen (15) mph.
2. The special speed limit must be based upon an engineering investigation.
3. The special speed limit may only be enforced when proper signs are installed, when a warning flasher or flashers are in operation, and only when children are actually present.

In order to begin enforcement of the new school zone on the Oak Ridge Turnpike, an amendment to City Code §15-502, Maximum limit when passing schools, is necessary to reflect the ability to establish a twenty (20) mph school zone speed limit and to require proper signage, as well as the other requirements for enforcement of the special speed limit. The attached ordinance provides the necessary amendment to the City Code to allow establishment and enforcement of school zones that have a designated special speed limit other than 15 mph. For school zones that are not subject to a special speed limit, the school zone limit will remain at 15 mph under State law. As you can see from the bold-strikethrough version of the proposed ordinance changes, enforcement of the 15 mph school zone speed limit varies depending on whether the posted sign is equipped with a warning flasher.

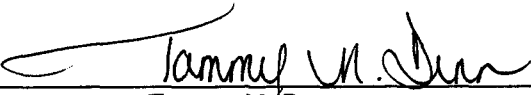
In addition to the amendment to City Code §15-502, an amendment to City Code §15-511 is necessary to eliminate the language that allows a school zone speed limit to be enforced without proper signage. The attached ordinance deletes the last sentence of City Code §15-511, Speed limit signs, which reads as follows:

This section shall not apply to the limits established by §15-502, and no signs shall be required for the enforcement of such section.

While such language is only required to be deleted for special speed limits established pursuant to Tennessee Code Annotated §55-8-152(d)(1)(A), a determination was made to eliminate this sentence entirely. Deletion of this sentence will require proper signs to be posted in order to enforce any school zone speed limit, special or otherwise, so that the public will be placed on notice when a lower speed limit is in effect for a school zone.

If the attached ordinance is passed on first reading, second reading will be scheduled for the special City Council meeting to be held on April 9, 2007 immediately prior to the work session. This will allow the enforcement of the new school zone speed limit around mid/late April, thereby giving residents and drivers a month-long warning period prior to the issuance of citations.

Approval of the attached ordinance is recommended.

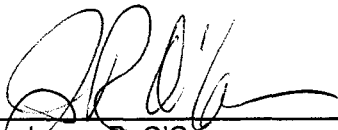


Tammy M. Dunn

Attachments: Bold-strikethrough of changes
Public Works Memorandum
Proposed ordinance

City Manager's Comments:

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




James R. O'Connor

3/9/07
Date

PUBLIC WORKS MEMORANDUM

07-06

DATE: March 7, 2007
TO: James R. O'Connor, City Manager
THROUGH: Gary M. Cinder, P.E., Director of Public Works 
FROM: Steven R. Byrd, P.E., City Engineer
SUBJECT: Oak Ridge Turnpike (State Route 95) - School 20 mph Speed Zone

The City Electric Department and Public Works Engineering Division have been working with the Oak Ridge High School for several months in an effort to provide additional pedestrian and traffic safety along the Oak Ridge Turnpike and North Tulane Avenue. Pavement marking changes have been implemented on North Tulane Avenue to provide an exclusive northbound left-turn lane at the high school Tulane access. The school agreed with a City recommendation to install a "School-Speed Limit 20 mph-When Flashing" zone on the Turnpike. The school zone is felt to be necessary due to the projection of increased school traffic at the existing Turnpike access. Increased school traffic at this access has been observed during the present school year and traffic will significantly increase as the school's front pickup/drop-off area is completed within the next year.

The Public Works Engineering Division conducted numerous vehicle trial runs along the Turnpike in the area that fronts the high school during the morning and afternoon peak school traffic hours. The results of vehicle running speeds were in the range of 40 to 45 mph. The posted speed on the Turnpike in this area is 35 mph. Based on the speed study results and the significant increase in traffic projected at the Turnpike school access, the City Engineer recommended the installation of a school 20 mph speed limit zone. The 20 mph speed limit is felt to be a reasonably enforceable speed along an arterial roadway with vehicle running speeds that are much higher than what exists on most local streets. The reduced speed zone will also provide additional safety for pedestrians crossing at the Turnpike between the school and the Civic Center during times of highest pedestrian use. Since the Turnpike is a State Route, an application for permit was submitted and approved by the Tennessee Department of Transportation in July 2006 for a 20 mph school zone.

The school zone is 1,420 feet in length and begins approximately 940 feet west of the school's Turnpike access and ends approximately 480 feet east of the school access. The school zone will operate on Monday, Tuesday, Thursday and Friday between the hours of 7:20 am to 8:00 am and 2:45 pm to 3:30 pm. On Wednesday it will operate between the same morning hours but in the afternoon from 1:30 pm to 2:20 pm. The operation of the school speed limit zone began on March 6, 2007. The 20 mph zone will be legally enforceable during these hours when the beacons are in a flashing mode.

Due to the recommended speed limit of 20 mph, it is necessary to make a change in the Oak Ridge Municipal Code, Section 15-502, on maximum speed limit when passing schools. This Code section states, "It shall be unlawful for any person to operate any vehicle at a speed in excess of fifteen (15) miles per hour when passing a school during recess, or while children are going to or leaving school during its opening or closing hours."

Staff recommends approval of the change in the Oak Ridge Municipal Code Section to allow school speed zones in excess of 15 mph and to support the recommendation of the school 20 mph speed limit zone on Oak Ridge Turnpike in front of the high school.

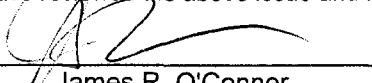

Steven R. Byrd

ks

pc: David H. Beams, Police Chief
Kenneth R. Krushenski, City Attorney
Tammy M. Dunn, Senior Staff Attorney

City Manager's Comments:

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


James R. O'Connor

3/7/07
Date

BOLD-STRIKETHROUGH OF PROPOSED CHANGES
CITY CODE §15-502 and §15-511

Sec. 15-502. ~~Maximum speed limit when passing schools~~ **School zone speed limits.**

- (a) Pursuant to Tennessee Code Annotated §55-8-152(d)(1)(A), the City Manager is hereby authorized to establish special school speed limit zones upon any public roadway, except for controlled access highways, provided the following conditions are met:
- (1) The special school speed limit shall be based upon an engineering investigation.
 - (2) The special school speed limit shall not be less than fifteen (15) miles per hour.
 - (3) The special school speed limit shall only be enforced when proper signs are posted with a warning flasher or flashers in operation and only when children are actually present.

It shall be unlawful for any person to violate any such special school speed limit enacted and in effect in accordance with this subsection.

- (b) When the City has not established a special school speed limit pursuant to subsection (a) above, the speed limit for the school zone shall be fifteen (15) miles per hour. It shall be unlawful for any person to operate any vehicle at a speed in excess of fifteen (15) miles per hour when passing a school during recess, or while children are going to or leaving school during its opening or closing hours. **For school zone speed limit signs equipped with warning flashers, such speed limit shall be in effect and subject to enforcement only while flashers are in operation. For school zone speed limit signs that are not equipped with warning flashers, such speed limit shall be in effect and subject to enforcement for a period of ninety (90) minutes before the opening hour of the school and for a period of ninety (90) minutes after the closing hour of the school.**

Sec. 15-511. Speed limit signs.

The City Manager shall cause to be erected appropriate signs giving notice of the maximum speed limits established by this chapter and no such limit shall be enforced, unless such signs are so erected and in place at the time of any alleged violation. ~~This section shall not apply to the limits established by §15-502, and no signs shall be required for the enforcement of such section.~~

TITLE

AN ORDINANCE TO AMEND TITLE 15, TITLED "MOTOR VEHICLES, TRAFFIC AND PARKING," CHAPTER 5, TITLED "SPEED REGULATIONS," OF THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, BY DELETING SECTION 15-502, TITLED "MAXIMUM LIMIT WHEN PASSING SCHOOLS," AND SUBSTITUTING THEREFOR A NEW SECTION 15-502, TITLED "SCHOOL ZONE SPEED LIMITS," IN ORDER TO ALLOW THE ESTABLISHMENT OF SPECIAL SCHOOL ZONE SPEED LIMITS AND TO SET FORTH ENFORCEMENT REQUIREMENTS FOR SUCH SPECIAL SPEED LIMITS; AND BY AMENDING SECTION 15-511, TITLED "SPEED LIMIT SIGNS," BY DELETING THE LAST SENTENCE OF THE SECTION PERTAINING TO SIGNAGE FOR SCHOOL ZONES.

WHEREAS, City Code §15-502 currently requires a maximum speed limit of fifteen (15) miles per hour in school zones; and

WHEREAS, a recent engineering investigation resulted in a determination that a twenty (20) mile per hour school zone speed limit was warranted on the Oak Ridge Turnpike in front of the Oak Ridge High School; and

WHEREAS, Tennessee Code Annotated §55-8-152(d)(1)(A) allows a municipality to establish special speed limits on public roads (except controlled access highways) adjacent to school grounds that are devoted primarily to normal school day activity provided certain requirements are met; and

WHEREAS, said requirements are: the special speed limit must be established pursuant to an engineering investigation, the special speed limit may not be less than fifteen (15) miles per hour, and the special speed limit is only in effect and subject to enforcement when proper signs are posted with a warning flasher or flashers in operation and only while children are actually present; and

WHEREAS, it is in the City's best interests to amend the City Code to allow for the proposed school zone speed limit on the Oak Ridge Turnpike and future special school zone speed limits, as well as to set forth the State law enforcement requirements for such a special speed limit.

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

Section 1. Title 15, titled "Motor Vehicles, Traffic and Parking," Chapter 5, titled "Speed Regulations," of the Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting Section 15-502, titled "Maximum limit when passing schools," in its entirety and substituting therefor a new Section 15-502, titled "School zone speed limits," which new section shall read as follows:

Sec. 15-502. School zone speed limits.

- (a) Pursuant to Tennessee Code Annotated §55-8-152(d)(1)(A), the City Manager is hereby authorized to establish special school speed limit zones upon any public roadway, except for controlled access highways, provided the following conditions are met:
- (1) The special school speed limit shall be based upon an engineering investigation.
 - (2) The special school speed limit shall not be less than fifteen (15) miles per hour.
 - (3) The special school speed limit shall only be enforced when proper signs are posted with a warning flasher or flashers in operation and only when children are actually present.

It shall be unlawful for any person to violate any such special school speed limit enacted and in effect in accordance with this subsection.

- (b) When the City has not established a special school speed limit pursuant to subsection (a) above, the speed limit for the school zone shall be fifteen (15) miles per hour. It shall be unlawful for any person to operate any vehicle at a speed in excess of fifteen (15) miles per hour when passing a school during recess, or while children are going to or leaving school during its opening or closing hours. For school zone speed limit signs equipped with warning flashers, such speed limit shall be in effect and subject to enforcement only while flashers are in operation. For school zone speed limit signs that are not equipped with warning flashers, such speed limit shall be in effect and subject to enforcement for a period of ninety (90) minutes before the opening hour of the school and for a period of ninety (90) minutes after the closing hour of the school.

Section 2. Title 15, titled "Motor Vehicles, Traffic and Parking," Chapter 5, titled "Speed Regulations," of the Code of Ordinances, City of Oak Ridge, Tennessee, is hereby amended by deleting the last sentence of Section 15-511, titled "Speed limit signs," in its entirety, which results in the section reading as follows:

Sec. 15-511. Speed limit signs.

The City Manager shall cause to be erected appropriate signs giving notice of the maximum speed limits established by this chapter and no such limit shall be enforced, unless such signs are so erected and in place at the time of any alleged violation.

Section 3. This ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:


City Attorney

Mayor

City Clerk

First Reading: 3/19/07
Publication Date: 3/26/07
Second Reading: _____
Publication Date: _____
Effective Date: _____

ECONOMIC DEVELOPMENT MEMORANDUM
07-02

DATE: April 3, 2007

TO: James R. O'Connor, City Manager

FROM: Frank Robinson, Economic Development Director *FR*

SUBJECT: TERMINATION OF FINANCIAL ASSISTANCE
AWARD FOR CONVENIENCE

An item for the April 9, 2007 City Council agenda is a resolution authorizing the City to terminate the \$800,000 grant (Project No. 04-01-05475) received from the Economic Development Administration (EDA) for roadway system improvements to support the development of the City Center project due to a lack of progress on the project by the developer in accordance with the terms of the grant agreement.

On March 7, 2007, the EDA informed the City that the grant is being suspended for failure to proceed expeditiously, and that if the project cannot proceed expeditiously to completion through no fault of the City and the Oak Ridge Industrial Development Board (IDB), it is recommended that the EDA terminate the project for convenience. On March 27, 2007, the Oak Ridge City Center, LLC, informed the City that it has determined that a revised approach to the mall redevelopment is necessary, and that the grant funds cannot be used as awarded. Copies of both letters are attached.

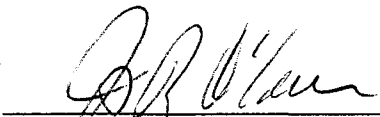
The EDA has been informed that resolutions for "termination for convenience" would be considered by the IDB and the City Council at meetings scheduled for April 2, 2007 and April 9, 2007, respectively. The EDA has agreed not to pursue any action on this matter prior to those dates.

Staff recommends approval of the attached resolution

Attachments

City Manager's Comments:

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



James R. O'Connor

4/4/07

Date

March 7, 2007



U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
ATLANTA REGIONAL OFFICE
Suite 1820
401 West Peachtree St., N.W.
Atlanta, Georgia 30308-3510

In reply refer to:
Project No. 04-01-05475
Oak Ridge, TN

Mr. Douglas B. Janney
Chairman, City of Oak Ridge
Industrial Development Board
200 South Tulane Avenue
Oak Ridge, Tennessee 37831-0001

and

The Honorable David R. Bradshaw
Mayor of Oak Ridge
200 South Tulane Avenue
Oak Ridge, Tennessee 37831-0001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dear Mr. Janney and Mayor Bradshaw:

The purpose of this letter is to notify you of options to pursue in view of the significant delays in executing the above referenced project. The project was approved on July 22, 2004 with a project development time schedule requiring start of construction by January 22, 2006 and completion of construction by January 22, 2008. The City partnered with Oak Ridge City Center, LLC, a local developer to redevelop Oak Ridge Mall, the city's largest commercial property. Although the developer met the start construction date by demolishing a building that would be in the right of way of the proposed new road, there has been no progress made since then. Through no fault of the City, Oak Ridge City Center, LLC has decided not to proceed with the development and the City has been unsuccessful in securing another developer to expeditiously complete the redevelopment of the property. It has been more than 31 months since the project was approved and a firm time table has not yet been presented to start or complete construction on the improvements required to redevelop the property.

The conditions of the grant require the City of Oak Ridge and City of Oak Ridge Industrial Development Board to pursue diligently the development of the project so as to ensure start and completion of construction within the approved time schedule and to notify the government in writing of any event which could delay substantially the achievement of this project within the prescribed time limits. We have been kept informed of the reasons for the delays and the City's unsuccessful efforts to get the original developer to perform and to secure other developers.

Since work has not yet started on the planned improvements and it appears that work will not start for an indefinite period, the EDA grant of \$800,000 is being suspended for failure to proceed expeditiously. Any costs resulting from obligations incurred by the City of Oak Ridge or City of Oak Ridge Industrial Development Board for the approved project during the period of suspension may not be allowable for reimbursement from the EDA grant, if the grant is later terminated.

Mr. Douglas B. Janney
The Honorable David R. Bradshaw
Page 2
March 7, 2007

If the project cannot proceed expeditiously to completion through no fault of the City of Oak Ridge and the City of Oak Ridge Industrial Development Board, we recommend that we terminate the project for convenience. Under this procedure, which we prefer, EDA and the grant recipients determine that the project cannot move forward in a timely manner, and both parties agree to terminate. EDA may reimburse its share of the project cost incurred up to the date of suspension. Further, termination for convenience has no negative impacts on future requests for funding.

An alternative procedure is "termination for cause." In this case, where the grant recipient does not agree with EDA to terminate, EDA, after giving due notice, may take such action without the consent of the grant recipient. This correspondence serves as such notice. Of the two alternate methods, EDA prefers the "termination for convenience."

Should you agree to terminate this project for convenience, you must submit a request to do this within 30 working days from the date of this letter. EDA will need a resolution from the governing bodies of both City of Oak Ridge and the City of Oak Ridge Industrial Development Board stating that agreement. If no response is received from the City of Oak Ridge and the City of Oak Ridge Industrial Development Board by the time period mentioned above, this office will proceed with action to terminate the financial assistance award for failure to perform.

If you should have any questions, or need additional information, you may contact Don Huff at 404-730-3014.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Philip Paradice, Jr.", with a long horizontal flourish extending to the right.

H. Philip Paradice, Jr.
Director, Atlanta Region

Oak Ridge City Center, LLC

RECEIVED
OFFICE OF CITY CLERK

3908 Tennessee Avenue, suite c
Chattanooga, Tennessee 37409

2007 MAR 28 P 8: 05

(423) 821-2121 phone
(423) 821-2123 facsimile

March 27, 2007

The Honorable David R. Bradshaw
Mayor of Oak Ridge
200 South Tulane Avenue
Oak Ridge, TN 37831-0001

RE: Oak Ridge City Center, LLC – Mall Project – EDA #04-01-05475

Dear Mayor Bradshaw:

Thank you for your letter dated March 23, and for forwarding the letter from the US Department of Commerce Economic Development Administration dated March 7, 2007 and regarding Project No. 04-01-05475 to my attention. I have reviewed the letter and have since spoken with Mr. Frank Robinson, Director of the Oak Ridge Economic Development Department, and Mr. Don Huff of the U.S Department of Commerce Economic Development Administration. We fully understand the content of the letter and the position taken by the EDA.

The Oak Ridge City Center, LLC's new redevelopment manager has determined that a revised approach to redevelopment is necessary. As the new members have analyzed and evaluated the hurdles associated with this property, it was determined that the contribution of the Main Street East (the spine roadway) and the associated public right of way, as requested, approved and now required by the grant, could be as restrictive on planning and executing our revised redevelopment plan (or any future additions or expansions) as any of our existing cross-easement agreements or restrictive covenants.

We have been evaluating alternative plans, but given the timing required for a detailed response from us, we feel the best tack is to respectfully request that the City of Oak Ridge and the Oak Ridge Industrial Development Board move to terminate the grant for convenience.

We appreciate the combined efforts that you, James O'Connor, Steve Jenkins, Frank Robinson and Congressman Zack Wamp expended in successfully obtaining the \$800,000 grant for the benefit of redeveloping the mall. We do want to state clearly that we continue working diligently on the redevelopment of Oak Ridge City Center to transform it into something of which we and the City of Oak Ridge can all be proud, and we appreciate your continued support.

Sincerely,

OAK RIDGE CITY CENTER, LLC



By: David Thrash, Managing Member
Hard Oak, LLC, Redevelopment Manager

RESOLUTION OF THE OAK RIDGE INDUSTRIAL DEVELOPMENT BOARD

WHEREAS, through City Council Resolution 4-53-04, City Council authorized the City and the Oak Ridge Industrial Development Board (IDB) to submit a grant application to the Economic Development Administration (EDA) in the amount of \$800,000 in grant funds for roadway system improvements to support the development of the City Center project; and

WHEREAS, EDA awarded the grant to the City and the IDB, which is referenced by the EDA as Project No. 04-01-05475; and

WHEREAS, the developer of the City Center project has not moved expeditiously in development of the retail complex as outlined in the grant agreement; therefore, it is not feasible or reasonable to complete the project by January 22, 2008 as originally intended; and

WHEREAS, due to the lack of progress on the project and not through any fault of the City or IDB, the EDA has suspended the grant; and

WHEREAS, an accounting of the project has been made and no further eligible costs have been or will be incurred under the grant for this project; and

WHEREAS, the IDB respectfully requests the City and the EDA to terminate the grant for convenience.

NOW, THEREFORE, BE IT RESOLVED BY THE OAK RIDGE INDUSTRIAL DEVELOPMENT BOARD:

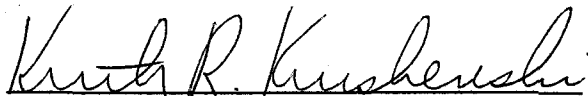
That the Oak Ridge Industrial Development Board, as co-applicant of the grant, hereby respectfully requests termination of the \$800,000 grant (Project No. 04-01-05475) received from the Economic Development Administration for roadway system improvements to support the development of the City Center project due to a lack of progress on the project by the developer in accordance with the terms of the grant agreement.



BE IT FURTHER RESOLVED that the Oak Ridge Industrial Development Board hereby respectfully requests City Council's approval of a resolution to request termination of said grant.

BE IT FURTHER RESOLVED that the Chairman is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 2nd day of April 2007.

APPROVED AS TO FORM AND LEGALITY:


City Attorney


Chairperson

Secretary

RESOLUTION

WHEREAS, through Resolution 4-53-04, City Council authorized the submission of a grant application to the Economic Development Administration (EDA), as a co-applicant with the City's Industrial Development Board (IDB), in the amount of \$800,000 in grant funds for roadway system improvements to support the development of the City Center project; and

WHEREAS, EDA awarded the grant to the City and the IDB, which is referenced by the EDA as Project No. 04-01-05475; and

WHEREAS, the developer of the City Center project has not moved expeditiously in development of the retail complex as outlined in the grant agreement; therefore, it is not feasible or reasonable to complete the project by January 22, 2008 as originally intended; and

WHEREAS, due to the lack of progress on the project and not through any fault of the City or IDB, the EDA has suspended the grant; and

WHEREAS, an accounting of the project has been made and no further eligible costs have been or will be incurred under the grant for this project; and

WHEREAS, at the regular meeting on April 2, 2007, the IDB passed a resolution requesting termination of the grant due to a lack of progress on the project by the developer; and

WHEREAS, the City, in conjunction with the IDB, respectfully requests the EDA to terminate the grant for convenience.

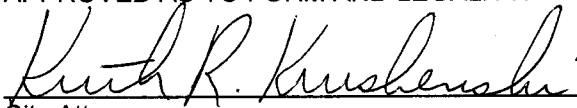
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the City of Oak Ridge, Tennessee, in conjunction with the Oak Ridge Industrial Development Board, hereby respectfully requests termination of the \$800,000 grant (Project No. 04-01-05475) received from the Economic Development Administration for roadway system improvements to support the development of the City Center project due to a lack of progress on the project by the developer in accordance with the terms of the grant agreement.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 9th day of April 2007.

APPROVED AS TO FORM AND LEGALITY:



City Attorney

Mayor

City Clerk