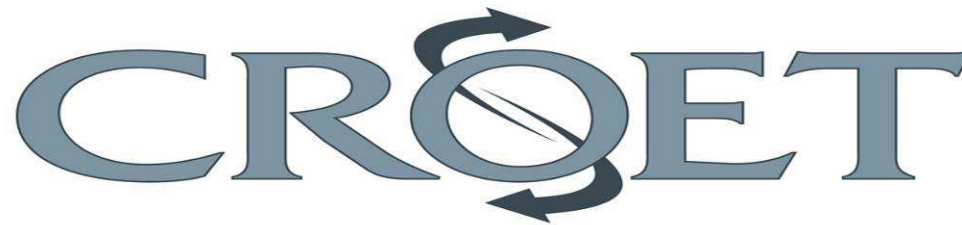


# WASTE MANAGEMENT 2013

**“Half Way Home, and A Long Way to Go”**



Community Reuse Organization  
of East Tennessee

**Jeff Deardorff**  
**Chief Operating Officer**

**February 25, 2013**

**Oak Ridge**

**REINDUSTRIALIZATION**

An Asset Revitalization Initiative



# HISTORY

Open House

Accelerated Cleanup

Mission Vision



Leasing Facilities  
& Equipment



Transfer, Sales  
& Leasing



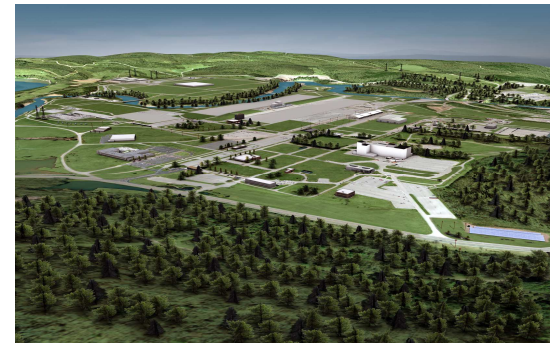
1995

2000

FUTURE

CROET Mission Statement

The Community Reuse Organization of East Tennessee is an economic development organization whose purpose is to assist the private sector in creating quality jobs in the region by using the underutilized land, facilities, equipment, personnel, and technologies available at the Oak Ridge Complex.



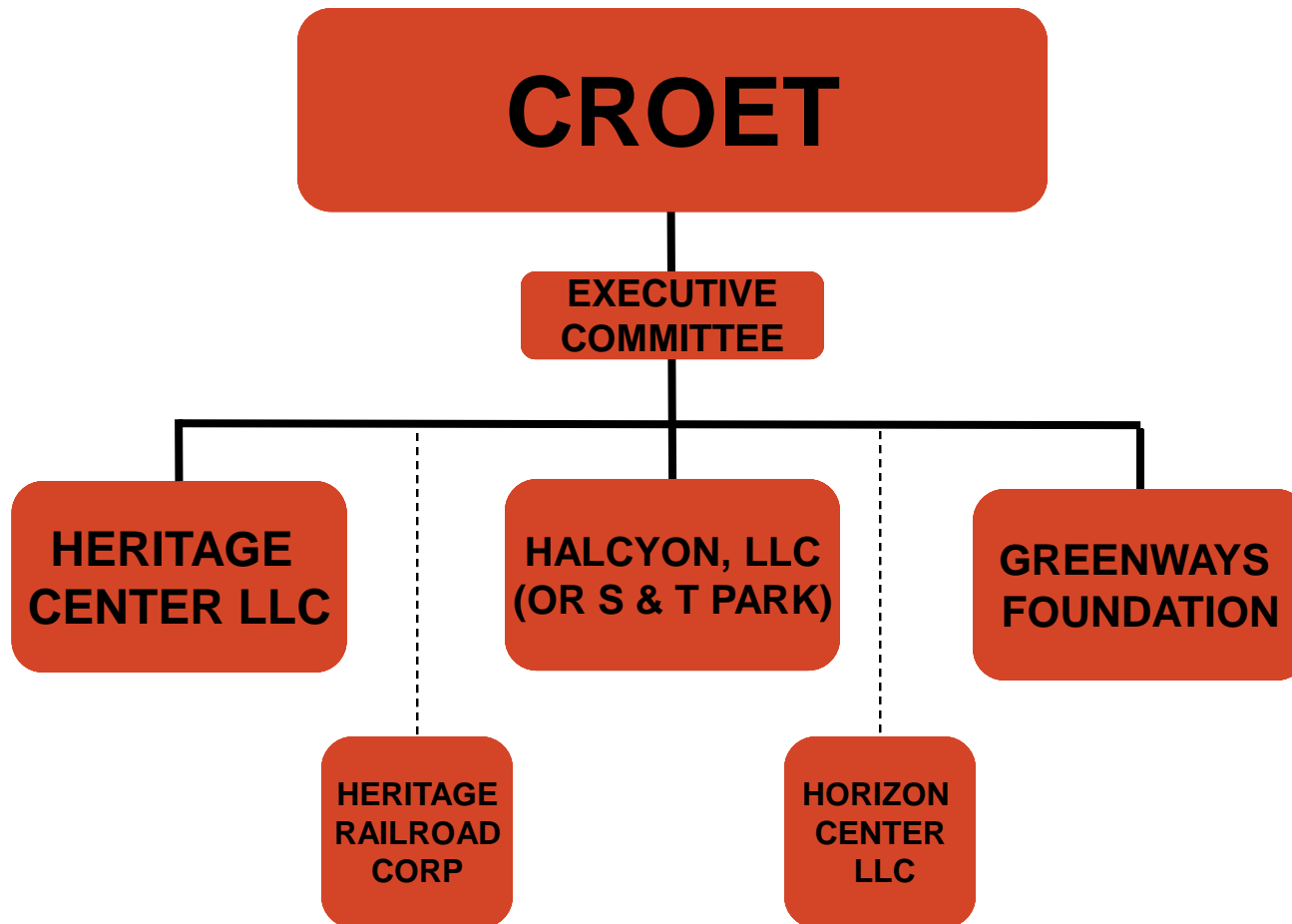
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# CROET CORPORATE STRUCTURE



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# ACCOMPLISHMENT MILESTONES



BUILDING TRANSFER, RENOVATIONS & SALE



RENOVATION & UPGRADE OF  
HERITAGE RAILROAD

DOE  
COST  
AVOIDANCE  
\$110 MILLION



UTILITY SYSTEMS &  
ER FACILITY TRANSFER



BROWNFIELD REDEVELOPMENT &  
NEW CONSTRUCTION

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# PROPERTY TRANSFER TOOLS

## CONTINGENT SALES AGREEMENTS

### REAL PROPERTY CONTINGENT PURCHASE AGREEMENT

THIS REAL PROPERTY CONTINGENT PURCHASE AGREEMENT (the "Agreement") is made as of \_\_\_\_\_, 2013, by and between \_\_\_\_\_ a \_\_\_\_\_ corporation ("Buyer"), and HERITAGE CENTER, LLC, a Tennessee nonprofit limited liability company ("Seller").

#### WITNESSETH:

WHEREAS, the United States Department of Energy ("DOE") is the owner of certain Real Property (as defined in Article 1.1(a)); and

WHEREAS, Seller anticipates the transfer of Real Property from DOE pursuant to DOE's Reindustrialization Program in accordance with 10 CFR 770; and

WHEREAS, in the event Seller is successful in obtaining the transfer of the Real Property from DOE, Seller desires to sell the Real Property to Buyer and Buyer desires to purchase the Real Property from Seller on the terms and conditions set forth herein,

NOW, THEREFORE, in consideration of the covenants in this Agreement, Seller and Buyer agree as follows:

**"If Then"  
Draft QCD  
Legal Survey**

## LICENSES

- Surveys
- GeoTech
- Utility Systems Engineering



## EASEMENTS

- Public Road Access
- Extension of Utilities



**SALES  
&  
LEASING**

## LEASE TO TRANSFER

REAL ESTATE LEASE NO.  
REORDOER-1-11-0500

3. **TERMINATION BY DOE** - DOE may terminate this Lease at any time without notice in the event of a national emergency or in the interest of national defense. DOE may terminate this Lease at any time by giving ninety (90) days written notice by DOE's Realty Officer to the Lessee under any of the following circumstances:

- (a) If DOE's Oak Ridge Reservation closes or is scheduled to be closed or a major portion of the site becomes excess to the needs of DOE.
- (b) If the mission of DOE changes or there is no requirement for continued operations of the facilities at the site.
- (c) If the Lessee or sublessee(s) fail to substantially perform or comply with any of the terms and conditions of this Lease and continues and persists for ten (10) days after notice thereof in writing by DOE's Local Program Representative. In the event of such termination, DOE shall be entitled to recover from the Lessee the costs incurred by DOE in performing any obligation on the part of the Lessee under the terms of this Lease.
- (d) In the event of Lessee or sublessee termination of operations and services on the leased premises unless the termination is beyond the control of the Lessee (as in the case of natural or manmade disasters).
- (e) In the event the Lessee or sublessee does not utilize the facility for a period of one (1) year at any time within the terms of this Lease, this Lease may be considered revoked and all rights under the Lease shall revert to DOE.

In any of the above events, the provisions of Condition No. 27 shall apply.

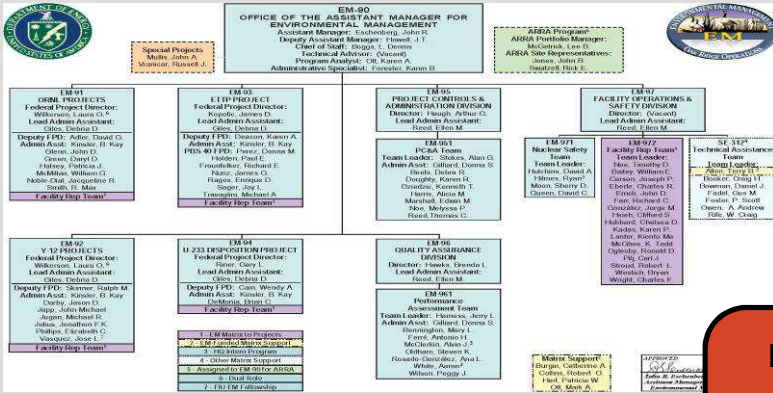
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# PROPERTY TRANSFER LESSONS LEARNED

## ORGANIZATIONAL

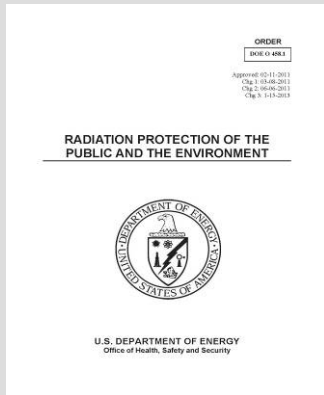
## ARI TASK FORCES



**RAPIDLY  
&  
ALWAYS  
CHANGING  
ENVIRONMENT**

## REGULATORY

## BUDGETARY



- Continuing Resolution?
- EM Priorities?
- Sequestration?



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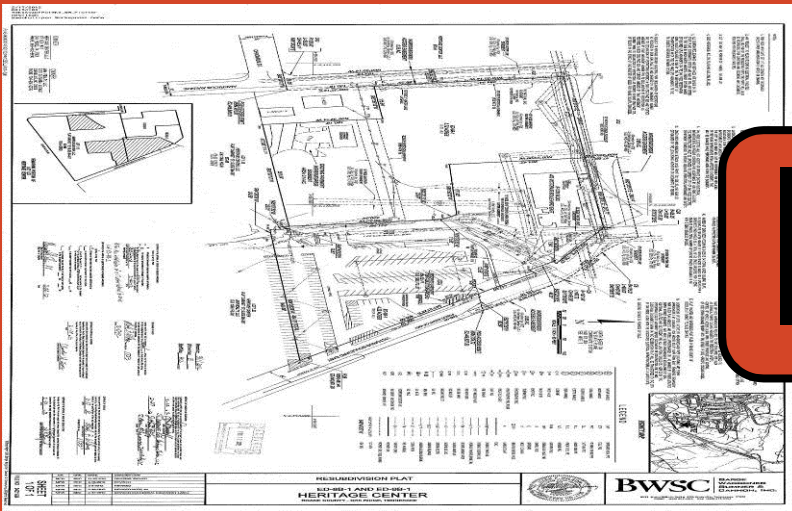
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# PROPERTY TRANSFER LESSONS LEARNED

## UNFORSEEN EXTRAORDINARY EXPENSES



## LANDLORD LIABILITY EXPOSURE



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# IMPEDIMENTS TO CONTINUED SUCCESS

- 🔗 Time/Decision Conundrum
- 🔗 Geo-Technical Mysteries
- 🔗 Swiss Cheese Factor
- 🔗 The Leap of Faith
- 🔗 The Brownfield Stigma
- 🔗 Faulty Finished Product
- 🔗 Misperception of Brownfield Market Value

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# IMPEDIMENT – SOLUTION MATRIX

Impediment	Defined	Solution
 Time/Decision Conundrum	Timing Disconnect	Shorten The Process
 Geo-Tech	Unknown Soils Capability	Add to SOW
 Swiss Cheese	Derelict Utility Systems	Engineering Analysis for Reuse
 Leap of Faith	Onerous Lease Clause	Provide Confidence Remove the Clause
 Brownfield Stigma	Easier and Cheaper Development Alternatives	Indemnification
 Faulty Product	Closure is Not Reuse	Substructure Removal Engineered Backfill
 Misperceived Value	Distressed / Liability	< Fair Market Value

# DOE OAK RIDGE 2020 VISION



**Questions?**