

AGENDA RESERVATION REQUEST

CITY OF FRANKLIN COMMON COUNCIL

Please type or print

Date Submitted:	April 7, 2017	Meeting Date:	April 17, 2017
Contact Information:			
Requested by:	Krista Linke		
On Behalf of Organization or Individual:		Redevelopment Commission	
Telephone:	317-736-3631		
Email address:	klinke@franklin.in.gov		
Mailing Address:	70 E. Monroe St., Franklin, IN 46131		
Describe Request:			
2016 RDC Annual Report			
List Supporting Documentation Provided:			
2016 RDC Annual Report			
Who will present the request?			
Name:	Krista Linke	Telephone:	317-736-3631

The Franklin City Council meets on the 1st and 3rd Monday of each month at 6:00 p.m. in the Council Chambers of City Hall located at 70 E. Monroe Street. In order for an individual and/or agency to be considered for new business on the agenda, this reservation form and supporting documents must be received in the Mayor's office no later than 12:00 p.m. on the Wednesday before the meeting.

FRANKLIN REDEVELOPMENT COMMISSION

ANNUAL ACTIVITIES REPORT FOR 2016

PURSUANT TO I.C. 36-7-14-13

FROM: CITY OF FRANKLIN REDEVELOPMENT COMMISSION
Bob Heuchan, President

TO: INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

DATE: March 31, 2017

CC: Steve Barnett, Mayor
Jayne Rhoades, Clerk-Treasurer

ACTIVITIES AND INFORMATION FOR THE CALENDAR YEAR 2016:

A. INFORMATION RE: REDEVELOPMENT COMMISSION MEMBERS AND OFFICERS

President: Robert D. Heuchan, Member

Vice President: Richard Wertz, Member

Secretary: Brian J. Deppe, Member

Member: Keith Fox

Member: Paul Buening

Non-Voting Mayoral-Appointee School Board Member: Daniel Vaught

Names of Commission Members appointed during 2016: each Commission Member was appointed in 2016 for a one (1) year term.

Names of Commission Members removed during 2016: None.

B. REGULAR EMPLOYEES (IF ANY) OF REDEVELOPMENT COMMISSION

<u>Name of Employee</u>	<u>Fixed Salary or Compensation</u>
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None.

C. EXPENDITURES MADE DURING 2016, AND GENERAL PURPOSE

Encumbrances from 2014 Expended in 2016: Projects that received approval in 2014 and were encumbered and paid in 2016 include:

Resolution 2014-07: Gateway Design Contract Supplemental #5 - CrossRoad Engineers: \$121,118.20

Resolution 2014-14: Franklin East Bypass Proposal: \$110,053.00

Resolution 2014-22: HWC Design Contract (E. King Street Interchange): \$9,187.50

Encumbrances from 2015 Expended in 2016: Projects that received approval in 2015 and were encumbered and paid in 2016 include:

Resolution 2015-07: Jefferson and King Street Supplemental with CrossRoad Engineers: \$18,023.57

Resolution 2015-12: West Jefferson Street Construction Inspection – Phase 1: \$49,237.72

Resolution 2015-16B: W. Jefferson Street Parking Lot Reconstruction: \$33,940.33

Resolution 2015-21B: King Street Design with HWC: \$1,024,097.72

Resolution 2015-23B: West Jefferson Street Urban Trail Design with CrossRoad Engineers: \$14,400.00

Resolution 2015-25B: King Street Reconstruction between Edwards and Forsythe Street: \$104,761.68

Resolution 2015-29B: Westview and Jefferson Street round-about design with Crossroad Engineers: \$64,913.00

Expended in 2016: The following additional expenditures were made in 2016:

Resolution 2016-01: Jefferson Street Right-of-way acquisition costs: \$130,750.00

Resolution 2016-02: Legal and financial expenses: \$48,173.29

Resolution 2016-03: Maintenance, repairs, and utilities for RDC owned properties: \$12,437.99
Monthly utility bills, mowing, parking lot maintenance, and landscaping.

Resolution 2016-04: 84 Lumber – Pierce Hardy Limited Incentive: \$200,000.00
Company relocation and property enhancement economic development agreement.

Resolution 2016-05: In Recognition of the Community Service of Jay R. Goad.

Resolution 2016-06: In Recognition of the Community Service of Robert D. Henderson.

Resolution 2016-07: 2015 TIF Bond Payment: \$1,351,181.10
Appropriating the funds necessary to make two payments towards the 2015 TIF Bond.

Resolution 2016-08B: Hoosier Brewing Company Incentive: \$138,500.00
This Resolution was rescinded and reworked later in the year through Resolution 2016-13B with the Franklin Development Corporation.

Resolution 2016-09B: Appropriating \$17,685 related to the King Street Reconstruction Project: \$0
This resolution was approved in anticipation of additional expenses on the King Street Project related to geotechnical and environmental expenses. No funds were ultimately needed to be spent.

Resolution 2016-10B: Appropriating \$350,000 of the 2015 Bond Funds for the Construction, Rehabilitation, and Repair of Commercial Property located at 351 E. Jefferson Street: \$350,000

Resolution 2016-11: Approving a Donation Agreement and Related Conveyance to the City of Franklin: \$0
The Redevelopment Commission donated land needed for additional right-of-way for the Jefferson Street Reconstruction Project.

Resolution 2016-12B: Appropriating \$375,000 of 2015 Bond Funds for the Construction, Rehabilitation, and Repair of 57 N. Main Street (the Historic Arcraft Theatre), by the Franklin Development Corporation: \$375,000

Resolution 2016-13B: Hoosier Brewing Company by the Franklin Development Corporation: \$138,000
2015 Bond Funds for the Construction, Rehabilitation, and Repair of 151 Holiday Place. Funds were granted to the Franklin Development Corporation to be disbursed to Hoosier Brewing Company for this purpose.

Resolution 2016-14B: King Street Road Construction Project between Forsythe Street and approximately Edwards Street: \$528,929.89

Resolution 2016-15B: Appropriating \$1,400,000 of 2015 Bond Funds for the Construction, Rehabilitation, and Repair of the Garment Factory – Wayne Street Reconstruction Project: \$305,910.50
The Garment Factory is located at 101 E. Wayne Street. This property will be turned into a large event center and 4 room hotel.

Resolution 2016-16: Appropriating \$50,713 for the Shell Building Tax Issue: \$50,213.00
The Redevelopment Commission chose to reimburse Hetsco, Inc. for the taxes that were due for the previous year that should have been paid at closing by Runnebohm Construction.

Resolution 2016-17B: Appropriating \$392,685 for right-of-way expenses related to the I-65 Interchange Improvements: \$126,185
Right-of-way purchases were made to realign Paris Drive Bypass between King Street and St. Andrews Drive in Fairway Lakes.

Resolution 2016-18B: Appropriating \$4,367,300 for the King Street Improvement Project – Divisions A & B: \$2,895323.50
The resolution was amended due to a lower interest rate on the Redevelopment bond (2.74% instead of 3%). The term was also amended to 14 years, 7 months. The \$1M debt reserve account was negotiated at a flat amount which will save \$180,000. The parity bond amount will go up to 150% coverage.

Resolution 2016-19: Confirming Resolution for the creation of the US 31 TIF: \$0
The final resolution in the process of creating a new US 31 TIF district.

Resolution 2016-20: Appropriating \$100,000 for the Carrying Costs of the Shell Building 2 Project: \$0
This resolution was in anticipation of expenses related to the start of a new shell building project. No funds were spent through this resolution in 2016 due to a delay in the start of the project.

Resolution 2016-21: Authorizing an Offer to Purchase Real Estate: \$258,533.48

Purchase of four properties: 45, 49, 51, and 55 E. Wayne Street. These properties were demolished to make room for the construction of a public parking lot to support the Garment Factory Project.

Resolution 2016-22B: Appropriating \$1,350,000 for the Jefferson Street/Forsythe Street/King Street Water Main Relocation Project: \$944,037.79

Cost to Indiana American Water Company to relocate the water main in anticipation of the Jefferson Street and King Street reconstruction project.

Resolution 2016-23: 55 W. Madison Street Purchase Price Reimbursement: \$10,049.00

The property formerly owned by the Redevelopment Commission was purchased back from the previous purchaser after they were unable to fulfill their economic development agreement with the Redevelopment Commission.

Resolution 2016-24: Approving the Real Estate Transfer to the City of Franklin, Indiana: \$0

Transfer of the four properties purchased by the RDC at 45, 49, 51, and 55 E. Wayne Street from the Redevelopment Commission to the City of Franklin.

Resolution 2016-25B: Amending Resolution 2015-25B to appropriate an additional \$15,500 for the King Street Reconstruction between Edwards and Forsythe Streets: \$0

Additional cost anticipated for a change order on the King Street Reconstruction Project between Edwards and Forsythe Street. The project was able to stay under the budgeted amount and the additional appropriation was not needed.

Resolution 2016-26: Jefferson Street and King Street Reconstruction Project: \$0

This resolution was not approved. It was advertised before bids on the Jefferson Street and King Street project were received. The project came in under bid and the appropriation was no longer needed.

Resolution 2016-27B: Amending Resolution Number 2016-18B to Appropriate an additional \$100,000 for the change order on the Franklin King Street Improvement Project, Divisions A & B: \$0

This appropriation was approved due to change orders related to illuminated signage and unexpected underground conditions during the Paris Drive Bypass construction. The funds were not needed in 2016.

Resolution 2016-28B: Amending Resolution Number 2016-21 to appropriate \$258,534

This increased amount covered the total closing cost to purchase 45, 49, 51, and 55 E. Wayne Street.

Resolution 2016-29: Internal Controls Training Resolution of the City of Franklin Redevelopment Commission: \$0

IC 5-11-1-27 requires each political subdivision of the State of Indiana to maintain a system of internal controls in order to promote accountability and transparency. The Clerk's Office conducts training of its employees regarding the City's Internal Control Standards and Procedures. An effective system of Internal Control Standards requires that all employees, elected officials, and Boards overseeing the management, approval or disbursement of City funds and property should familiarize themselves with the system and procedures for Internal Controls.

Resolution 2016-30: Appropriation of an additional \$6,300 for the Supplemental Contract Amendment #2 for the King Street and I-65 Gateway Design Project with HWC Engineering: \$0

Because of both temporary and permanent right-of-way there were some additional legal and professional surveyor fees incurred.

Resolution 2016-31: Appropriating \$402,500 for the South Main Street Reconstruction from US 31 northward to the south approach to the bridge over Young's Creek: \$0
This resolution will cover the cost of the design work with CrossRoad Engineers for the reconstruction of South Main Street from US 31 northward to the south approach to the bridge over Young's Creek.

Resolution 2016-32: Authorizing an offer to sell real property, subject to conditions: \$0
The RDC authorized the offer to sell real property located at 55 W. Madison Street. An offering sheet was approved and advertised.

Resolution 2016-33: Appropriating \$200,500 for the Construction, Rehabilitation, and Repair of the Frechette Eye Center Building – located at 89 E. Jefferson Street: \$0
The Franklin Development Corporation requested \$200,000 from the Redevelopment Commission to allow for the construction of a one and a half story building façade to replace the current structure. The redevelopment decided to explore the cost of a full two story building instead of a one and half story building so the resolution was tabled.

D. RECIPIENTS OF LOANS, GRANTS, OR PROPERTY

1. (a) Name of Recipient: 84 Lumber – Pierce Hardy Limited Partnership
(b) Loan, Grant, Property Transfer: Grant pursuant to economic development agreement
(c) Amount: \$200,000
(d) Source: Integrated TIF District – 311 TIF Control Fund
(e) Purpose: Funds provided to the purchaser of 1850 N. Graham Road for real estate improvements including but not limited to:
 1. Installation of a rail siding to service the property
 2. The clean-up of the yard area and potential resurfacing
 3. A loading and unloading dock for the rail siding to service the facility
 4. Grading and excavation and pavement of a driveway to the rail spur and loading dock
 5. Electrical upgrades to the facility
 6. Mechanical upgrades
 7. Installation of a break room
 8. Roof repair
 9. Signage upgrade
2. (a) Name of Recipient: Franklin Development Corporation
(b) Loan, Grant, Property Transfer: Grant pursuant to economic development agreement
(c) Amount: \$138,000
(d) Source: Integrated TIF District – 2015 TIF BOND
(e) Purpose: Funds provided through the Franklin Development Corporation to Hoosier Brewing Company to relocate its corporate headquarters to Franklin and expand its restaurant, taproom, and brewery operations by: (1) leasing 157 Holiday Place for purposes of operating

a restaurant, taproom, and brewery; (2) making additional real and personal property improvements on the property.

3. (a) Name of Recipient: Franklin Development Corporation
- (b) Loan, Grant, Property Transfer: Grant pursuant to grant agreement
- (c) Amount: \$350,000
- (d) Source: Integrated TIF District – 2015 TIF BOND
- (e) Purpose: Funding towards the purchase, rehabilitation, and repair of abandoned commercial property located at 351 E. Jefferson Street.
4. (a) Name of Recipient: Investment One, Inc. d/b/a Bemis Group
- (b) Loan, Grant, Property Transfer: Grant pursuant to an economic development agreement
- (c) Amount: \$1,400,000
- (d) Source: Integrated TIF District – 2015 TIF BOND
- (e) Purpose: Revitalization project for the Young's Creek Neighborhood south of downtown Franklin, Indiana that will serve to connect Province Park, the existing Greenway Trail, and Young's Creek with a focus on the underutilized, existing 60,000 square feet "Garment Factory" warehouse at 101 E. Wayne Street, four single-family residential homes at 45, 49, 51, and 55 East Wayne Street, and the underutilized "Double Cola" property at 199 South Water Street. The developer proposed to purchase and rehabilitate the Garment Factory into a mixed-use facility housing an event space, a marketplace/commercial retail space, and residential units. The four single-family residential homes will be turned into approximately 50 public parking spaces. The Double Cola building with a possible end use as a small business incubator, private office, or retail space.
5. (a) Name of Recipient: City of Franklin
- (b) Loan, Grant, Property Transfer: Property Transfer
- (c) Amount: \$0
- (d) Source: Integrated TIF District – 2015 TIF BOND
- (e) Purpose: Transfer of property located at 45, 49, 51, and 55 E. Wayne Street to build a public parking lot.

E. AMOUNT OF FUNDS ON HAND AT CLOSE OF CALENDAR YEAR 2016

<u>Name of Fund</u>	<u>Amount</u>
1. 311 TIF Control	\$3,613,151.44
2. 398 TIF Revenue Bond Proceeds	\$1,125,173.46

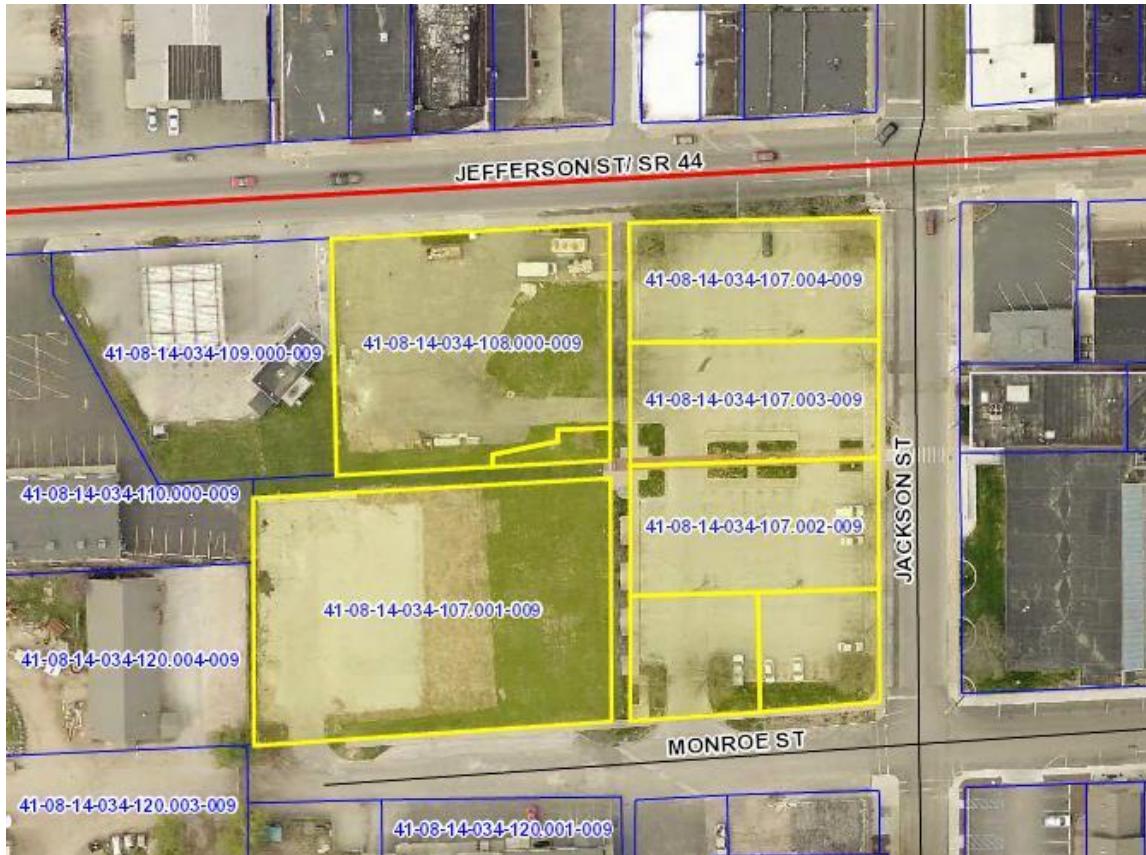
3. 399 RDC Capital	\$5,044.12
4. 311 TIF Control Fund Investment	\$3,300,000
5. 399 Capital Fund Investment	\$400,000
6. 397 TIF Revenue Bond Reserve Account	\$1,000,747.04
7. 398 TIF Revenue Bond Investment	<u>\$5,517,650.00</u>
Total	\$16,040,915.99

F. ADDITIONAL COMMENTS REGARDING ACTIVITIES OF THE REDEVELOPMENT COMMISSION AND RESULTS OBTAINED DURING 2016

Property Owned by the RDC in 2016:

Parking lot at the southwest corner of Jackson and Jefferson Street.

Parcel Numbers: 41-08-14-034-107.004-009; 41-08-14-034-107.003-009; 41-08-14-034-107.002-009; 41-08-14-034-106.000-009; 41-08-14-034-107.000-009; 41-08-14-034-108.000-009; and 41-08-14-034-107.001-009.



Other Projects Not Listed Above:

Continued negotiation with potential developers at the I-65 Interchange as part of the I-65 Interchange Economic Development Plan.

Partnership with the Franklin Development Corporation to purchase an abandoned property at 351 E. Jefferson Street and renovate the building. Funded through Resolution Number 2016-10B.

The Elk's Lodge #1818 project at 56 E. Jefferson Street was completed and the Redevelopment Commission voted on February 16, 2016 to release the mortgage on the property.

Planning for future infrastructure improvements.

Monthly cash flow analysis projections through 2018.

Continued design of the intersections of the truck route along the East Bypass.

Finalized the process for creating a new US 31 TIF District – Confirming Resolution 2016-19 approved on April 19th, 2017.

Began planning for the construction of the second Shell Building.

Continued discussion with the Johnson County Commissioners for the acquisition of the “Red Carpet Property” located near the I-65 Interchange as part of the I-65 Interchange Economic Development Plan. Parcel ID 41-07-18-042-010.001-018

Other Matters:

New RDC Member, Paul Buening, was introduced and attended his first meeting on March 15, 2016.

Continued TIF analysis by Jeff Peters, Peters Municipal Consultants, Ltd.