

## **Chronology of the Development on the Boeing Property by Rarity Ridge (1999-2017)**

*As reported in the pages of The Oak Ridger and the Knoxville News-Sentinel*

Large development planned - October 26, 1999 - Proposed development on the Boeing property is described to the Oak Ridge Industrial Development Board. Plans for development of the 1,216-acre parcel include an 18-hole golf course, 500 homes, shopping centers and light industry.

Planners discuss Boeing site project - October 29, 1999 - Representatives from Oak Ridge Properties, a limited partnership that has a contract to purchase the land from Boeing, addressed members of the planning commission to familiarize them with the project.

Editorial - November 1, 1999 - Editorial speculates about the economic feasibility of the proposed development.

Planners tour Boeing site - November 11, 1999 - Homes with old abandoned cars and horse pastures could be seen to the west from the road on the west edge of the property. From other areas the planners could see smokestacks and water towers at the K-25 site. A real estate agent pointed to an area of the property where developers have discussed the possibility of building an airport.

DOE may release deed restriction - November 29, 1999 - Partners involved in the Oak Ridge Properties deal have had meetings with DOE representatives concerning the deed restriction that limits the Boeing property to industrial use. They say DOE officials have been supportive of lifting the deed restriction. Developer R.O. Hutchison sees the property as a resort and retirement community.

Major development plan - December 1, 1999 - Accompanying map shows the proposed project layout, including an 18-hole golf course -- which was later deleted.

City staff opposes rezoning - December 8, 1999 - The main concerns expressed in economic development staff memos are the city's current lack of **available land for industrial use and an excess of residential lots in the city**. In his memo, trants planner Luke Stapel says the proposal is contrary to "smart growth" initiatives. "Leapfrog development such as this is costly and inefficient. Comprehensive plan policies support more centralized cohesive development patterns." The proposed development is described to include a 9-hole golf course, 500 residential lots, a hotel/conference center, land for industrial use and a shopping center.

Planning staff supports rezoning - December 9, 1999 - City planning staff noted that the area of the site most suitable for industrial development in the center of the parcel would

remain zoned industrial. Other areas are too hilly for industrial development and warrant the requested zoning changes by Oak Ridge Properties.

Boeing site project gets first approval - December 10, 1999 - The Planning Commission zoning committee recommended rezoning, after Oak Ridge Properties increased the amount of industrial land from 198 acres to 464 acres in the most recent proposal.

Planners to consider Boeing rezoning - December 15, 1999 - The land is currently zoned for industrial use (IND-2). Oak Ridge Properties has requested several zones for its development -- residential (R-3), industrial (IND-1, IND-2), office (O-2) and buffer areas (RG-1).

Boeing rezoning OK'd by planning board - December 17, 1999 - The Oak Ridge Regional Planning Commission voted 6 to 4 to recommend rezoning of the Boeing property from industrial to mixed use. The proposed development now would include a 9-hole golf course, river view homes, apartments and condominiums, 462 acres of industrially zoned property, and an area for a shopping center.

Boeing property plan draws questions - January 4, 2000 - At Monday night's Oak Ridge City Council meeting several residents voiced their concerns about losing valuable industrial property and the environmental impact the development would have on the site and its future use.

Environmental Quality Advisory Board says Boeing site needs environmental sampling - January 7, 2000 - EQAB voted to advise City Council that environmental surveying work should be done on the site and in the adjacent river and floodplain before the city votes to change the property's industrial zoning status to allow homes to be built there.

Oak Ridge City Council votes 5-2 for rezoning on first reading - January 19, 2000 - City Council approved on first reading an ordinance to rezone the Boeing site for mixed-use development. Council members and a few residents raised questions about whether a current development proposal is the best use of the land. Questions were also raised about the environmental safety of the area.

State to investigate development site - January 19, 2000 - Over the next two weeks, Tennessee Department of Environment and Conservation officials will examine 182 acres of floodplain bordering the Clinch River and the Boeing property to make sure it's safe for those who would make their home there.

TDEC finds hot spots along Boeing property - February 4, 2000 - State officials have discovered several spots along the Clinch River on the floodplain strip near the Boeing property showing higher-than-background levels of radioactivity.

Boeing site gets final rezoning approval - February 8, 2000 - Oak Ridge City Council voted 5-1 to rezone the property from industrial to a suite of mixed uses. Councilman Leonard Abbatiello opposed the rezoning and said he had concerns about providing fire

and police protection to an area that is so far from the rest of the developed part of the city. **He said he didn't want taxpayers to subsidize a housing development in western Oak Ridge.**

EPA calls for review of Boeing deal - April 3, 2000 - The EPA Regional Administrator for Region 4 says that under the Superfund law EPA must agree before floodplain land adjoining the Boeing property can be transferred from DOE to a local development company. The letter also addresses DOE's intentions to adjust deed restrictions on the Boeing property. Because of the deed restrictions calling for industrial use, EPA has assumed the land is contaminated and has therefore asked DOE to carefully evaluate the property before allowing the restrictions to be lifted.

Plans for Golf Course Scrapped -- April 17, 2000 - The proposed golf course is eliminated from the development plan, ostensibly to provide more land for housing. Also, Oak Ridge Properties has requested that 26 acres of relatively flat land in the central portion of the site be rezoned from industrial to business.

Oak Ridge Planning Commission's Zoning Subcommittee supports rezoning request - April 21, 2000 - The Zoning Subcommittee supported the request but the Planned Unit Development Subcommittee declined to make a recommendation on revisions to the housing plan of the 1,216 acre mixed-use development.

Rezoning Boeing tract is on City Council agenda - May 5, 2000 - Oak Ridge Properties requested that 26 acres of the 1,216-acre site be rezoned from industrial to general business. The developers envision that the 26-acre parcel could support such businesses as a day-care facility, a health club, a dry cleaners, a golf practice facility and a food market.

City Council approves rezoning on first reading - May 9, 2000 - This change reduces the industrial zoned area by 26 acres. They later affirmed this change on second reading.

Boeing development awaits OK from DOE - August 9, 2000 - Reports that DOE must clear some environmental hurdles before transferring floodplain land adjoining the 1,200-acre Boeing-owned site. These hurdles are a NEPA environmental assessment and EPA/state concurrence that the floodplain is uncontaminated. The DOE-owned floodplain strip would provide river access to landowners of the development.

Chamber seeks support for Boeing property development - November 13, 2000 - DOE is holding a public meeting on its environmental assessment for the floodplain transfer. The meeting is at the Chamber of Commerce office. The newspaper article says the meeting is about a 1,500-home development on 1,200 acres of land owned by Boeing. It says that in order for the development to happen, a 182-acre strip of flood plain along the river must be transferred from DOE to Oak Ridge Properties. Chamber president Parker Hardy says "This is really important for Oak Ridge; it's a tremendous boost to the city's economy." A spokesman for the prospective developer says residential lots would range from one-half to three-quarters of an acre in size and the development would

include condominiums and luxury waterfront homes.

For more information, see the [Chamber memo](#) about this meeting.

**Concerned Citizens:** *Contrary to the implication in this article, the 1200 acres proposed for development up to this point do not include **any** of the floodplain land. However, now that the floodplain is in play, the development is described as including waterfront homes.*

Development of Boeing site waiting on DOE - December 21, 2000 - Reports that DOE action on the floodplain strip is delayed at least until January 2001.

Another hurdle for Boeing land - January 19, 2001 - discusses the letter that the Southern Environmental Law Center sent to DOE Oak Ridge Operations to urge them to stop selling and leasing ORR property -- including the Boeing floodplain strip -- without fully complying with NEPA. A companion article, [TVA concerned about environmental assessment](#), discusses the Tennessee Valley Authority's concerns about the proposed transfer of the Boeing floodplain strip.

Larger protected area sought on Boeing land - January 22, 2001 - The Tennessee Department of Environment and Conservation (TDEC) says that the proposed set-aside areas to protect natural areas are not big enough.

On January 31, 2001, DOE signed a Finding of No Significant Impact (FONSI) to allow the floodplain sale to go forward. See [news accounts](#) on the January 30 meeting and its aftermath for details.

Boeing land sale nearing closure - February 13, 2001 - Sale is expected to close before the end of February. The prospective developer says their next step is a market study to assess the need for housing and what types of houses to build.

**Concerned Citizens:** *Did you actually believe that they were committed to the plans they described previously? Or that the people who spoke at the January 30 meeting about Oak Ridge's desperate need to develop this tract for new housing were being sincere?*

**NEW \$54 an acre?!?! That's about what the federal government paid in 1942 for the land that is now the Oak Ridge Reservation -- but this is 2001 and that's the price that a developer paid DOE for the Boeing floodplain strip. According to the deed we found at the Roane County Courthouse, on February 6, 2001, Oak Ridge Land Co. LLC bought 182 acres of floodplain from the U.S. government for only \$9,828 -- **just \$54 an acre!!** That's about **five miles of shoreline** on Watts Bar reservoir -- for **less than 40 cents per foot of lakefront!** "For the price of dinner for two the other night, I could have bought an acre of wetlands. I could have traded in one of our cars for the whole 182 acres." Local newspapers covered this story on February 28: Read [Cut-rate land sale by DOE angers critics](#) (Knoxville News-Sentinel) and [Boeing flood plain sale price criticized](#) (The Oak Ridger).**

**Concerned Citizens:** *This is sad news indeed for those of us who want to maintain the Oak Ridge Reservation for future generations. Not only will high-value riparian habitats*

*be lost to development, but through this cut-rate land sale the U.S. public will subsidize the developer's profits, and DOE has lost even more of our trust in its ability to serve as a steward of public resources.*

The City of Oak Ridge will pay \$191,000 for engineering services necessary for providing the former Boeing site with water from the Cumberland Utility District. For details see the [Oak Ridger news story](#) about the March 19, 2001 City Council meeting. If \$191,000 is just the engineering costs, taxpayers can expect to pay at least 10 times that amount for the actual water supply lines -- all to subsidize construction of lakefront homes on land that used to belong to all of us.

The newspaper story says that City Manager Paul Boyer told City Council that these funds would come from a grant received through the Partners for Progress program. This may be true, but local taxpayers should remember that Partners for Progress is *also* supposed to be footing most of the bill (estimated at about \$20 million) for infrastructure development and improvements for industrial development at the Horizon Center (ED-1), K-25, and the former Clinch River breeder site. Grant money spent on a new water system for lakefront homes is money that cannot be spent for these other purposes -- and city and county taxpayers should expect to be asked to make up the difference.

[Document search is magical mystery tour](#) - Knoxville News-Sentinel, April 25, 2001 -- "All but unbelievable!" Frank Munger tries to track down documentation of the professional appraisal that was allegedly the basis for the \$54/acre sale price, and discovers that no one can produce documentation of the appraisal -- not DOE, not the developer, and not even the [unidentified] appraiser! Read the [column](#). After reading it, if you believe that there ever was an appraisal, AFORR has a bridge to sell you in Brooklyn, New York.

[Developer to donate 100 acres](#) - Knoxville News-Sentinel, May 15, 2001 -- Mike Ross, president of Rarity Communities Inc., announces that his firm will give about 100 acres of the 182-acre floodplain to Oak Ridge for a public greenbelt that will include walking, bike and nature trails, and picnic areas. The same article announces the DOE [Inspector General's report](#) [PDF file, 55 kB] concerning the transfer, in which the IG found that the entire land transaction was an inappropriate use of DOE's authority under the Atomic Energy Act and that the land was sold at an unjustifiable discount. (The IG obtained a copy of the appraisal report that was previously unavailable to Munger, and it showed a value substantially higher than \$54 per acre.)

**Concerned Citizens:** *Not only is it clear that the developer's announcement was timed to divert attention from the serious criticisms in the IG's report, but we believe that the developer expects to clear a large profit from federal tax deductions that are based on the property's real market value.*

*We also fear that the developer intends to make this area a groomed park -- an amenity to attract home buyers -- not keep it as a natural area.*

City to get land for greenway - The Oak Ridger, May 15, 2001 -- "Just as the controversial sale of the Boeing flood plain was being deemed 'inappropriate' by a federal audit, the private developer who obtained the land announced Monday he was giving the city of Oak Ridge a significant portion of it to be used as a public greenway."

Reservation lands: Can we get past the polarization, mistrust? - The Oak Ridger, May 15, 2001 -- AFORR-authored guest column discusses need for land-use planning and addresses several misconceptions being repeated by the business community, including misstatements about the Boeing floodplain transaction.

DOE land was sold to developer at price far below appraised value - The Knoxville News-Sentinel, May 16, 2001 -- Frank Munger finds that a DOE staff member unilaterally decided that the appraised value of the Boeing floodplain strip was too high.

Developers of Boeing site to use town-center model - The Oak Ridger, July 31, 2001 -- Reports that the developer has hired a market research firm and a planning-architecture firm to aid in deciding how to develop the property. (*What happened to the plans that formed the basis for those urgent requests for rezoning?*) The article hints at the disparity between the developer's usual pattern of building developments that attract "up-scale" homeowners, versus local boosters' statements that the city needs new homes that will be affordable for young families.

Rarity Ridge poses multi-use changes - The Oak Ridger, Friday, August 24, 2001 - News story on a presentation to the Oak Ridge Regional Planning Commission about the latest concepts for development of the former Boeing property.

CIP: Water, sewer \$4.85M for west end - The Oak Ridger, Wednesday, October 24, 2001 - Article tells about the city budget impact of extending utilities to serve Rarity Ridge and other "west end" development, including various DOE properties that are being converted to private industrial development or have been requested for development. An excerpt says:

Cost to set up service to Rarity Ridge is slated to run \$2.3 million in FY 2003, with almost \$1 million of that tab being picked up by an Environmental Protection Agency grant. An additional \$600,000 ticket is targeted to begin laying pipe to connect the Heritage Center/Horizon Center areas to Rarity Ridge. Infrastructure for waste-water service to Rarity Ridge is expected to cost \$700,000 in FY 2003, and a connection from Horizon Center to the waste-water treatment plant at Big Turtle Park is slated to cost \$1 million.

Rarity Ridge clears hurdle - The Oak Ridger, Friday, November 9, 2001 - A subcommittee of the Planning Commission endorsed a proposal to change the city zoning ordinance to accommodate the proposed development, now stated to be 1,500 homes (on 1,200 acres) designed as a "Traditional Neighborhood Development."

Rarity Ridge vision: Back to Mayberry - The Oak Ridger, Friday, December 28, 2001 - Feature article about the traditional neighborhood development concept being proposed by Rarity Communities for the former Boeing property. The proposal would require that the city adopt a traditional neighborhood development zoning ordinance, which allows for a pedestrian-friendly village atmosphere with a town center. Mike Ross of Rarity told the Oak Ridger that he plans eventually to build 1,200 to 1,500 dwellings, with the majority of housing in the \$130,000 to \$180,000 price range.

'New Urbanism' headed for OR - The Oak Ridger, Friday, December 28, 2001 - Discusses Harbor Town -- on the edge of downtown Memphis and the only traditional neighborhood development in Tennessee, as a prototype for the Rarity Ridge development. *(Never mind that Rarity Ridge will be convenient to almost nothing, unlike a neighborhood in the heart of Memphis.)*

Clearing to begin soon at Rarity Ridge - The Oak Ridger, Friday, January 25, 2002 - Steve Byrd, city engineer, told the Planning Commission that the developers of Rarity Ridge are ready to begin surveying roadways, and have requested a grading permit for their roads.

Citizens voice concerns on Rarity Ridge project - The Oak Ridger, Tuesday, January 8, 2002 - Describes comments made by members of the public at the City Council meeting where Council gave final approval to the new traditional development section of the zoning ordinance.

Ask Incky : Will Rarity Ridge be a gated community that will restrict Oak Ridge residents from entering? - The Oak Ridger, Tuesday, January 29, 2002 - The answer is "No."

Joint panel to smooth strategic plan differences - The Oak Ridger, Monday, February 25, 2002 - In a meeting between city officials and Oak Ridge schools officials, school superintendent Randy McCoy **pointed out that housing developments such as the proposed Rarity Ridge represent a direct and immediate cost to the schools. "If one student from Rarity Ridge needs transportation, we must go get them," McCoy is quoted as saying, noting the nine-mile distance from the proposed housing development to the nearest public elementary school.**

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**Oak Ridge Chamber of Commerce's  
Message to the Business Community to Rally Support for  
Selling the Boeing Tract Floodplain Strip for Development**

Date: Wed, 8 Nov 2000 13:12:56 -0500

Dear Friend:

The Oak Ridge Chamber of Commerce needs your help to spur the development of 1500 new homes in Oak Ridge. Specifically, we need you to drop by the Chamber any time between 10:00 AM and 1:00 PM on Tuesday, November 14.

Here's why:

For more than two years your Oak Ridge Chamber of Commerce and other business and community leaders have been working with Oak Ridge Properties, a company that is planning to develop 1500 homes and approximately 500 acres of business property in Oak Ridge. The development is planned for the 1200 acre Boeing site in the west end of the city. Mike Ross, who developed Rarity Bay - a first class lakeside residential and golf community located adjacent to Tellico Village in Loudon and Monroe Counties - is one of the principals in the project. Homes will range from condominiums to luxury waterfront dwellings. Plans include a significant number of competitively priced homes.

We need your help to transform this opportunity into reality.

In order for the development to move forward, a 182 acre strip of flood plain along the river must be transferred from the Department of Energy (DOE) to Oak Ridge Properties. Before this transfer can occur, DOE must conduct an environmental assessment that will evaluate the potential impact of conveying this strip of floodplain to the developer. As part of the DOE "public comment period" an informal session has been scheduled on **Tuesday, November 14** at the **Oak Ridge Chamber of Commerce**. The session **will begin at 10:00 AM and will conclude at 1:00 PM**. This is not a typical public hearing; no formal presentation is planned. It is an opportunity to informally meet with DOE and the developers, ask questions and provide comments.

**The business community cannot allow the benefits of this development to be overshadowed by those who may mobilize to oppose it.**

Would you please drop by the Oak Ridge Chamber any time between 10:00 AM and 1:00 PM on Tuesday, November 14 to express your support? It will not take long - 15 to 30 minutes will be enough. The Chamber is located at 1400 Oak Ridge Turnpike, Oak Ridge, Tennessee.

Important facts to remember and to share during the public comment period are:

1. This development can serve as a linchpin in efforts to extend infrastructure to the west end of Oak Ridge.
2. 1500 new homes can significantly expand the city's residential tax base.





Watson said the homebuilder's first five units are just the beginning.

"Once they review the market situation, then they want to continue to fill in Rarity Ridge," he said.

The issue: Construction is underway at The Preserve at Clinch River

Local impact: Additional property tax revenues will give more revenue for the city to pay for services which affect current residents as well.

"That's great because as you all know, housing is the No. 1 issue right now," Chinn said. He encouraged the city Community Development and Public Works departments to "get on board."

"This is something we need right now in Oak Ridge is more young families," he said.

Both Chinn and Jack Suggs, Oak Ridge Electric Department director, said construction on the houses are already in progress. Council member Dodson said he had been inside one of the homes in progress.

Watson clarified "Preserve at Clinch River" is the proper current name for the development previously known as Rarity Ridge.

"I'm guilty of calling it the wrong name," he said.

Josh Sanderson, of Smithbuilt Homes, confirmed in an interview that there are homes in various stages of progress. The homes will range in price from \$150,000 to \$350,000. He said there are 10 houses — not five — under construction this year.

The first one to be ready will be in the Parade of Homes Oct. 6 and available for walkthroughs. He said he hoped to have 40 to 60 homes under construction next year.

#### Utilities

A measure before City Council, adopted unanimously, was a resolution to **"formally accept infrastructure for perpetual maintenance purposes,"** including sanitary sewer, electrical easements and water lines for a specific area of the Preserve at Clinch River, which right now reportedly has only one house complete. Watson's report to City Council stated the infrastructure had already been inspected by the city and completed

in accordance with city regulations. He stated the utilities had already been in operation for over five years.

In a later interview and email, Suggs confirmed Watson's statement during the meeting that only one house exists in Section O, the part of the preserve at Clinch River with the infrastructure that was discussed. He said the electric lines had already been approved and just the easements were approved at the meeting.

## History

The Preserve at Clinch River has been a site of proposed development for many years. Development plans once called for a total of about 4,000 homes on approximately 1,000 acres at Rarity Ridge, as the development was called at that time. Some houses exist there now, but not that many.

"2008 came and just killed everyone in the housing industry," Oak Ridge Chamber of Commerce President Parker Hardy said in an interview with The Oak Ridger.

Real estate broker Tom Hanrahan of Peggy Sells Homes/Realty Center said there are a total of 131 houses in that area, about eight of which are up for sale.

In April 2010, the local media reported that Oak Ridge Land Co. LLC and Oak Ridge Land Co. Partnership owed close to \$1 million in delinquent Oak Ridge and Roane County property taxes on several hundred parcels at Rarity Ridge and Rarity Oaks, a nearby area envisioned as a retirement community.