



**Industrial Development Board  
of the City of Oak Ridge**  
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October 20, 2020

Guest Column from Oak Ridge Industrial Development Board

### ***IDB Update on Motorsports Park Project***

I wanted to take a few minutes and update all Oak Ridgers on the status of the Motorsports Park

I'm sure that most of you are aware that as Chairman of the IDB, I was tasked by the Board to work individually with a Developer interested in purchasing land in Horizon Center for use as a motorsports park. After several months of my negotiations with the developer, reasonable due diligence, a virtual presentation of the project to the public facilitated by the Oak Ridge Chamber of Commerce, IDB review of a few hundred public emails, and the public comments expressed at our August 11, 2020 Special Called board meeting, the Board voted to approve an Agreement to Purchase Lots 5, 6, and 7 in Horizon Center for development of the Project.

Since the August 11<sup>th</sup> IDB meeting, the City/IDB has received multiple Open Records requests for all documents pertaining to the Motorsports Park Project, and we have complied with those requests. A page has also been added to the IDB website with many items pertaining to the Project at <http://oridb.net/motorsports-park/>.

I would like to provide the following information regarding the IDB and how the Board operates, so that everyone might understand our purpose and function. Some of these items are in response to questions that have come to our attention since the IDB voted to approve the Purchase Agreement:

- 1) To clear up any misunderstanding, the IDB receives its authority through the State of TN statute T.C.A. §7-53-101, et seq., also known as the Industrial Development Corporation Act. IDB members are elected by City Council but do not report directly to them. The IDB does, however, work very closely with the City Manager and the Chamber of Commerce on many issues concerning new businesses and the expansions of existing companies so that they may remain in Oak Ridge.
- 2) There are several ways that the IDB is able to help attract new business and retain existing business. These incentives include the temporary abatement of a portion of their property taxes through a PILOT (Payment in Lieu of Tax) program, a TIF (Tax Increment Financing) program, or by issuing/approving Industrial Revenue Bonds. The IDB also works with state, regional, and other agencies to facilitate and inform companies of additional incentives such as tax credits, grants, exemptions, and other programs to assist economic development initiatives.
- 3) State statute also provides that IDBs may acquire property. Once the IDB executes its right to obtain property, we then have an obligation to sell, lease, market, and maintain the property in an effort to attract new businesses that would create jobs and increase property and other taxes. In addition, new companies would hopefully bring new homeowners to Oak Ridge that would also increase retail sales and further tax revenue.

- 4) In 1996, DOE leased 957 acres to CROET to create Horizon Center Industrial Park. In 2003, DOE then transferred ownership of around 489 acres of the Park, broken into seven (7) development areas, to a CROET subsidiary, Horizon Center, LLC. In early 2010, this property was conveyed to the IDB to continue CROET's economic development efforts of attracting new business to the Oak Ridge area. Since the Park's completion, approximately 96 acres has been sold to private industry (26 acres from Horizon Center, LLC and 70 acres from the IDB), a 49-acre area was transferred to the State of TN (TWRA) for conservation purposes, and a few other acres have been transferred to the State of TN for right-of-way expansions. At the beginning of 2020, the three largest tracts of land in Horizon Center, areas 5, 6, & 7, totaling approximately 320 acres still remained available for purchase.
- 5) The IDB is a self-funded board and does not receive any money from the City or County to operate. No taxpayer money is used to fund the maintenance/improvements at Horizon Center. Income is generated through land sales and application/closing costs associated with tax incentive projects. Since acquiring Horizon Center, the IDB has spent almost \$1.4 Million on grounds maintenance, landscaping, land clearing, engineering studies, new sewer pump station, and a variety of other upgrades and maintenance. In addition to maintaining Horizon Center, the IDB was asked to help fund a portion of infrastructure/front end expenses associated with the Main Street Oak Ridge shopping complex. Being in the best interest of all Oak Ridge, the IDB voted to approve a \$500,000 grant toward the Project.
- 6) Even though the IDB does not report directly to City Council, that does not mean that we don't seek their opinions or advice. When the IDB received the Developer's request to purchase available land in Horizon Center for a motorsports park, which is not the usual request we receive, we thought that it had enough merit to be considered. Both the IDB and City Council have tried to be very clear that only the IDB has the authority to sell the property in Horizon Center; however, we wanted to make sure that City Council also thought the proposed project had merit. After the City Manager submitted a memorandum and attachments to City Council on February 10, 2020 regarding the project, City Council "expressed its support and interest in the further development of Horizon Center Lots 5, 6, and 7, containing approximately 327 acres, for a test track and research facility". The IDB did not take their resolution to be a recommendation nor an approval of the motorsports park project.
- 7) In addition to obtaining certain agreements from DOE, the Motorsports Park Project will also have to go through an approval process with other committees and commissions. The Park is Zoned IND-1 and IND-2 which allow for a variety of business and manufacturing companies, but the Ordinance makes no mention of a motorsports park. However, it does not exclude motorsports parks.
- 8) Recordings of City Council meetings are available on the City of Oak Ridge website as well as that of the IDB August 11, 2020 Special Call meeting. I invite all readers to view these recordings for even more information.

Now back to the update... Please be advised that the original rendering of the site plan is a concept, although it should be very close to what the Developer hopes it will be once completed. However, those of you who have been involved in a large development complex know there could be changes and improvements depending on the results of their due diligence testing such as core samplings, engineering studies, and other items such as site topography, access to utilities, and codes to name a few. A case in point would be the Main Street Oak Ridge development which has had new additions and changes since they began construction. Any significant change to the Developer's final plan would have to be approved by the City.

The Developer has contracted with a company to start work on a comprehensive business plan and feasibility study that should be completed in 3-5 weeks and will give them a more detailed look at the entire complex and a much better perspective on the Project. Some readers of this article may believe these items should have already been performed. However, when plans and studies of this nature cost tens of thousands of dollars to perform, you might understand why the Developer would want an agreement in place that provides for the purchase of the property onto which they would build their project.

Currently, the land in Horizon Center owned by the IDB pays no property tax, since we are a tax-exempt entity. One of the financial benefits to the City, should the Motorsports Park Project go forward, is that Oak Ridge would receive as much as \$500,000 per year in property tax. If homes in Oak Ridge averaged paying \$1,000 per year in property taxes to the City, the \$500,000 would equal the same amount paid by 500 new homes. The additional tax revenue generated by the Project would go a long way in helping the City to provide better roads, utilities, parks, playgrounds, schools, or other services to its citizens as well as increased salaries for our police, fire department, and other City workers.

In conclusion, I would like to invite all interested persons to visit our website and/or the City's website to follow any updates on the Motorsports Park.

Should you have questions or concerns regarding the Project, please let us know by emailing them to Samantha Royster at [ORIDB01@gmail.com](mailto:ORIDB01@gmail.com).

Thank you and stay safe.

Submitted by: David E. Wilson, Chairman of The Industrial Development Board of the City of Oak Ridge