



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

June 19, 2018

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
Rob Schafstall	Legal Counsel

Call to Order:

Bob Heuchan called the meeting to order.

Approval of Minutes

Keith Fox made a motion to approve the May 15, 2018 meeting minutes. Richard Wertz seconded. BJ Deppe pointed out the lack of "passed" on the shell building disbursement. Approval of the minutes passed with correction.

Old Business

New Business

Interlocal Agreement with Johnson County – Ejector Pit

City Attorney Lynn Gray reminded that the RDC holds title to the Oren Wright parking lot for the City of Franklin. The county met with Mayor Steve Barnett to discuss the sewer manhole. When there is a lot of rain, the sewer backs up into the county annex building. As the solution, they are requesting an ejector pit be put in at their expense. Rick Littleton has been at the site with the county's contractors. The city is in agreement. If it should ever be moved, they would cover the cost for relocating it as well. Mr. Deppe moved to approve with a second from Mr. Fox. Passed.

Shell Building Disbursement #5 – June 2018

Bob Carmony from Runnebohm reported a prospect for the building, so they have pulled their crews from siding until they know how the prospect wants to finish it out. The crews have been redirected to do exterior work of concrete, landscaping and parking lot instead. Today's invoice for approval is \$113,850. Mr. Fox moved and Paul Buening seconded. Passed.

Notice of No Excess TIF

Krista Linke explained that each year the RDC is required to notify all the other taxing units in the county if there is any excess TIF that is going to flow through to them. She prepares a letter to notify of no excess TIF. Mr. Wertz made a motion approving the letter of no excess TIF and Mr. Fox seconded. Passed.

JART Properties, Inc. – Hotel Project – Status Update

Rob Richardson reported the project to be well underway. The elevator shaft and first floor are complete and the second floor is 30-40% complete. They are running about 30 days behind schedule due to weather. Mr. Heuchan added with Trent Newport to determine property lines and responsibility for mowing. He has also updated them on the buffer zone and sidewalk issues.

I65 Interchange Proposed Development – Economic Development Agreement

Mayor Barnett gave an overview of this project involving the old Red Roof Inn property. The negotiations are more difficult due to several land owners being involved. There is \$560,000 to be put in escrow for redevelopment of the road by Burger King and to purchase the liquor store. It is to be a Hampton Inn on the property by the Sprague's. They have other hotel properties at County Line Road and Taylorsville. The mayor and FDC and RDC presidents have to agree with what is put up in the area. There is an agreement in place with the Board of Works that Jennifer Thompson gets either the property or the \$200,000 that was in exchange for the roundabout land. The Sprague's are going to buy that option from her. Otherwise, if the property was sold by the Redevelopment Commission, the Johnson County Commissioners were to get half the proceeds from the sale of the property.

Nick Sprague with Franklin Gateway Development gave an overview of the property development plans. There are five lots they've put together and the Hampton Inn and Suites, a 91-room property, is the northern most piece. There are eight out lots. Two of those closest to the highway are already spoken for. The remaining lots hope to be secured for sit-down dining and other possibilities.

Rob Schafstall described the bulk of the agreement as similar to those in the past. He suggested an authorization for Mr. Heuchan to sign the agreement in final form. Mr. Heuchan pointed out that the RDC grant would be consistent with the grant given for the JART project. The intent is to allow the developer to put the deal together with the other buyers. The former Red Carpet Property is an incentive to make sure the property goes in an approved direction. Mr. Deppe would like to see it before voting. Mr. Schafstall explained that RDC wants to assure the developer that their interest in the project is appreciated and that RDC agrees it's important for the community. Ms. Linke added that FDC and Board of Works also have to approve this and that the \$250,000 has already been approved through a resolution last year so the additional funds require a resolution as well and could be done at the same time. Mr. Wertz made a motion to approve the economic development agreement subject to seeing a final copy and having a meeting to vote before Mr. Heuchan signs it. Mr. Heuchan asked for Mr. Wertz to withdraw his motion. Ms. Linke pointed out that the remainder will need to come out of the TIF control fund as the bond monies will be spent down. In this case a 10-day notice is required for the resolution. Mr. Schafstall stated only 48 hours was needed because money can be appropriated after the fact. Mayor Barnett added that a closing with the Thompsons was hopefully going to be this week. A special meeting was called for Friday morning at 8:00 a.m.

Resolution 2018-32B: Appropriating \$200,026.66 of 2015 Bond Funds for Improvements Related to the Shell Building Project

Ms. Linke highlighted this resolution approved in 2017 for all three payments of the shell building, one

each year. When encumbered it was to Franklin Title Insurance. This year's payment needs to go directly to Linville's, so this resolution takes care of the wording to make this happen. Mr. Fox made a motion to approve and Mr. Wertz seconded. Passed.

Other Business

May 2018 Financial Reports

The May tax disbursement has not been received yet from the county. They should reflect on the June report, so May's still includes estimates. Also included is how much has been spent on each resolution. Resolution 17-25 includes the amount of the shell building payment, so it will need to be reduced at the next month's meeting to reflect the payment out of the bond rather than the TIF control fund. Ms. Linke reviewed the remaining project payments to come out of the bond fund that will zero it out by the deadline.

June 2018 Cash Flow Analysis Worksheet

Ms. Linke reviewed all the things this worksheet included. There are three years of projections on the report.

Public Comment and Announcements

Mayor Barnett reported Brookhaven Drive and Linville Way almost ready to open up. The trail project is to be completed by July 25. Extra police patrol on Jefferson Street has been turning around 75 trucks a day, not writing tickets unless they reach downtown.

Dana Monson from JCDC reported site visits coming up and interest in the shell building.

Tara Ricke reminded of Smoke on the Square Friday and Saturday from 11am-10pm and People's Choice on Friday evening.

Respectfully submitted this 31st day of July, 2018.

Bob Heuchan, President

BJ Deppe, Secretary