



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

April 21, 2020

Members Present:

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| Bob Heuchan | President |
| Richard Wertz | Vice President |
| Brian Deppe | Secretary |
| Ken Austin | Member |
| Paul Buening | Member |
| Kristi Ott | School Board Representative |

Others Present:

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|----------------|--------------------------------|
| Krista Linke | Community Development Director |
| Rob Schafstall | Legal Counsel |

Call to Order:

Bob Heuchan called the meeting to order via conference call.

Approval of Minutes

Richard Wertz made a motion to approve the February 18th, 2020 meeting minutes. BJ Deppe seconded. Passed unanimously.

Old Business

Duke Energy Access Agreement – Rob Schafstall reminded that Duke is investigating the Indiana-American storage facility at the site next door to the amphitheater site. They want permission to go on the amphitheater site to do further investigations, so they have proposed this access agreement. Mr. Schafstall and Mark Richards have worked with Duke to create the document presented. There is currently no termination date in the agreement. Jessica Keener of Duke explained that they don't know how long IDEM will require Duke to do the monitoring. Mr. Schafstall offered other ways this could be addressed in the agreement. Mr. Deppe wanted to add a provision that if there is any litigation jurisdiction and venue will be in Johnson County, Indiana courts. A discussion ensued with regards to the handling of the termination date in the access agreement. Steve Barnett wanted to speed up the agreement process so Duke can begin their work. It has been in the process since February, and Duke is ready to begin. Mr. Schafstall proposed changing the litigation venue to Johnson County and entering a termination date that would be the earlier of two years or six months post-IDEM completion. Mr. Wertz made a motion to approve the two changes as proposed and authorizing Mr. Heuchan to sign the document once finalized with Duke. Mr. Austin seconded. Passed unanimously.

TIF District Amendment: Status Update – Krista Linke gave a status update on the declaratory resolution for naming Energizer's personal property and creating a new TIF district for the GDI project on the south side of State Road 44 next to County Road 525 (Forest Road). The annexed parcels were also to be added for Interstate Warehouse on the southern end of the Tech Park. The parcel is being

replatted because the expansion will cross parcel lines. It may need to be added to the existing TIF district instead of the new one because of the parcel replat. This did not go to Plan Commission in March or tonight's April meeting. Sunbeam has purchased the property on the north side of State Road 44 that adjoins Jim Black Road. Consideration is being given to whether this will stay in the existing TIF district or put in to the new one. Expirations will differ. Sunbeam is also considering purchase of the property east of Jim Black Road (Tresslar Farm) and further east, and these properties need to be annexed. Mr. Austin asked if it would be beneficial to the city to have a new start date. Ms. Linke concurred. For the north-side development they are required to upgrade Jim Black Road which is a county road. They are looking for assistance with the cost of that through RDC. Generated revenue would take a couple of years to pay it off. The extension would be to allow enough time to pay off the infrastructure costs. Mayor Barnett added that the beginning of the annexation process is on the Plan Commission agenda tonight.

Enviroforensics Update – Casey McFall gave an update. They wanted to understand if soil could be moved around on the property. And they wanted to know what was present in the areas slated for grass. Surface soil samples at 30 locations were collected from zero to two feet and two to four feet. Seventy-five to 80 percent came back fit for reuse. Only very low levels of contaminants were found in other places. In the remaining 20-25% of the soil, Enviroforensics seeks an exemption from IDEM to reuse that fill underneath paved areas. They are also waiting on a site status update letter stating no threat to human health or the environment on this property and that they won't pursue further. Ms. Linke added that Enviroforensics has submitted a scope of services in the amount of \$1600 to conduct the site status update letter process to close out. Mayor Barnett clarified that Enviroforensics is only with regards to the topsoil. Duke Energy is the water plume 35-40 feet under. Mr. Heuchan asked if it didn't make more sense to remove any doubts and completely remove any contaminated soil rather than covering it up with pavement. Mr. McFall confirmed that is an option. Mayor Barnett is fine with it begin under pavement. Mark Richards added that there would be additional cost to have the soil removed and then new fill brought back in to the site so supports the use of it under pavement. A motion was made by Mr. Austin to approve the letter subject to review by Mr. Schafstall and Mr. Heuchan. Paul Buening seconded. Passed with one abstention from Mr. Deppe who would like to see the letter himself.

New Business

Resolution 2020-10: \$675,000 for Construction Costs Related to CR 525 E/Forest Road – Mr. Richards reported the city's application for two projects, a mill and overlay on several streets in town and the second for construction of County Road 525 East (Forest Road) between State Road 44 and County Road 50 South (Mitchell Road). Estimated cost is \$1.325 million. Mr. Richards described the construction process. Mr. Austin made a motion to read by title only. Mr. Buening seconded. Passed unanimously. A public hearing was held. A motion for approval of the resolution was made by Mr. Wertz. Mr. Deppe seconded. Passed unanimously.

Partial Mortgage Release – Former Red Carpet – Mr. Schafstall reported that the Sprague's asked for a release of their entire mortgage. It covers lot four for Culvers north of Starbucks and the remaining part of the development that includes the site of the former Red Carpet Hotel. That work is not done yet. The consensus of a working group was only a partial release of only lot four. It is signed and recorded so they can close with Culvers possibly today. Mr. Schafstall asked for Sprague's to come to the May meeting for an update on the development as the mortgage will end on its own this summer, so RDC needs to be satisfied before that time. A motion to ratify the signing by Mr. Heuchan of the partial release and an invitation be extended to the Sprague's to report at the May meeting was made by Mr.

Austin and seconded by Mr. Buening. Passed unanimously.

Shell Building – Marketing – Ms. Linke reported a meeting was held with Cushman & Wakefield, and they are proposing to represent the city in the sale of the shell building. There are two offer letters out to local companies and one at the state level. Ms. Linke would like to see these three not be bound by contracts with Cushman & Wakefield going forward.

Mr. Wertz made a motion to proceed with Cushman & Wakefield excluding the three recipients of offer letters already received with a three-week period to make a deposit or escrow non-refundable amount.

Mr. Deppe does not like the agreement, pointing out that there were no commencement and expiration dates. He questioned several other details as well. Ms. Linke added with COVID-19 her exception to the three-week deadline. Mr. Barnett would like to see the total exclusion of the current three prospects. Don Treibic from Cushman & Wakefield is not in support of excluding the three current prospects. Rate of commission is whatever parties agree to, there is no standard. Their rate has always been six to seven percent. Mr. Heuchan identified the likelihood of marketing expenses in the amount of \$5-10,000 as well. Mr. Deppe said if one of the current three comes back and makes an acceptable offer, that didn't come through Cushman & Wakefield. Fritz Kauffman offered their willingness to a limited exclusion period. A discussion was held about a number of different agreement options. Mr. Kauffman recommended an asking price of just over \$70/square foot for a total of \$3.6 million, reviewing several cost categories out of the profit margin. Mr. Heuchan suggested continued work by selected individuals with a return to the May meeting with an agreement.

Mr. Wertz withdrew his motion but expressed concern about how long the building has sat empty and questions being received from community residents.

Permission for Metronet and Comcast to bore under RDC owned parking lot – Mr. Richards explained this request to be related to the amphitheater project. Duke is removing overhead lines and Metronet and Comcast are co-located on Duke's poles. The location is on the north side of Monroe Street west of Jackson Street. They are not requesting an easement. Crossroad Engineers has provided both companies on other utilities such as storm lines, requiring them to bore down five feet. Mr. Deppe believes there should be an easement agreement approved by legal counsel. Mr. Deppe made a motion to grant easements to Metronet and Comcast in writing approved by legal counsel. Mr. Buening seconded. Passed unanimously.

Other Business

February and March 2020 Financial Reports – The payment for one of the US31 allocation areas had incorrectly been receipted into the 311 fund in December, corrected in February. She highlighted new expense and income changes since last month's meeting. Mr. Heuchan asked what the timetable was on the amphitheater project. Bids will be advertised next month and opened on June 9 and award on June 15. Scott Graham will be out in the next weeks and then Duke will disconnect electricity. Demolition will begin in July. Mr. Heuchan asked about the negative year end balance. Ms. Linke explained that to be if every resolution was completely expended by the end of this year.

April 2020 Cash Flow Analysis Worksheet – The additional expenditure for Forest Road is shown. Tax receipts are based on the amounts received last year.

Public Comment and Announcements

Ms. Linke presented a plan for securing needed signatures on documents with City Hall currently closed to the public. Documents will be available at the entrance to City Hall during regular business hours.

Respectfully submitted this 19th day of May, 2020,

Bob Heuchan, President

BJ Deppe, Secretary