



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

November 19, 2019

Members Present:

Bob Heuchan	President
Richard Wertz	Vice President
BJ Deppe	Secretary
Paul Buening	Member
Andrew Eggers	Member
Kristi Ott	School Board Representative

Others Present:

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

Call to Order:

Bob Heuchan called the meeting to order.

Approval of Minutes

BJ Deppe made a motion to approve the September 17th, 2019 meeting minutes. Richard Wertz seconded. Passed.

Old Business

Sale of 180 S. Jackson Street – Update

Krista Linke reported the sale has been completed. The \$50,000 check from the Parks and Rec Board was deposited in November. It is reflected on the cash flow analysis for the fourth quarter and will be reflected on the November Financial Report.

Brookhaven Drive Economic Development Agreement Between and Among the Redevelopment Commission, Board of Works and Linvilles – Rob Schafstall stated this to be old business. Earlier in the year, the RDC gave approval for a resolution that authorized an exchange of ground with the Linvilles. They would be giving up the Brookhaven Drive property and the City of Franklin would be giving up the east half of drainage ditch property on Commerce Drive. The west half was exchanged with the Linvilles last year when Linville Way and the new shell building was done. The document was not signed, so it is to be signed today to get to a closing and could possibly be finalized yet this year. Board of Works has also approved but not signed yet. Mr. Wertz made a motion to approve the EDC and Drew Eggers seconded. Passed.

New Business

TIF District Amendment to Include Personal Property Taxes for Energizer Manufacturing – Mr.

Schafstall reminded that Energizer Manufacturing Corporation has decided to locate in the Sunbeam

building in the Franklin Tech Park. Last week they received a favorable recommendation for a tax abatement. Their plan is to put their equipment and other personal property at the cost of about \$55 million. Mr. Schafstall explained the idea with this capture is that in addition to the real estate taxes already being captured, resolutions would be passed allowing the capture of the incremental increase on the personal property taxes. The economic development plan must then be amended or a new one created for Franklin Tech Park. Mr. Schafstall has reached out to Rick Hall at Barnes and Thornburg. It will also require Jeff Peters analysis for tax impact. It is the usual four-step process. Mr. Schafstall will present to RDC in January a declaratory resolution or an amendment to the existing one for the purpose of capturing the personal property TIF. It will then go to Plan Commission and City Council for approval. It would finally return to RDC for a confirmatory resolution with a public hearing. Because it is a 100% abatement, there is all of 2020 in which to get it done. The effective date could be January 1 of either 2020 or 2021. Mr. Schafstall does not know what the expected revenues will be from the capture. Ms. Linke said it is hard to know since the equipment has not been brought here yet and the assessed value undetermined. Once the abatement rolls off, Energizer's estimated personal property tax impact was a half a million dollars annually. Mr. Schafstall explained that capturing personal property is different from real estate taxes. In order to capture personal property tax, the taxpayer has to be designated, in this case Energizer. It takes at least 60 days to accomplish.

Mayor Steve Barnett explained that County Road 525 E, the road just east of this property, is going to be rebuilt due to expansion in that area. The current TIF revenue does not provide a lot to support the desired road expansion. Mr. Eggers asked how far east on King Street the city has agreed to take over from the state. Mayor Barnett responded that the city will have to fund some of the needed turn lanes. The stop lights are the state's responsibility. The city owns to the first exit. The city owns from the most west exit. Everything east is the state's. Mr. Eggers was thinking this to be an additional funding source. Ms. Linke added that City Council approved both real and personal property abatements last night.

Mr. Eggers made a motion to approve Mr. Schafstall to move ahead with amending or creating a new economic development plan in order to capture personal property taxes with Energizer. Ms. Linke asked if any other properties should be included in this as well. Mr. Schafstall reminded that they can't be done until the taxpayer is identified. Real property can be done by real estate parcel. Ms. Linke wondered about Tippmann with their annexation. Paul Buening seconded. Passed.

Resolution 2019-39 Appropriating \$295,500 for US 31 TIF Bond Payments for 2020 – Mr. Schafstall explained interest and a little principal will be owed in January on the US 31 TIF bond money borrowed. Mr. Wertz made a motion to read by title only. Mr. Deppe seconded. Passed. A public hearing was held. Mayor Barnett confirmed that the funds come out of the TIF allocation area and not the bond proceeds. Mr. Wertz made a motion for approval of the resolution. Mr. Buening seconded. Passed.

Other Business

September 2019 Financial Report – No report.

September 2019 US 31 TIF District Financial Report – There is \$1.1 million cash balance in this account at 2019 year end based on allocations. The starting amount of the bond was \$10,138,786. \$9,333,852 was invested so interest is accruing. Total expenditures to date are \$123,947. Ms. Linke also identified the outgo of \$100,000 for the amphitheater project startup. She recommended reimbursing that expense out of the US 31 TIF proceeds into the integrated TIF control fund.

October 2019 Financial Report – Ms. Linke gave an overview of the property taxes situation. She also highlighted grant reimbursements and resolution expenditures. Mr. Wertz asked if there is any activity on the shell building. Ms. Linke reported they are to be completed with construction by the end of November. All materials are on site. Site visits have been taking place and two incentive offer letters are out currently.

November 2019 Cash Flow Analysis Worksheet – City Engineer Mark Richards identified three projects on the INDOT letting last Thursday. Two bids came in less than the funded amount and engineer's estimate for the project. The Westview and West Jefferson roundabout came in quite a bit higher as the original project did not include some of the decorative items within the roundabout and surrounding vicinity. The West Jefferson trail project went on INDOT letting in May. It came in \$260,000 over the funded amount so it was not awarded at that time. It was put together with the roundabout project and came in at a better price quote. The third project is the South Main Street project. Mr. Richards reviewed a financial report handout of the three projects with categorical breakdowns. Mr. Wertz asked if all three projects will be done by 2021. Mr. Richards responded that the projects should be completed by 2020. They will extend into 2021 for inspection invoices. The construction on South Main Street and West Jefferson trail projects should begin in March or April. The roundabout will be constructed during June and July. Mr. Richards requested any processes for moving funds around between the projects be addressed at January's meeting. The payee will be INDOT and can be encumbered. Mr. Heuchan asked if people have been met with on the South Main Street project. Mr. Richards assured that occurred during the land acquisition process. Ms. Linke identified that all changes Mr. Richards reviewed were entered into the cash flow worksheet. She also reported \$32,000 not spent on the McDonald's truck parking lot. The economic development agreement stipulates that any monies not spent must be refunded from the FDC to the RDC. Discussion had been held on purchasing a portion of a property for a shared downtown dumpster location at the Artcraft alley, replacing nine dumpsters to three on a concrete pad with black fencing. Mr. Eggers stipulated that he believes the FDC should have secured RDC approval before expending the funds, and he doesn't want to set a precedent, but he made a motion to ratify the expense. Mr. Deppe seconded. Mr. Heuchan interjected that previous discussions on this project helped to support the expense. Passed. The downtown dumpster resolution will expire at the end of the year.

2020 RDC Calendar – The schedule was presented as a matter of information.

Mr. Heuchan asked what the excavation work around the east side roundabout was. Mr. Richards explained Dave O'Mara to be installing some drainage pipe. INDOT never maintained the swale which has presented drainage problems.

Mr. Heuchan asked if the Arvin/Commerce roundabout will be full or partial. Mr. Richards responded it will be full.

Public Comment and Announcements

Mr. Richards announced the final public open house for the Bicycle and Pedestrian Master Plan tomorrow from 4-7pm.

Marty Williams announced the Holiday Lighting on December 7.

Respectfully submitted this 17th day of December, 2019.

Bob Heuchan, President

BJ Deppe, Secretary