



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

July 19, 2016

Members Present:

Bob Heuchan	President
Richard Wertz	Vice President
BJ Deppe	Secretary
Paul Buening	Member
Keith Fox	Member

Others Present:

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

Call to Order:

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

A motion was made to approve the June 21st minutes by Richard Wertz and seconded by Keith Fox. Motion carried.

Old Business:

Termination of Economic Development Agreement – Old Post Brewpub Project

Rob Schafstall presented a termination agreement draft acceptable to Phil Warrenburg and Eric Prime. If approved, Mr. Warrenburg would transfer the property back to the RDC and receive his \$10,000 back. He would pay utilities through June and spring 2016 taxes due and payable spring 2017. There could be some real estate taxes that would fall off again once RDC comes into ownership. RDC would also be agreeing to release the life insurance policy pledged by Mr. Warrenburg along with mortgage and assignment of rents upon which both parties would agree to identify this as terminated and release each other from any other liability. There is a companion resolution that would authorize the \$10,000.

Eric Prime of Van Valer Law Firm added that Mr. Warrenburg proposes to give the money for the final tax payment next spring to the city at closing. His ability to pay that would be out of the \$10,000 he's requesting to have reimbursed to him, so netting him around \$7,000.

Mr. Fox reiterated his feelings from the last meeting against the \$10,000 reimbursement.

Mr. Wertz made a motion to approve the termination agreement as presented with a second from Paul Buening. Mr. Deppe expressed his agreement with Mr. Fox against the \$10,000 reimbursement. Three voted to approve and Mr. Fox and Mr. Deppe voted nay. The motion passed.

Resolution 2016-23: 55 W. Madison Street

Mr. Heuchan introduced this resolution as the appropriation of \$10,500, \$10,000 for the reimbursement of Mr. Warrenburg and \$500 for the advertising expenses. Mr. Wertz made a motion to read by title only. Mr. Fox seconded. The motion passed. A public hearing was held. A motion to approve the resolution was made by Mr. Wertz and a second by Mr. Buening. The motion passed three to two with Mr. Fox and Mr. Deppe voting nay.

Shell Building Update

Mr. Wertz updated that Krista Linke has been trying to hold a meeting, and it is moving forward.

New Business:

Resolution 2016-24: Approving a Real Estate Transfer – Wayne Street Properties

Ms. Linke explained this to be with regards to 45, 49, 51 and 55 East Wayne Street purchased by Bemis from the homeowners and in turn purchased by RDC from Bemis. Asbestos removal and two appraisals on each property are complete. Utilities have been shut off, salvage work is being done by FHI and Habitat for Humanity. Currently demolition bids are out. The properties are ready to transfer to Board of Works so they can be the final owner of them as the public parking lot.

Mayor Joe McGuinness reported that Board of Works unanimously voted to accept the properties. FHI and Habitat for Humanity have been given opportunity to go through the homes. The police and sheriff's offices will train on two of the homes and the fire department on the other two. They will then be torn down for the public parking lot.

Motion to read by title only was made by Mr. Fox and a second by Mr. Wertz. Motion passed. A public hearing was held. Motion to approve the resolution was made by Mr. Fox and second by Mr. Wertz. Motion passed.

Real Estate Transfer Agreement between the RDC and Board of Works – Wayne Street Properties

Mr. Deppe made a motion to approve the real estate transfer agreement with a second from Mr. Fox. Passed.

Resolution 2016-25B: Amending Resolution 2015-25B for the King Street Reconstruction Project between Edwards and Forsythe Street

City Engineer Travis Underhill presented that the Little King Street project is complete except for a small drainage issue to be fixed. The contractor also won the Jefferson Street bid so has asked to be allowed to fix the issue when they arrive for the Jefferson Street job. This is an increase in the amount appropriated for CrossRoad Engineering. Due to weather and utility conflict delays, they exceeded their lump sum for construction, inspection and engineering by \$15,500. The original appropriation for construction was \$540,000. The actual project contract upon completion of construction was \$512,000, so a savings of \$20-25,000 from original appropriation. Mr. Deppe asked if the contract was not originally for a fixed fee. Mr. Underhill said no. Mr. Deppe further asked what if the final bill would be over \$540,000. Mr. Underhill said this is the final bill, so not possible. Mr. Fox made a motion to read by title only and a second by Mr. Buening. Passed. Motion to approve resolution by Mr. Fox and a second by Mr. Wertz. Motion passed.

Resolution 2016-26: Jefferson Street and King Street Reconstruction Project

Mr. Underhill reported that Jefferson Street came in last week below project estimate. The overall construction estimate was almost \$12.9 million. The low responsive bidder thus far came in at \$12.1 million. All of Jefferson, Forsythe and King Streets to Eastview including the roundabout and all construction inspection is 100% paid for by federal and state transportation funds. Total city expenditure will be \$4,000 for a matching grant for railroad flagging to improve the crossing at Jefferson and the railroad. No action is therefore needed today. Mr. Underhill anticipates this will result in a half a million or million dollars in excess relinquishment monies which will allow for a design ramp up of one of the roundabouts on the Eastview/Commerce Parkway bypass potentially built within the next two years.

Mr. Heuchan interjected that RDC will take title to the property of Old Post Brewpub but no plan yet for the dispensation of the property. Ms. Linke added an interest in hearing from all RDC members as far as preparation for the August meeting. Mr. Wertz definitely felt it should be on the August agenda. Mr. Buening agreed with Mr. Wertz. Mr. Deppe wondered if anyone interested in the property should let Ms. Linke know.

Hoosier Brewing Update and Request

Brian Nentrup expressed appreciation and gratitude. Originally they were working with a 3,800 square foot space and soon learned they needed to increase to 5,300 square feet. As they are over half way on the project now, they know \$138,000 will not cover their expenses. They request an additional \$55,850. Their total project will be \$208,756. Mr. Nentrup would like to see an opening the end of August, but that may be optimistic. They have picked up a Meijer contract for 36 stores. They have also started application with FDC for a revolving loan fund grant. Mr. Heuchan summarized and wondered if this would be better served with time to consider and have it on the August agenda for discussion and September's agenda for an actual resolution. Mr. Wertz asked what the additional expense is for. Mr. Nentrup confirmed it to be equipment needed for the additional business. Mr. Heuchan asked Mr. Nentrup what he has invested. Equipment is worth \$500,000 new and also invested funds for employees and start up inventory. Mr. Fox asked if Mr. Nentrup could provide a document showing his investment. Mr. Nentrup mentioned this already being presented in the past but that an updated version could be resubmitted. Mr. Fox also asked if the potential 60-day delay in deciding to allocate funds would hinder their business plan. Mr. Nentrup expressed that he would make it work but wondered if there is definite possibility to receive financial assistance. Ms. Linke asked for the information from Mr. Nentrup before the August meeting and explained it would need to be on the FDC agenda as well. Mr. Wertz confirmed the first allocation of funds to be through the bond. Mr. Wertz asked if this additional request could be through the bonds as well, and Ms. Linke confirmed it could. Mr. Heuchan clarified that the \$208,756 is the cost of build out alone. Additional costs include inventory, décor, employee salaries, etc. Mr. Heuchan highlighted that if only the \$208,756 is added to the \$138,000 and the proposed \$55,000, it would suggest RDC has funded 93% of the project, but there are other costs involved not reflected in these numbers, so a financial accounting is needed from Mr. Nentrup to demonstrate the dollar amount equivalents for what he has in the project. Mr. Buening asked what the \$70,000 inventory is for. Mr. Nentrup itemized a breakdown of equipment and construction price tags yet remaining. Ms. Linke will work with Mr. Nentrup to produce a complete financial report for RDC.

Other Business

June 2016 Financial Report:

Ms. Linke highlighted May property tax disbursement received. She added the shell building expense. No funds have been expended at this time. There were some additional INDOT reimbursements through the end of May. The end of the year cash balance is at \$6.4 million.

June 2016 TIF Bond Financial Report:

Ms. Linke added the potential for the resolution withdrawal request made today by Mr. Underhill, so that will be removed. Indiana-American Water project was added. It's a pass through being spent from the TIF. When the funds are reimbursed, a decision will need to be made about where RDC would like those to be deposited.

Cash Flow Analysis Worksheet #31:

Ms. Linke added projects under consideration today. \$1.4 million is budgeted for each of the next three years for the bypass construction. The tax disbursements were also updated.

Public Comment and Announcements

Rob Shilts updated on the HVAC project at the Artcraft. Next Tuesday the AC condensing unit will be installed. Today work is happening on the marquis re-roofing. Their movie attendance numbers are taking a hit while the AC is being installed. Danny Vaught asked when the AC should be in. Mr. Shilts responded that it should be fully operational by the first weekend in August.

Cheryl Morpew announced that there were two site visit schedule for this week.

Mr. Heuchan represented the RDC at an IEDA statewide meeting as a panelist about best practices.

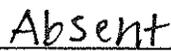
Tara Payne reported a successful Smoke on the Square. Farmer's Market is setting record numbers every Saturday. Beer and Bluegrass is coming up on August 27.

There being no further business, the meeting was adjourned.

Respectfully submitted this 16th day of August, 2016.



Bob Heuchan, President



BJ Deppe, Secretary