CITY OF FRANKLIN
DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT · DEPARTMENT OF ENGINEERING

MINUTES

ECONOMIC DEVELOPMENT COMMISSION
Special Meeting
May 3, 2010

Members Present:

Sam Yount	President
H. Lee Hodgen	Vice-President
John Ditmars	Member
Ken Austin	Member

Members Absent:

Tony Wellings	Secretary

Others Present:

Krista Linke	Planning Director
Rob Schafstall	Legal Counsel
Fred Paris	Mayor
Jaime Harshman	Recording Secretary

Call to Order:
Sam Yount called the meeting to order at 5:00 p.m.

Approval of Minutes:
John Ditmars stated that a correction to Sam Yount's name was needed in the March 2010 minutes as it was misspelled as Sam Young.

On a motion by Ken Austin and a second by Lee Hodgen, the members voted unanimously to approve the minutes from the March 2010 meeting.

Old Business:

Case C2010-08…Pridgeon & Clay, Inc:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2000-08.

Action taken on Case C2010-08…Pridgeon & Clay, Inc:
On a motion by Ken Austin and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-09…Holbrook Manufacturing Inc.:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2007-14.

Action taken on Holbrook Manufacturing Inc.:
Mr. Ditmars made a motion to find Holbrook Manufacturing in compliance based on factors beyond their control due to the economic condition and to forward a favorable

recommendation to City Council. Lee Hodgen seconded the motion, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-10...Franklin Tech Park Associates:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2004-05.

Action taken on Case C2010-10...Franklin Tech Park Associates:
On a motion by John Ditmars and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-11...Laugle Properties:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2004-05.

Action taken on Case C2010-11...Laugle Properties:
Ms. Linke stated that Greenwood Machine, the company formerly at the property, is no longer in business at this location. She stated that Innovative Technology has purchased the property and the abatement will be transferred to them. The abatement is for real property only.

On a motion by John Ditmars and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-12...BBC Products
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2007-07.

Action taken on Case C2010-12...BBC Products
On a motion by Lee Hodgen and a second by Ken Austin , the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-13...BBC Products
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2007-15.

Action taken on Case C2010-13...BBC Products
On a motion by Lee Hodgen and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-14...Dualtech, Inc.:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2008-03.

Action taken on Case C2010-14...Dualtech, Inc.:
On a motion by John Ditmars and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-15...Laugle Properties, LLC:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2008-06.

Action taken on Case C2010-15...Laugle Properties, LLC:
On a motion by Lee Hodgen and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-16...Laugle Properties, LLC:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2008-07.

Action taken on Case C2010-16...Laugle Properties, LLC:
On a motion by Lee Hodgen and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-17...Laugle Properties:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2001-04.

Action taken on Case C2010-17...Laugle Properties:
On a motion by Lee Hodgen and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-18...Amcor PET Packaging:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2006-06.

Action taken on Case C2010-18...Amcor PET Packaging:
On a motion by Lee Hodgen and a second by John Ditmars, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance with a note that there was no control over final numbers due to outside economic factors.

Case C2010-19...Amcor PET Packaging:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2005-05.

Action taken on Case C2010-19...Amcor PET Packaging:
On a motion by Lee Hodgen and a second by John Ditmars, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-20...Caterpillar:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2005-01.

Action taken on Case C2010-20...Caterpillar:
On a motion by Ken Austin and a second by John Ditmars, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-21...Caterpillar:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2005-03.

Action taken on Case C2010-21...Caterpillar:

On a motion by Ken Austin, with special consideration given the economy, and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-22...Electro-Spec:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2008-04.

Action taken on Case C2010-22...Electro-Spec:
On a motion by John Ditmars and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-23...Electro-Spec:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2003-15.

Action taken on Case C2010-23...Electro-Spec:
On a motion by John Ditmars and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-24...Midstate Manufacturing Corporation:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2008-22.

Action taken on Case C2010-24...Midstate Manufacturing Corporation:
On a motion by Lee Hodgen with consideration because of the economy, and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-25...NSK Precision America, Inc.:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2005-04.

Action taken on Case C2010-25...NSK Precision America, Inc.:
On a motion by John Ditmars and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-26...NSK Precision America, Inc.:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2005-10.

Action taken on Case C2010-26...NSK Precision America, Inc.:
On a motion by John Ditmars and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-27...NSK Corporation:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2004-03.

Action taken on Case C2010-27...NSK Corporation:
On a motion by John Ditmars with consideration because of the economy, and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-28…NSK Corporation
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2005-18.

Action taken on Case C2010-28…NSK Corporation:
On a motion by Lee Hodgen and a second by John Ditmars, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-29…CTC Casting Technologies:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2007-08.

Action taken on Case C2010-29…CTC Casting Technologies:
On a motion by John Ditmars with consideration because of the economy, and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-30…CTC Casting Technologies:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2008-11.

Action taken on Case C2010-30…CTC Casting Technologies:
On a motion by John Ditmars with consideration because of the economy, and a second by Ken Austin, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-31…Superior Essex:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2005-20.

Action taken on Case C2010-31…Superior Essex:
On a motion by Ken Austin and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-32…KYB:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2006-09.

Action taken on Case C2010-32…KYB:
On a motion by John Ditmars with consideration because of the economy, and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Case C2010-33…KYB:
Tax Abatement Compliance Hearing as granted through Council Resolution No. 2006-03.

Action taken on Case C2010-33…KYB:
On a motion by John Ditmars with consideration because of the economy, and a second by Lee Hodgen, the members voted unanimously to forward a favorable recommendation to City Council to find the company in substantial compliance.

Ms. Linke stated there are four remaining companies that have not turned in their abatement information. The four companies are Klaisler Manufacturing, Precision Cutoff, Trussway and

Indiana Hydraulic. Grok Enterprises has abandoned their abatement. A special meeting may need to be called as the tax information is due to the assessor by May 15th, 2010. Mayor Paris recommended that after two attempts to contact the abatement be dropped. Mr. Austin stated that the recommendation to city council is important. He agreed that if companies don't respond, we should drop them. There's a process that they go through and they need to comply.

New Business:

Case EDC 2010-02...Mitsubishi Heavy Industries Climate Control, Inc.:
A 10-year tax abatement is being requested for $446,212 on real property and $8,893,108 of personal property for the investment in assembly line upgrade, new machining purchases and facilities upgrade.

Mayor Paris stated that while Mitsubishi has had a down couple of years, they've recovered a lot for 2012. Employment could be up higher than it's been before. He stated that he's supportive of their request.

Bob Francis, Mitsubishi, stated that they have submitted all the information for $9.3 million dollars for personal and real estate property. $5.3 million would be spent this year starting in the third quarter. $4 million will be spent next year. $8.9 million is in equipment and $400,000 is for improvements to the facility. Mitsubishi received a tax abatement in 2008 for $5.3 million in equipment for a new air conditioner compressor for cars. There is now a lot of new business. The company will be making more compressors in 2012, 2013, 2014. The assembly line will have to have further upgrades and a lot of new machinery has been brought in.

Mr. Francis stated that the name of the parent company is Mitsubishi Heavy Industries. The Franklin division is for car air conditioning. Tommy Rye, president of the Mitsubishi Heavy Industries, stated his gratitude for the business being in Franklin. The product compressors that are being made for automotives improve the miles per gallon. He stated that they will be exporting compressors from Franklin. They will go to Korea, China, Brazil and Mexico. They are considered an essential supplier and were named the Supplier of the Year for the 6th time.

Mr. Ditmars questioned if the contract has already been awarded. Mr. Francis stated that it has been.

Ms. Linke stated that the resolution had to be approved in March. Thus, it is not eligible until 2011, payable 2012.

Action taken on Case EDC 2010-02: Mitsubishi Heavy Industries Climate Control, Inc.
Lee Hodgen made a motion to approve give a favorable recommendation to City Council for a 10 year abatement for $446,212.00 for Real Property, meeting the ERA designation. John Ditmars seconded the motion. The motion passed unanimously.

It was noted that there is currently no economic development fee but Mitsubishi is aware of it.

John Ditmars made a motion to give a favorable recommendation to City Council for a 10 year abatement for $8,893,108.00 for Personal Property, meeting the ERA designation. Lee Hodgen seconded the motion. The motion passed unanimously.

Case EDC2010-03...Franklin United Methodist Home, Inc.:

The request is for an economic development revenue refunding and improvement bonds. They are asking to refinance $25 million with an additional $2 million for additional projects.

Angela Imel, Franklin United Methodist Home, stated that the purpose of the refunding is to refund and pay off the existing bond issuance. It is currently secured and backed by a letter of credit. The fee for the line of credit is unfavorable. The refunding for the new series will be financed through a tax exempt bank qualified purchase by Huntington National Bank. There will be no letter of credit and no fee. There are additional monies above the payoff amounts. Mr. Joe Trueblood stated last 2 years been turbulent and large banks have been backing out. The FUMH has increased their staff up to 400 employees. The combined wage and benefit cost of the staff is $13 million. There are first class benefits for employees and they are trying to make their wages a true living wage. The additional dollars will be used for roof replacements and remodeling. This is done mostly by local contractors.

A public hearing was opened. With no comments, the public hearing was closed.

It was explained that the Methodist Home is proposing to use the city's good name to borrow and refinance the money. The City is the issuer of the bond. The City has to pledge the Methodist Home's project revenues. There are no commitment on the City's part and no substantial risk.

Action taken on Case EDC2010-03: Franklin United Methodist Home, Inc.
John Ditmars made a motion to approve the project as defined in resolution 2010-01 for the issuance of revenue bonds not to exceed $25 million and to approve the report attached thereto. Lee Hodgen seconded the motion. The motion passed unanimously.

Other Business:
Krista Linke noted that she should be notified when a member is not able to attend a meeting.

Adjournment:
There being no further business, the meeting was adjourned.

Respectfully submitted this 6th day of July, 2010.

Sam Yount

Sam Yount, President

Tony Wellings

Tony Wellings, Secretary