



CITY OF FRANKLIN

Community Development DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

March 10, 2015

Members Present:

Ken Austin	President
Jake Sappenfield	Vice-President
Josh DeArmitt	Secretary
John Ditmars	Member
Lee Hodgen	Member

Others Present:

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

Call to Order:

Ken Austin called the meeting to order at 8:00 a.m.

Election of Officers:

On a motion by Lee Hodgen and a second by John Ditmars, the members voted to elect Ken Austin as President.

On a motion by Lee Hodgen and a second by John Ditmars, the members voted to elect Jake Sappenfield as Vice-President.

On a motion by Lee Hodgen and a second by John Ditmars, the members voted to elect Josh DeArmitt as Secretary.

Appointment of Legal Counsel:

John Ditmars made a motion to retain Rob H. Schafstall as legal counsel. Jake Sappenfield seconded the motion. The motion carried.

Approval of Minutes:

Jake Sappenfield made a motion to approve the December 9th, 2014 minutes as presented. Lee Hodgen seconded the motion. The motion carried.

Old Business:

None.

New Business:

EDC 2015-01: Overton Tube Forming Systems:

John Ditmars disclosed that he has a professional relationship with all of the applicants today. He will refrain from discussion and voting. Ken Austin stated he also had a professional relationship with the companies and had done business with them in the past. Mr. Schafstall confirmed that Mr. Austin could still vote with the disclosure.

Ms. Linke stated Overton is requesting a tax abatement on new manufacturing equipment. They are planning on putting it in their existing location in Franklin. Steve Overton stated the equipment is a new lathe and they expect it to increase their productivity. It will help them achieve new goals. The equipment should last about 20 years.

Ms. Linke stated the property is already a designated economic development area. There was a 10 year abatement in 2005 along with a 7 year personal abatement. In 2010 there was 5 year personal property abatement and in 2012 there was another 5 year personal property abatement. Mr. Overton stated they don't come in for an abatement for every piece of equipment they purchase. He stated they have about 60 pieces of equipment and have abated about 5 total.

Mr. Austin stated they have agreed to a 5% economic development fee. Mr. Overton agreed that was correct.

Action taken on EDC 2015-01: Overton Tube Forming Systems:

Jake Sappenfield made a motion to find resolution EDC 2015-01 in compliance with findings A-E under Indiana code 6-1.1-12.1-3 on a tax abatement for personal property. Lee Hodgen seconded the motion. John Ditmars abstained. The motion carried.

Jake Sappenfield made a motion to approve a 5 year tax abatement for EDC 2015-01. Lee Hodgen seconded the motion. John Ditmars abstained. The motion carried.

EDC 2015-02: Electro-Spec Inc. & Trueblood Oil Company Inc.:

Mr. Austin stated they are requesting a 3 year tax abatement for a vacant building and a 5 year tax abatement on \$1,290,000 of personal property.

Jeff Smith, President of Electro-Spec, stated they have been trying to sell their building for several years. They were made aware of the abatement option and are making arrangements with Trueblood Oil to lease the building.

Allen Ballard, head of operations at Trueblood Oil, stated they came up with a patented base oil that is biodegradable made of ethanol. He stated they were located south of Terre Haute and found that Franklin would be an ideal location. They will be moving in tanks that will be used to mix things. It is not hazardous at all. They will be packaging their own materials and distributing products out of the building.

They will be creating 9 jobs at around \$13.00 per hour. Electro-Spec will be leasing the building to Trueblood until they can purchase the building and will remain the owner right now. Mr. Ballard stated it is currently a lease with an option to buy. Mayor Joe McGuinness stated there will be more buildings utilizing the vacant building tax abatements.

Jake Sappenfield made a motion to find resolution EDC 2015-02 in compliance with findings A-E under Indiana code 6-1.1-12.1-3 on a tax abatement on real property. Josh DeArmitt seconded the motion. John Ditmars abstained. The motion carried.

Mr. Smith stated they don't have any intent to reoccupy the building. Cheryl Morphew, JCDC, stated they have been using the tool as a marketing incentive. She stated her concern is if it's done without any conditions and it sits empty for a year a new occupant may only have the

benefit of the abatement for 2 years instead of 3. If it's tied into the lease, then they get the full benefit of the abatement.

Ms. Linke stated the form states the vacant building does not start until the business moves in. She stated the clock doesn't start until the building is occupied. The abatement is tied to Electro-Spec. Mr. Ballard stated they would like to move in sometime in May. Mr. DeArmitt questioned if they only occupied the building a year what would happen to their abatement. Ms. Linke stated they wouldn't be in compliance so it could be handled that way.

Jake Sappenfield made a motion to approve a 3 year vacant building abatement for EDC 2015-02 for 100% as applied for and that findings 6A-E are satisfied. Josh DeArmitt seconded the motion. John Ditmars abstained. The motion carried.

Jake Sappenfield made a motion to approve the 5 year personal property tax abatement for \$1,290,000 for Trueblood Oil Company, Inc. and that findings 7A-J findings are satisfied. Lee Hodgen seconded the motion. John Ditmars abstained. The motion carried.

Other Business:

Mayor McGuinness stated that B2S labs makes reagents for larger pharmaceutical companies. They will buy and occupy the building at 97 E. Monroe Street and will have around 40 employees.

Adjournment:

There being no further business, the meeting was adjourned. Respectfully submitted this 14th day of April, 2015.

Ken Austin, President

Josh DeArmitt, Secretary