

Community Reuse Organization of East Tennessee (CROET)

– a brief history, part 3

(As published in The Oak Ridger's Historically Speaking column on December 16, 2008)

As mentioned earlier, the history of CROET is best understood as three phases, 1) leases and grants, 2) accelerated clean up and changes required because of that strategic decision by DOE, and 3) transfers of buildings and property for economic development. As we wrap up the history of CROET, we want to focus on the present activities and future directions.

The first phase, while successful was one of learning both by the DOE and CROET. The experiences gained have been adapted in the second and third phases of CROET's history.

The first lease was to American Technologies, Inc. and that was the start of a number of successful partnerships through such arrangements. The relationships continued into the second phase of having to move the lessee companies from the site when DOE changed strategies. It was never CROET's intent to lease facilities for the long term, but the accelerated clean up was not known when lease planning began. When the schedule for clean up changed, the lease planning was changed to reflect the new schedule.

CROET succeeded in removing lessee companies and relocating them without a single one moving out of the East Tennessee region. That was a huge success for the region. The strong partnership that existed stood on trust and understanding that the companies were not abandoned to their own relocation efforts, rather CROET took ownership for the relocation and even now retains strong positive relationships with the early lessee companies.

As the second phase of changes forced by the introduction of the advanced clean up transitioned into the final phase of transferring buildings and property, again lessons learned from earlier experiences helped to mold the DOE and CROET relationship necessary to make this first-of-its-kind community reuse effort successful.

Some of the most successful efforts have been the creation of unique new organizations such as Technology 2020. As early as 1993 the forecasted declines in government funding and employment in the East Tennessee region caused the DOE to encourage economic development strategies that would lessen the areas dependence on government funds. The long-range goal of Technology 2020 is to help create strong and vibrant private sector driven technology industries.

CROET was able to obtain \$1.5M from DOE as start up funding and later a \$2.0M grant for expansion of regional development through Technology 2020. Today, the successes of that investment go far beyond the original 15 county region known locally as Tennessee's Resource Valley and extend from Chattanooga to the Tri-Cities area of Tennessee, a region which some refer to as the East Tennessee Technology Corridor. Tech 2020 is a resounding success!

This wide area influence of public and private industry partnerships that make up Tech 2020 has touched almost every innovative new concept brought to the region from venture capital investment to promotion of Oak Ridge as the center for nanotechnology research and development to innovation in all areas of technology. Without the initiative from DOE through CROET, this highly successful effort would not have gotten off the ground.

CROET has continued to pursue innovative solutions to economic development in the region through continuing close relationships with DOE ORO and the communities within the region. A recent innovation that is another first-of-its-kind is the Oak Ridge Science and Technology Park located just west of the Oak Ridge National Laboratory. The property was recently transferred to the CROET, which will serve as manager of the technology park.

CROET Director Lawrence Young is quoted in The Oak Ridger as saying, "the transfer represents a perfect example of how federal and local partners can work together for the benefit of economic growth." As in past efforts, CROET leads the nation in these innovative solutions. Other community reuse organizations at other DOE sites have not been as proactive and thus have not produced nearly the same results.

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The Oak Ridge Science and Technology Park, located in the heart of the Knoxville-Oak Ridge Innovation Valley, offers access to unsurpassed research and development capabilities of ORNL, a skilled talent pool, a modern telecommunications infrastructure, a central location and low business costs. Pro2Serve is the first tenant and construction of its 100,000 square foot facility that will house its National Security Engineering Center and corporate headquarters, is underway. Pro2Serve expects to add 200 new employees over the next few years. Yet another resounding success!

While recognizing the successes of CROET, the region and the local DOE, it is imperative that we discuss the key elements of this successful strategy. For example, at the ETPP, the simultaneous activities of demolition, historic preservation, remediation, clean up, and other routine daily activities involving numerous sub-contractors, the community, oversight organizations and others, regularly test the will of the various organizations who must interact to accomplish success. CROET's role here is one of conciliatory interface and the consensus building needed to meet the goals of all concerned while building toward a final result that is beneficial to the region. That is their operational guide for all they do.

Regular and intense, yet cooperative and supportive, dialog is a must. The confluence of interests of the many involved parties can provide CROET unique opportunities. The vital and necessary elements that make up this unique opportunity for regional economic growth must be fully understood and appreciated for progress to be made. CROET has chosen to work closely with the DOE versus the "take them on" attitude that is seen at some other DOE sites. This attitude has proven highly effective. The East Tennessee region is the better for it. Without this innovative approach, our region would be like many others, still trying to figure out how to make progress. But that is not the case!

As I have said before, the current DOE ORO leadership, with Gerald Boyd setting the tone, is community-minded and works hard to be supportive of Oak Ridge and the East Tennessee region where its impacts are felt. CROET has added effective avenues for DOE ORO to accomplish their goals and the future holds even more such opportunities.

Now, let's look to the future. Lawrence Young has prepared a visionary concept titled, *A walk through the Park – Circa 2012*, portions of which I would like to share with you now.

The front entrance of the Heritage Center Park is modern and well landscaped, exhibiting a feeling of place and dynamism that fits neatly between the ambiance of Rarity Ridge to the west and the State-of-the-art modernism of Horizon Center to the east.

DOE's multi-year effort to clean-up legacy issues has had a significant and lasting impact on the development of the park. The demolition and reindustrialization projects completed in 2009 provided the fundamental underpinnings for the revitalization of the heritage Center properties.

The four office buildings have had significant improvements made to them. While many of the improvements are "under the skin," there have been aesthetic improvements made to teach that modernize the exterior and bring all four into a thematic style that clearly states the facilities are part of a campus that has had significant forethought.

Two of the buildings remain in Heritage Center's ownership and are leased to new tenants to the area. The other two buildings have been divested. One of these buildings is owned by a company that has an operation on site that uses the office building to house their administrative and corporate offices. The other building is owned by a development company as part of their large portfolio and is leased to a private sector firm with interests locally and globally.

There are three new buildings constructed on the site behind Building 1007 averaging 20,000 square feet each. They are designed in a manner that integrates them into the design theme of the four office buildings noted above. Each of these buildings houses a light manufacturing

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operation. Two of the buildings were built and are owned by the occupying company. The third building was built by Heritage Center to specifications of the leasing company. One of the buildings has a rail spur to it that provides freight delivery services of three to four cars a month.

All of the buildings are connected to the Oak Ridge Utility District utility systems. Although generally unseen, the utilities are connected in an elaborate system that combines new lines with well-maintained older lines. The lines interconnect the Heritage, Horizon and Rarity Ridge subsystems with the City of Oak Ridge main lines. Sufficient capacity exists to support the ultimate development of all the, as yet, undeveloped property in Heritage and Horizon Centers and Rarity Ridge.

The main rail line running through the site leads to the northwest corner of the park to the gargantuan K-31 complex. This two-story facility of 1,600,000 square feet is occupied as a multi-tenant facility. Four tenants occupy some 800,000 square feet of the facility. Two of the tenants use the railroad.

The road accessing the K-31 complex is City owned and maintained. Adjacent to the large K-31 building is the five-building 1065 complex. Each of the buildings are approximately 50,000 square feet and are occupied by a long time tenant of Heritage Center who has expanded operations twice since leasing an initial 10,000 square feet in Building 1036.

East of this complex is the historic K-25 site, which houses the community run historic interpretation center. (And I add, the DOE Manhattan Project Signature Facility footprint of the historic mile-long u-shaped structure – largest building under one roof at the time of its construction. An observation tower provides spectacular views of the entire site with emphasis on the huge and impressive historic K-25 footprint).

Lawrence continues, *Just east of the interpretation center is Building 1036 which houses three long-term tenants, all of whom have developed licensed technologies from the National Laboratories into thriving businesses. One of these tenants has grown rapidly and has built a manufacturing facility across the street on a portion of the pad where K-1401 once stood.*

On a rail siding next to 1036 sits an idling engine connected to five freight cars waiting to be delivered to the Norfolk Southern main junction. It sits as the Southern Appalachian Railroad's tourist excursion passes on the adjacent line with full passenger cars returning from one of their scenic railway trips. They are traveling to disembark at the recently expanded 30,000 square foot historic railroad museum building located at the far southwest corner of the park.

Lawrence goes on to describe laboratory facilities in other buildings that support ORNL, Y-12 and private sector clients across the country, as well as biotech firms, nano-tech research and development in a mix of owner-occupied and leased facilities. He notes that many of the firms are here in Oak Ridge because of connections with the Oak Ridge National Laboratory.

He also states that, *...on the right side of the entrance to Heritage Center is the first three speculative buildings, built, managed and fully leased by R&R Properties. Of the 39-acre development tract located here, only seven acres remain to be developed.*

Lawrence concludes by observing, *...as a result of the development covenants and the quality of the tenant/owners, all of the facilities are built to a standard that is extremely high quality and, while aesthetically similar, each has a unique presence and character.*

And finally, he includes by referring to the many examples of public art that supplements the modern sculpture that was installed as part of the original vision of the park and finally sends the observer on east to a vibrant revitalized and re-energized Oak Ridge City Center on a scenic

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well-maintained divided highway filled with Redbuds and Daffodils in the spring. Actually, that last thought was mine. But I am sure Lawrence would agree with the concept. As I am equally sure he would see the inclusion of the historic K-25 heritage tourism element in the midst of the ultra-modern Heritage Center park.

The Oak Ridge heritage is both our historic origins and our future aims, plans and goals. The slogan, ***Oak Ridge – Born of War, Living for Peace, Growing Through Science*** still resonates with me. The vision Lawrence Young articulated is achievable. By joining the efforts to realize CROET's vision while retaining our historical heritage and expanding in areas of science we are uniquely qualified to lead, Oak Ridge can make even Lawrence's vision pale in comparison to reality in a few years.

It only takes a coordinated and cohesive effort supported by all elements of our diverse population. Dreaming? I suppose I might be, but without a dream and a vision, we are doomed to repeat our past failures created by the inability of the various factions in our city to agree on what constitutes the desired future.

I would like to wrap up this history with recognition of what I think is the single most important element contributing to the successes and the vision that is CROET – its leadership.

Of all the elements that have contributed to the success of CROET, maybe the caliber of its leadership should be cited as the overarching element contributing to its success. Over the years, the following individuals have played key roles in CROET's success. Lawrence Young's role cannot be overlooked, however, he would quickly insist that without the following individuals who led the organization's board, he would not have had the opportunities he has experienced nor the successes CROET has realized.

The following have chaired the CROET Board of Directors in the years noted:

1995	Joe Lenhard
1996	Joe Lenhard
1997	Bill Manly
1998	Jeff Bostock
1999	Pete Craven
2000	Dave Patterson
2001	Russ Schubert
2002	Dave Coffey
2003	Tom Southard
2004	Lou Dunlap
2005	Chuck Bernhard
2006	David Bradshaw
2007	Ken Yager
2008	Nat Revis
2009	Myron Iwanski

Lastly, the Phoenix is a fitting symbol for CROET efforts. There is a plaque installed beneath one of the several sculptures in Horizon Center placed there on June 3, 2001 that recognizes many who have been instrumental in CROET's growth and success over the years up to that time.

The Phoenix is regarded in many cultures as a symbol of renewal and rebirth, so it is fitting that the CROET, BJC, and DOE Reindustrialization team was honored with the EPA's 2003 Phoenix Award for their efforts to give the former K-25 Gaseous Diffusion Plant a new life as the Heritage Center.

I hope my attempt to document the history of CROET has been beneficial to you. I felt the need to try and convey the history in a simple yet concise and comprehensive approach. It is my hope that by reading this *Historically Speaking* series, you have come to better appreciate the regional economic

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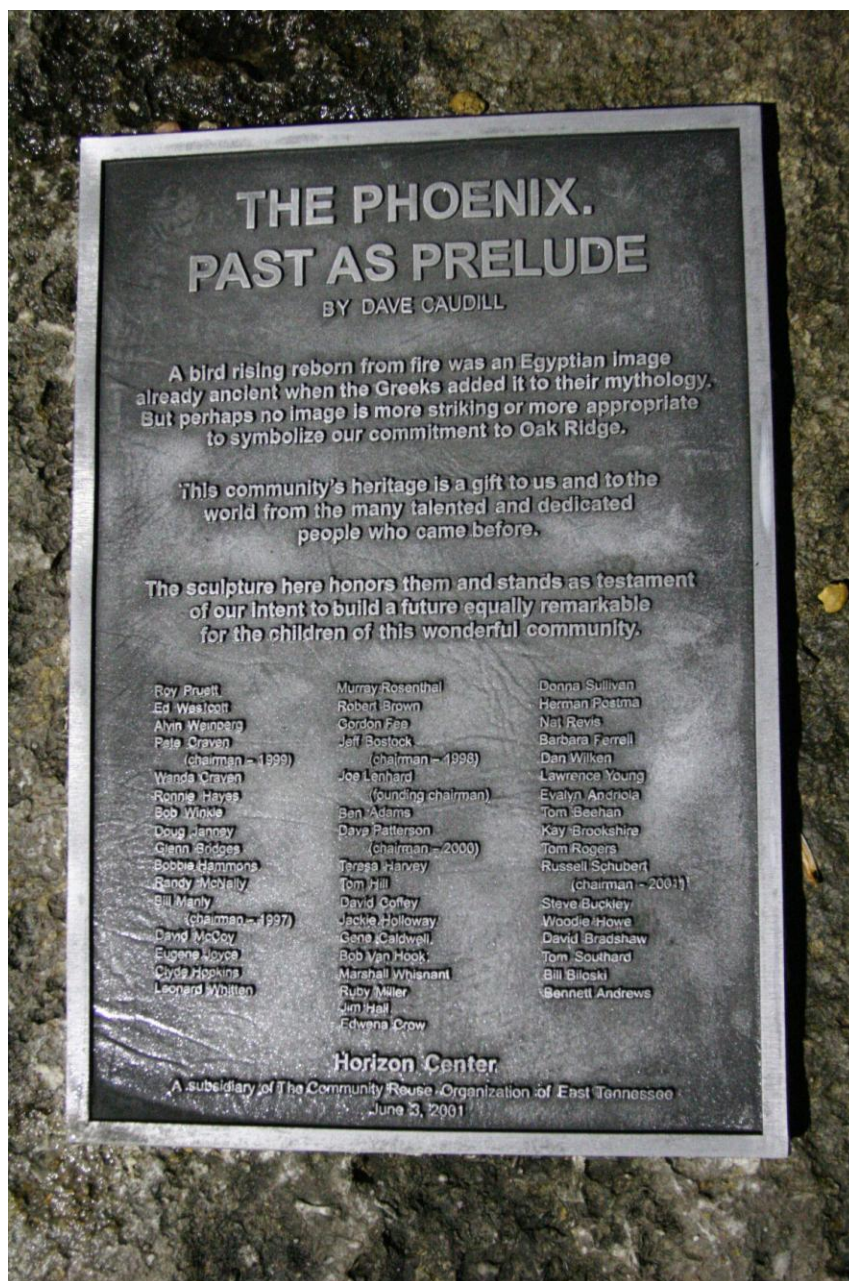
development strategy being implemented by DOE ORO and our community leaders and our city's role in it.



A sculpture in the Horizon Center representative of the Pheonix rising from the flames – a fitting symbol of being reborn from the ashes of a previous existence

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A plaque listing many of the key individual leaders who have contributed to the success of CROET up to June, 2001.