



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

July 21, 2015

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:

Krista Linke	Director of Community Development
Julie Spate	Recording Secretary
Rob Schafstall	Attorney

Call to Order:

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

Approval of Minutes:

Jay Goad made a motion to approve the June 16, 2015 minutes. Richard Wertz seconded the motion. The motion carried.

Old Business:

Sam Willard from Hetsco was present for a check presentation. Mr. Willard brought words of greeting and gratitude, speaking of the support received from this commission and Hetsco's use and hiring from the local workforce. He also gave an update on their construction progress. Mr. Heuchan offered words of greeting and welcome.

New Business:

Rescind Resolution 2014-21: S. Main Street Bridge #502 Improvements:

Krista Linke explained that this resolution had been encumbered from last year. The only contract we had in place at that time was with Crossroad Engineers for design. Now with construction underway, Dave O'Mara needs to be paid so this resolution needs to be rescinded and a new one passed so this second payee can be added. City Engineer Travis Underhill further explained that this is actually a county highway project, so the city needs to provide reimbursement for our share of the project to Johnson County Highway Department.

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

Rob Henderson made a motion to approve the resolution. Mr. Goad seconded the motion. The motion carried.

Resolution 2015-08: S Main Street Bridge #502 Improvements:

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

Ms. Linke stated that the project has already begun. Invoices are waiting to be paid after this resolution is passed.

Mr. Goad made a motion to approve the resolution. Mr. Wertz seconded the motion. The motion carried.

Rescind Resolution 2015-09: 97 E Monroe Street B2S Labs Grant:

Ms. Linke explained that at last month's RDC meeting a grant agreement of \$250,000 was approved to go to the Franklin Development Corporation so FDC could in turn process the grant funds to B2S Labs. The FDC has signed that grant agreement. This resolution needs to be changed to allow the FDC to administer these funds.

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

Mr. Goad made a motion to approve the resolution. Mr. Wertz seconded the motion. The motion carried.

Resolution 2015-19: 97 E Monroe Street Grant to FDC for B2S Labs:

Ms. Linke explained this essentially is the same resolution, just allowing the transfer of funds to FDC so they can administer the \$250,000 to B2S Labs.

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

Mr. Heuchan pointed out that Aleks Davis was in attendance.

Mr. Wertz made a motion to approve the resolution. Mr. Deppe seconded the motion. The motion carried.

Resolution 2015-20: Required Bond Payments for 2015 TIF Bond Issuance Project:

Ms. Linke identified this as the first payment on the TIF bond, likely the only payment this year, for attorney and legal fees for the work done to create the bond. The amount is \$134,874.30.

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

Ms. Linke updated the cash flow analysis using the schedule from Jeff Peters. Jay asked for clarification that the \$134,874.30 is coming out of the bond proceeds. Rob Schafstall stated no, that this is the first principal and interest payment due in August, so it is coming out of the normal TIF account.

Mr. Henderson made a motion to approve the resolution. Mr. Goad seconded the motion. The motion carried.

Mr. Henderson asked Counsel if a resolution would need to be made for each payment. Mr. Schafstall explained that a single annual resolution would need to be made to cover the two payments due each year.

Clerk-Treasurer Janet Alexander asked to meet with Mr. Schafstall regarding this issue. He agreed to work with her.

Resolution 2015-21: Professional Services Agreement with HWC Engineering for the King Street & I65 Gateway Design Project:

Mr. Heuchan stated this is part of the money coming out of the bond proceeds.

Mr. Goad made a motion to read the resolution by title only. Mr. Henderson seconded the motion.

Mr. Schafstall confirmed monies had already been appropriated as part of the bond resolution, so this resolution is not necessary. An approval of the expenditures is needed at minimum. Mr. Heuchan prefers to continue with the normal process of vetting it out.

The motion carried. A public hearing was held.

Mr. Goad asked what this process is doing now if already done last month. Mr. Schafstall explained this is a formalization of the process. Ms. Alexander prefers that in each draw against the bond issue, for tracking and future clarity, that some form of resolution be passed. Mr. Henderson asked if the letter "B" for bond could be added to the resolution title to make it clearer. Ms. Linke is also going to create a second document for bond tracking so the cash flow analysis will show bond payments out of funds and the second document will track strictly the bond proceeds and the projects being paid for out of that.

Mr. Henderson made a motion to approve the resolution. Mr. Goad seconded the motion. The motion carried.

Resolution 2015-22: Return of Rexam Personal Property Taxes:

Mr. Goad made a motion to read the resolution by title only. Mr. Henderson seconded the motion. The motion carried.

Ms. Linke explained this is a reimbursement to the county. In the TIF bond analysis conducted, it was discovered the county had improperly been collecting taxes for this personal property. They were notified of this in 2012 and they continued to collect. The county has requested the reimbursement of those funds so they can be properly reallocated.

A public hearing was held.

Mr. Deppe made a motion to approve the resolution. Mr. Wertz seconded the motion. The motion carried.

Mr. Henderson asked if the amount could be verified? Jeff Peters confirmed it. This occurred because personal property was excluded as a conscious decision.

Professional Services Agreement with CrossRoad Engineers for W Jefferson Street Trail Design:

Mr. Heuchan identified Trent Newport from Crossroad Engineers in attendance.

Mr. Underhill identified this as one of the last pieces to the gateway and greenway project. This contract goes up to right of way and the total amount is \$219,400. This received a favorable recommendation from the Board of Works for RDC to fund and the mayor to sign it upon RDC approval. Mr. Deppe asked what is left of

the gateway and greenway project. Mr. Underhill explained after this piece and a forthcoming roundabout at Westview and Jefferson Street, the only thing left is South Main. Mr. Henderson asked what the cost would be after this for West Jefferson Street trail right of way acquisition and inspections. Mr. Underhill identified the inspection as a cost share as part of the grant award received from the MPO. It is too early yet for an anticipated construction amount. This is the first project done that potentially will not be a total reconstruction. Mr. Schafstall clarified that this is set up to be a contract with the Board of Works. So the RDC doesn't need to approve 5H, but Resolution 2015-23 is the resolution that pays for it. Mr. Heuchan confirmed that 2019 is the funding year.

Resolution 2015-23: W Jefferson Trail Design Contract with CrossRoad Engineers

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

Mr. Heuchan confirmed this is coming out of the normal TIF fund. Ms. Linke asked for clarification on whether this was to be paid for out of the bond or the regular fund, anticipating it was to be paid out of the bond. Mayor McGuinness stated this as his preference.

Mr. Schafstall stated a need to amend the resolution to specifically instruct monies to come out of the bond.

Mr. Henderson made a motion to amend Resolution 2015-23 to designate the project be funded with bond proceeds. Mr. Wertz seconded the motion. The motion carried.

Mr. Henderson made a motion to approve the resolution as amended. Mr. Wertz seconded the motion. The motion carried.

King Street Reconstruction Between Edwards Street and Forsythe Street

Mr. Underhill introduced this as a new project. Mayor McGuinness desires to connect the community trail features as much as possible with the downtown core. This is the best corridor we have for this. The total project cost is not to exceed \$750,000. Travis Underhill gave design details. The design and bid would be done by the end of this year or very early next year still during the winter months for immediate construction in the spring and a 90-120 day completion time. Lighting would be similar to Monroe Street. Mr. Deppe asked if right-of-way was going to be required and Mr. Underhill said no. Mr. Schafstall asked if this was to be contracted through Board of Works, but Mr. Underhill clarified it is to be with RDC and funded through the bond. Mr. Goad asked if RDC has to vote on this today. Mr. Underhill explained if this project is to be accomplished in a timely manner, it needs to start in the spring, so it definitely needs to start no later than next month. Mr. Goad requests that a strategic look is taken overall at the bond funds and how they will be prioritized for spending in the big picture. Mr. Goad is also concerned that there will not be a seamless flow from King Street to Jefferson Street. Mr. Underhill confirms that it won't happen west of Forsythe due to cost of real estate and flood concerns. Mr. Heuchan is supportive of strategic planning but due to time constraints would suggest another meeting in the next few weeks for that purpose. Mr. Heuchan would like to see a motion set up for action at the August meeting. Mr. Henderson supports RDC funding but wants to receive it as a recommendation through the Board of Works. Mayor McGuinness gave his vision for the project and explained he would rather see RDC dollars spent on projects that will have an immediate economic development impact, but acknowledges it is time to redevelop the entire Franklin community, so RDC funds are necessary. Mr. Heuchan summarized that RDC must determine if action is necessary today or can it wait for formal approval in August and still accomplish the project.

City Council President Steve Barnett was in attendance and supports the resolution going to Board of Works to discuss and ask for a recommendation. Mr. Barnett is in favor of the project and appreciates the collaboration. Mr. Newport confirmed that traffic calming is part of the design consideration. Mr. Wertz suggested if one month wouldn't alter the project, the Board of Works could receive it first and then RDC can take it up again at the August meeting. Mr. Deppe asked if advertising is needed and Mr. Schafstall confirmed.

Mr. Deppe made a motion to have Mr. Schafstall advertise to appropriate \$114,500 from bond proceeds. Mr. Wertz seconded the motion. The motion carried.

RDC Appointment to the Franklin Development Corporation – Steve Woods

Steve Woods' appointment from the RDC to the FDC is up in August, and he would like to continue serving. Mr. Woods formally asked if the appointment could be renewed for another two years. Mr. Woods also updated the RDC on recent strategic planning done by the FDC, intending to present that data to the RDC at the September meeting. Mr. Woods said they have a full board now. Mr. Henderson wanted to know who the board members are. The two new members are Kim Minton and Mike Denny. Also on the board are Jeff Mercer, Angela Coy, Lisa Jones and John Ditmars.

Mr. Henderson made a motion to re-appoint Steve Woods as the RDC appointment to the FDC. Mr. Goad seconded the motion. Mr. Heuchan expressed his support. The motion carried.

EEO and Anti-Discrimination Policy

Mr. Goad asked for this to be raised to clarify how this policy affects us when setting up resolutions, contracts, contractors and sub-contractors. The policy already exists, so how does this affect the RDC in dealings with people who are asking for funding. The policy was first slated to go to Mr. Schafstall and City Attorney Lynn Gray.

Mr. Heuchan thought the majority of work done out of the bond proceeds was going to be directed by the mayor. He would bring projects to RDC, and RDC would vet them. Mr. Goad expressed a desire to see a strategic plan overview for the bond monies. Mayor McGuinness' intent was to see the RDC handle the contracts and agreements instead of vetting through the BOW since monies came from the TIF bond. They can still be vetted out through BOW for informational purposes only or return to how it's been done previously, approved pending RDC funding. Mr. Heuchan wants to continue to see whatever process is chosen to continue to allow for open communication for all parties involved. Mr. Goad wants to insure strategic balance in the use of funds. Mayor McGuinness' original intent for this bond money was east side development. Mr. Heuchan invited Mayor McGuinness to spend some time at the August meeting to talk about his overview for the bond monies. Mr. Wertz thinks it would be very helpful to the community to see the overview of this project list. Mr. Henderson thinks it would be helpful to consider specific projects against an overview or master plan for the bond monies.

June 2015 Financial Report:

The June 2015 Financial Report was presented by Ms. Linke. Mr. Henderson asked about the materials Mr. Peters had prepared. Ms. Linke had reviewed it and found his information to be significantly different so she would like to speak with him first to clarify his report and she will have that information for the August meeting. Ms. Alexander commented on the difference between taxes owed and taxes actually collected.

Cash Flow Analysis & TIF Bond Fund Expenditures:

Ms. Linke presented the cash flow worksheet. She will break out the TIF monies in a separate document for the August meeting.

Public Comment and Announcements:

Mr. Heuchan apologized to Dana Monson, in attendance, and JCDC for leaving them out of the Hetsco presentation.

Discover Downtown Franklin Executive Director Tara Payne reminded that Beer and Bluegrass is August 22.

There being no further business, the meeting was adjourned at 9:35. Respectfully submitted this 18th day of August, 2015.

Bob Heuchan, President

BJ Deppe, Secretary