



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

March 18, 2014

Members Present:

Bob Heuchan	President
Jay Goad	Vice-President
BJ Deppe	Secretary
Rob Henderson	Member
Richard Wertz	Member
Danny Vaught	Franklin Community School Corporation Representative

Others Present:

Rob H. Schafstall	Legal Counsel
Krista Linke	Director of Community Development
Jaime Shilts	Recording Secretary

Call to Order:

Bob Heuchan called the meeting to order at 8:00 a.m.

Approval of Minutes:

BJ Deppe made a motion to approve the February 18, 2014 minutes as presented. Jay Goad seconded the motion.

Old Business:

Shell Building Update:

Jim Boggeman, Runnebohm Construction, stated they will have the final documents for the RDC next week. They had an issue with drainage but have corrected it. Mr. Boggeman stated they have still been looking for building prospects. He stated he doesn't think there will be any other landscaping other than seeding. They will check into putting up a "For Sale" sign at the property. Mr. Schafstall stated that if Runnebohm obtains financing, the RDC will need to review and sign the document. He stated Runnebohm's bank has sent a document that needs to be reviewed.

Rob Henderson made a motion to authorize Bob Heuchan to approve the document as needed and to sign the final agreement. Jay Goad seconded the motion. The motion carried.

Franklin Community School Corporation Funding Request:

Jay Goad made a motion to read the resolution by title only. Richard Wertz seconded the motion. The motion carried. A public hearing was held.

Mr. Henderson stated he would like to look at having half of the \$500,000 be repaid back to the RDC over a 5 year term. Mr. Wertz stated at the City Council meeting that a resolution was introduced against the purchase of the Chromebooks. He stated it passed 5-2. Mr. Henderson stated the language of the resolution was for no support. He stated there is to be a study committee formed to make the decision. Mr. Henderson stated he

opposed it as he felt there was enough information already. Mr. Wertz stated there were questions by the other councilmen about the legality of the use of the funding. He stated that Mr. Schafstall and Ms. Gray both felt it was legal to use the funds in this manner. BJ Deppe stated he still feels that it is an improper use of TIF money. Mr. Schafstall stated the resolution is set up as an economic development agreement with the school corporation. He stated that one of the statutes is that you can enter into a contract with an educational program. He stated he would think that the adoption and implementation of Chromebooks would meet that definition.

Mr. Goad stated he's concerned with the comment "it needs more review." He feels the RDC does their due diligence for every project. He questions the need for more homework as the school corporation has already made presentations. Mr. Schafstall stated that if the commission wants to proceed, they need to make certain findings. He asked Dr. Clendening if he believed that the implementation of the Chromebooks program was an educational program. Dr. Clendening stated that he did. Mr. Schafstall asked Dr. Clendening if he felt that the program would promote the redevelopment and economic development of the City of Franklin. Dr. Clendening stated that he did. Mr. Schafstall asked Dr. Clendening if he felt that it would be of utility and benefit to the City of Franklin. Dr. Clendening stated that he did. Mr. Schafstall asked Dr. Clendening if he felt that it was in the best interest of the city's residents. Dr. Clendening stated that he did. Mr. Schafstall stated that from a legal view, the RDC now has legal standing and could proceed if they wish to enter into a contract with the school corporation.

Dr. Clendening stated the Chromebooks will provide educational opportunities for the students. He stated that kids that graduate have a greater opportunity to be consumers of the community. He stated they've heard from many places such as Rolls Royce, Cummins, etc., that students don't need to have a 4 year degree to work for their companies. They are predicting that over 92% of their kids will graduate. Dr. Clendening stated that poverty is going up in the school district and that not every kid has the opportunity to use technology. He stated he believes the Chromebooks will enhance the City of Franklin.

Mayor McGuinness stated that as a resident and tax payer, he supports the opportunity 100%. He stated that he is married to an attorney and doesn't take legal issue with the proposal at all and supports it. He stated that as the Mayor, he has issues with the different City Boards fighting amongst themselves. He stated the capital expense funds are funds from Best Buy when it closed. They are not funds from the current tax abatements. He stated that he would like the school and the boards to meet and find some common ground on the issue and have a joint City Council and School Board meeting and then return back to the RDC to make a decision. Mr. Goad stated that he feels the RDC's decision making is now being micromanaged. He stated that the school corporation has put together one of the best presentations they've seen. Steve Barnett, City Council President, stated that he is for a partnership to help the school out in some manner. He is not for the full funding but doing something like a loan. He would suggest \$500,000 up front with \$250,000 paid back. Ken Austin, Council member, stated that as a citizen he's for the project but as a councilman he has some reservations. He stated it would be nice to partner up and have the school corporation put in some of the money.

Mr. Wertz stated the City of Franklin needs to keep track of the message they're trying to send, whether it's a vote or compromise. Mr. Henderson stated he didn't feel there was an option for compromise with the outcome of the City Council meeting. He questioned if there was an option to have the school board pay back \$50,000 per year. Dr. Clendening stated they can do that, but that does mean they have to give something up as \$50,000 per year is the price of a teacher. He stated they would request that the payments begin after 2016. They are requesting about 25% of their need. He stated their intent is not to keep returning for funding requests.

Chet Aubin stated he is having a hard time understanding why the RDC would not want to help the school district. He stated every industry that comes into Franklin wants to know what the schools are like. He stated he can't imagine not wanting to give the students the best opportunity available.

Jay Goad made a motion to approve the resolution as presented. Richard Wertz seconded the motion. BJ Deppe-no, Rob Henderson-yes, Richard Wertz-yes, Bob Heuchan-yes, Jay Goad-yes. The motion carried 4-1.

55 W. Madison Street Proposal:

Phil Warrenburg stated that last month he presented his proposal to the Board. He stated he would like to find out if the Board is still interested in the project. Mr. Warrenburg stated they have been moving slowly but want to make sure they do everything right. They have been working with architects and consultants. He stated the building is eligible to be on the National Register. Mr. Wertz stated that he would like to take it to the City Council. Mr. Goad questioned who will be running the business on a daily basis. Mr. Warrenburg stated they haven't hired a brewer yet and are looking at the Chef's Academy out of Indianapolis. They are consulting with a brewer out of Knoxville. Mr. Heuchan stated that the Board needs to look at the following criteria; if the request is reasonable, is their money in the project, do they have the resources to sustain and do they have a chance of success? He stated he does think they meet all the criteria. Mr. Heuchan questioned if the Board is looking to make the next step.

Ms. Linke stated she does have a proposal from August Mack Environmental to complete the environmental phase 1 study for \$2,000.00.

BJ Deppe moved to approve the bill as presented. Jay Goad seconded the motion. The motion carried.

Mr. Deppe stated that nothing has come of the formal proposal project. This proposal is the only one on the table. The City Council has not presented anything to the RDC.

BJ Deppe made a motion to move forward with the project. Richard Wertz seconded the motion. The motion carried.

Mr. Heuchan stated that Ms. Linke and Mr. Goad will be working on a committee to work on numbers going forward with Mr. Warrenburg.

2014-2018 Cash Flow analysis: Jay Goad:

Mr. Goad stated the analysis is a tool and an exercise in what balances would be if they did certain projects. He stated they had great data from 2008 on, but before that the numbers were hard to determine. They matched up the resolution numbers for reference as best they could. They have also cross coded the projects to the map that Trent Newport made with current projects listed on it. He noted the proposed projects are listed as under consideration. Ms. Linke stated the cash balance if all projects were completed is \$4.2 million. Mr. Henderson stated he'd like to track the 399 Capital Fund and TIF Control Fund. Mr. Goad stated the funds could easily be split. Ms. Linke stated the Shell Building amount on the financial statement needs to be moved to 2015 from 2014. Ms. Linke stated the document will be updated as things are approved or changed.

New Business:

Water Street, Monroe Street, Home Avenue Paving: Trent Newport:

Travis Underhill, City Engineer, stated they have a couple of different cost estimates, which include improvements to Water Street from Wayne Street north to Martin Place, from Monroe Street east to the railroad, and Home Avenue from the north end of the bridge over Young's Creek to Monroe Street. He stated from a paving standpoint, there will be a lot of traffic on the Home Avenue bridge as the South Main Street

bridge will be closed for construction. He stated they would save \$60,000 if they did not reconstruct the streets but that City Council recommended going for the higher dollar amount for reconstruction. Mr. Underhill stated he requests the approval of \$1,250,000. It covers the design and construction costs and work would happen this year. Mr. Newport stated they would install angled parking as an initial improvement. Mr. Underhill stated that if they wait, it would be until 2019. Mr. Newport stated it also includes lighting on Monroe Street. Mr. Underhill stated he doesn't anticipate much of a change with the number of parking spaces. Mr. Underhill stated the new lines for lighting will be underground. He stated his request is for the higher dollar amount.

Richard Wertz made a motion to approve the amount of \$1,250,000. BJ Deppe seconded the motion. The motion carried.

Franklin Development Corporation Programming and Survey, Lisa Fears:

Lisa Fears, FDC, stated that John Wales couldn't attend the meeting. Ms. Fears stated she is asking the Board what they would like to see the FDC work on. They will be having public forums to see what the FDC should be engaged in moving forward. They will have two meetings scheduled in April and May for the public. Mr. Heuchan stated he would like to see the FDC help Franklin Heritage in restoring distressed downtown properties. He stated it would make a difference on Jefferson Street though the RDC may have to provide some or all of the funding. Mr. Goad stated he also liked the façade grants. Mr. Goad and Mr. Deppe agreed that the residential area between Forsythe and U.S. 31 need to be addressed. Mr. Henderson stated there might be a need to assist property owners on an as-need basis. He suggested there might be a micro-loan for business owners, particularly during periods of construction. Ms. Fears distributed a survey to the FDC Board regarding the type of information they wanted to receive from the FDC and how often.

Farmers' Market Parking Lot Improvements: Discover Downtown Franklin:

Withdrawn until the April 15, 2014 meeting.

Resolution 2014-10: Authorizing Local Institutions:

Ms. Linke stated the resolution needs to be passed annually for the depositing of funds.

BJ Deppe made a motion to read the resolution by title only. Jay Goad seconded the motion. The motion carried. A public hearing was held.

BJ Deppe made a motion to approve the resolution as presented. Jay Goad seconded the motion. Bob Heuchan and Rob Henderson abstained from voting due to business affiliations. The motion carried.

Other Business:

2013 Annual Report:

Krista Linke presented the 2013 Annual Report for the Redevelopment Commission. Richard Wertz made a motion to approve the 2013 Annual Report as presented. BJ Deppe seconded the motion. The motion carried.

February 2014 Financial Report:

Ms. Linke stated the report is a summary of all the activities completed through February, 2014.

Public Comments:

Mr. Schafstall is still working on the tax revenue analysis. He should have the report at the next meeting.

Mr. Heuchan stated that he doesn't feel that it is the RDC's duty or responsibility to ask for permission from other governmental bodies, but it is the RDC's responsibility to seek input and get as much information and

input as they can, not only from other governmental bodies but from the public as well. Mr. Heuchan is an appointment of the mayor. Mr. Heuchan is proud of the way the RDC now conducts business.

Danny Vaught, School Board Representative, expressed his thanks on behalf of the school board for supporting the schools with the purchase of the Chromebooks.

There being no further business, the meeting was adjourned. Respectfully submitted this 15th day of April, 2014.

Bob Heuchan, President

BJ Deppe, Secretary