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Biofuels to pay Oak Ridge North \$33K for rent

By Lucretia Cardenas Published: 09.15.09

OAK RIDGE NORTH – Biofuels Power Corporation is expected to pay the city of Oak Ridge North its unpaid rent in the next five days.

Biofuels owes the city \$33,000 through Sept. 1 for leasing property from the city that the city leases from Robinson Road LLC, the owner of the property.

During a regular council meeting Monday night, council members approved a ground-lease agreement that requires Biofuels pay in full and an additional payment of \$1,000 to cover the city's leasing fee for the month of September. The agreement also stipulates that Biofuels will take over the lease from Robinson Road LLC, allowing the city to walk away.

Councilman Stephen Holcomb emphasized that the agreement should be contingent on the receipt of the money and the finalization of the agreement with Robinson Road LLC. City Manager Paul Mendes said that shouldn't be a problem.

"We should be able to collect our money and get this all behind us," Mendes said.

The unpaid lease is just one of several issues that began an investigation by city officials and the Montgomery County District Attorney's Office into the city's dealings with Biofuels, with specific concentration put on Mayor Fred O'Connor, the chief executive officer of Biofuels.

Also discussed during the council meeting:

Well beautification: To help cover up a new well, the South Montgomery County municipal utility district is proposing spending \$70,000 on a curved road leading up to the plant entrance and additional money on vegetation and trees. Council decided to table the plans because details on cost and materials were not provided. The MUD is requesting that the city split the costs. Past proposals have included a \$250,000 bridge, but those plans have not gone forward.

CenterPoint rate case: Council members agreed to join other cities in a rate case against CenterPoint Energy, which is proposing to increase rates by 35 percent, said Mendes.

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