



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

January 12, 2016

Members Present:

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

Others Present:

Rob H. Schafstall	Legal Counsel
Krista Linke	Director of Community Development
Julie Spate	Recording Secretary

Call to Order:

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

Appointment of Legal Counsel

Jake Sappenfield moved to reappoint Rob Schafstall as EDC legal counsel with a second from Lee Hodgen. The appointment was approved.

Approval of Minutes:

Mr. Hodgen made a motion to approve the November 10th, 2015 minutes. Josh DeArmitt seconded the motion and it carried unanimously.

Election of Officers

President: Mr. Austin nominated Jake Sappenfield for 2016 president. Mr. Hodgen made the second. Mr. Sappenfield was elected unanimously.

Vice President: Mr. Hodgen nominated Mr. DeArmitt. A second was made by Mr. Ditmars and the nomination passed unanimously.

Secretary: John Ditmars made a motion for Mr. Austin as secretary. Mr. Sappenfield seconded the nomination and it passed unanimously.

New Business:

EDC 2016-01 Pierce Hardy Limited Partnership and 84 Lunber Company

Ms. Linke introduced this request for the property at 1850 North Graham Road for a five-year tax abatement on \$1.75 million in personal property and a seven-year abatement on \$650,000 in real property improvements. Representatives Cheri Bomar and Cheryl Morphew are in attendance. Ms. Bomar, real estate and development director for 84 Lumber, and Frank Kelcha with 84 Lumber components division presented. It is their hope to have this components facility operational by April or May of this year. Mr. Kelcha explained trusses and wall panels for the

building industry would be built here, primarily residential. Business runs from \$10-20 million per location and they expect Franklin will run around the \$20 million mark. They plan to have about 100 employees in production over the next five years. Ms. Linke added that a tour would be desired when ready or next year around compliance time. Mr. Sappenfield confirmed the average wage to be \$15.38. Mr. Kelcha concurred with incentives offered but in time could go above that. Mr. Sappenfield also asked what the square footage was of the addition on the real property. Ms. Bomar outlined the interior and exterior renovations planned for. Mr. Schafstall asked if all personal property was new to Indiana. Ms. Bomar responded that the majority is but some equipment remains in the building that 84 will be taking from Trussway. They project the \$1.75 million is close to the amount of the new personal property. Mr. Austin asked if the \$15.38 hourly wage included benefits. It does not, and 84 Lumber does offer employee benefits. Ms. Linke asked if they have any contract or temp to hire employees and they do not. Ms. Linke reviewed facility details, highlighting it at a little over 80,000 square feet and built in 2005. The previous tax abatement was a 10-year abatement through Resolution 2005-13 for Trussway. That abatement expired last year and 84 Lumber won't receive any benefits from that abatement but the one being applied for today is the increase on the assessed value based on the improvements they are making to the facility for real property. Mr. Ditmars asked for an explanation regarding the relationship between Pierce Hardy and 84 Lumber. Ms. Bomar explained that the Pierce Hardy has owned 84 Lumber since 1956. Pierce Hardy is the land owner, 84 is the operating company. Mr. Austin asked Mr. Schafstall about the ERA designation expiring next year. Mr. Schafstall confirmed that it does and a new designation would be needed. Mr. Austin called on commission members, Mayor McGuinness and Mr. Hodgen for any additional remarks. Mr. Schafstall explained the commission must first decide if they can make the required findings outlined in paragraph five of Ms. Linke's memo for the ERA designation and real property portion of the abatement. Mr. Ditmars made said motion. A second was made by Mr. Sappenfield. The motion passed. Mr. Schafstall further guided the next step to be the same thing with respect to the personal property as in paragraph six. This motion was made by Mr. Sappenfield with a second by Mr. DeArmitt. The motion passed. Mr. Schafstall identified the last step to be whether to grant the tax abatement and, if so, for how long, also separated between real and personal property. Mr. Austin made a motion to approve the five-year request on the \$1.75 million personal property with a second by Mr. Sappenfield. The motion passes. Mr. Sappenfield made a motion for the seven-year abatement on the \$650,000 real property investment. Mr. Hodgen made a second. It passed. Mr. Ditmars echoed the mayor's earlier remarks that this property has an interesting history and will be glad to see the lights back on in it.

Old Business:

Economic Development Fee Grant Guidelines and Application

Ms. Linke made a few changes highlighted in a handout given. Individual scores will not be shared with applicants. The combined scores could be if requested. And the scoring is in place as a guideline but the ultimate decision is made by EDC with a recommendation to City Council and scores don't have to decide it 100%. Mistery Austin, Sappenfield and Hodgen affirmed Ms. Linke and Rhoni Oliver for their work. Added to the application itself was the signature line for certification that the organization was established for economic development. These proposals are due Friday, April 29. Commission members will receive copies the following Monday along with a score sheet. Scores would need to be sent back to Ms. Linke so she can compile before the May meeting. EDC recommendations would then be sent on to City Council for approval as well. A motion to approve this application packet was made by Mr. Sappenfield. A second was made by Mr. Hodgen. It passed.

Other Business:

Mr. Austin identified guests in the audience, city councilmen Mr. Wertz and Mr. Fox and Mayor McGuiness. Mr. Austin again asked the mayor if he would like to add anything. Mr. Austin also greeted Janice Bullman and Ms. Morphew, thanking them for coming and thanking them for their efforts. Mr. Austin also called on a Franklin College student group to introduce themselves and thanked them for attending. Brianna spoke on behalf of her ABC's of Management class required to attend several different city meetings for the class.

Board Members Term Limits

Ken Austin: Mayoral Appointment: 2-1-2014 through 2-1-2018

Josh DeArmitt: Mayoral Appointment: 2-1-14 through 2-1-2018

John Ditmars: County Council Appointment: 2-1-2012 through 2-1-2016

H. Lee Hodgen: Mayoral Appointment: 2-1-2012 through 2-1-2016

Mr. Hodgen has been asked and accepted another term.

Jake Sappenfield: City Council Appointment: 2-1-13 through 2-1-17

Mr. Austin asked if Ms. Linke had anything in closing. Mr. Sappenfield expressed thanks for Mr. Austin's two years of leadership.

Adjournment:

There being no further business, a motion to adjourn was made by Mr. DeArmitt and a second by Mr. Sappenfield. The motion passed and the meeting was adjourned.

Respectfully submitted this 9th day of February, 2016.

Jake Sappenfield, President

Ken Austin, Secretary