CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

January 17, 2013

Members Present:

Bob Heuchan	President
Rob Henderson	Vice-President
BJ Deppe	Secretary
Jay Goad	Member
Danny Vaught	Franklin Community School Corporation Representative

Members Absent

Richard Wertz	Member

Others Present:

Krista Linke	Director of Planning & Economic Development
Rob H. Schafstall	Legal Counsel
Jaime Shilts	Recording Secretary

Call to Order:
Bob Heuchan called the meeting to order at 8:00 a.m.

Election of Officers:
Rob Henderson made a motion to elect Bob Heuchan as President. Jay Goad seconded the motion. The motion carried. Mr. Heuchan abstained from the vote.

Jay Goad made a motion to elect Rob Henderson as Vice-President. BJ Deppe seconded the motion. The motion carried.

Jay Goad made a motion to elect BJ Deppe as Secretary. Rob Henderson seconded the motion. The motion carried. BJ Deppe abstained from the vote.

Appointment of Legal Counsel:
Rob Henderson made a motion to retain Rob Schafstall as Legal Counsel. BJ Deppe seconded the motion. The motion carried.

Approval of Minutes:
Mr. Deppe noted that on the November 21st, 2012 minutes, he was listed as both approving and seconding the minutes.

On a motion by Rob Henderson and a second by BJ Deppe, the members voted to approve the minutes, with corrections, from the December 20, 2012 meeting.

Public Comment:
None.

Old Business:

Shell Building Update:

Rob Henderson stated that on December 22nd a notice to proceed was issued to Runnebohm Construction. The exterior look of the building was also chosen at the meeting. Rob Schafstall stated they are working on the language for the mortgage and he would report back at the next meeting.

Mike Runnebohm, Runnebohm Construction, stated CSO Architects are working on the plans to get them submitted to the state for approval. They hope to get the site plans finalized and would like to begin work by next month's meeting. Mr. Henderson stated he will be attending a broker event for the shell building and is hoping to include other available buildings in the city.

Commission Insurance:

Janet Alexander, Clerk Treasurer, stated that Travelers Insurance, the previous carrier, had agreed to cover all Boards and Commissions under an umbrella policy. The new carrier, One Beacon, found that the commission was not eligible and the RDC needed to have individual coverage under bonds. The cost to the RDC is $300.00.

New Business:

Debt Issuance Process: Jeffrey Peters:

Mr. Henderson stated Jeffrey Peters, Peters Municipal Consulting, was brought in to talk about projects and costs. A projected $55 million will be received by the Redevelopment over the next twenty years from the TIF areas on real property. He stated it's not a commitment, but Mr. Peters will have options for the Board.

Jeff Peters gave the Board handouts that outlined the bond process, alternatives to the bond market, estimated sources and uses of funds, and example bond repayment table. Mr. Peters stated there is a solid cash flow stream from the existing TIF districts. He stated with interest rates the way they are, it gives the Board an opportunity to leverage it in order to accomplish a lot of the projects. There are 2 paths, determine the projects that need to be included in the debt issuance and consider the estimated costs or look at estimated useful life and make sure the bonding doesn't outlast it and are timed correctly. The other option is to look at the maximum amount of debt the Board is willing to incur and the time period they are willing to finance that over and how much revenue it will support and then select the most important projects. Mr. Peters explained how the bond process works and how it would benefit the RDC. Mr. Heuchan stated the RDC started talking about this a year ago. He stated he doesn't know if they have any intention of taking a bond out today or if they want to borrow the maximum amount if they did take one out. Discussion was held on the issuing of bonds.

Board of Works Resolution 12-08: Real Estate Transfer:

Mr. Schafstall stated there is a real estate transfer agreement between RDC and Board of Works for the parking lots at Wayne and Jackson Streets.

Jay Goad made a motion to approve the transfer agreement. Rob Henderson seconded the motion. The motion carried.

Resolution 13-01: Approving the Real Estate Transfer:
Rob Henderson made a motion to approve the resolution for the real estate transfer. Jay Goad seconded the motion. The motion carried.

2012 Annual Report: Draft:
Krista Linke stated that there is a new form the State requires. It gives information on the commission members and officer positions held. The total expenditures paid out in 2012 are listed, as are all resolutions. The total encumbrances for 2012 are listed as well. It is required to be filed within 30 days of the new year to the State Board of Accounts.

BJ Deppe made a motion to allow minor changes to be made to the document by Bob Heuchan. Jay Goad seconded the motion. The motion carried.

December Financial Report:
Ms. Linke went over the report and stated that the report balance is different than the Annual Report due to a cd that was not included. Mr. Goad stated he would recommend putting the cd on the Annual Report. Ms. Linke stated that she would include it.

Other Business:

N. Main Street East/West Alley: Wessler Design Update:
Travis Underhill, City Engineer, stated they have about 80% of the design complete. He stated it has not gone to Board of Works yet. Wessler is setting up a base design but it's difficult to give an estimate up front. The project includes the alley south of the Artcraft and the alley west of the GC Murphy building.

55 W. Madison Street Update:
Rhoni Oliver stated there is asbestos in the building in the insulation around the pipes. The Johnson County Health Department has confirmed this. No action has been taken on it.

Ms. Linke has received some questions from Louis Joyner but has not heard a timeline for completion yet.

Rob Henderson made a motion to advertise for the work and to allow Rob Schafstall and Krista Linke to construct an RFP. Jay Goad seconded the motion. The motion carried.
Ms. Linke will list the information about the tax credits available in the RFP.

56/58 E. Jefferson Street Update:
Ms. Linke stated that the mold has been removed from the building. The proposals that have been received were not accepted by the Board. Another proposal has been received and sent to the Board. Mr. Schafstall stated that the Board should continue to solicit proposals.

Mr. Heuchan stated that they have received a formal offer from Robert E. White. Mr. White stated that his idea for the building is to put in a pawn shop/antique shop on the main floor, apartment and business offices on the top floor and in the basement an archery shop. He would like to see the drawings for the façade. Ms. Linke stated there is one that was done by Neil Dixon for the Chamber of Commerce's proposal. Mr. Henderson questioned if there would be licensing needed for the pawn shop and sporting goods. Mr. White stated his lawyer is looking into it right now. Mr. Heuchan disclosed that he and Mr. White have had a long term business relationship and will step aside if there is any conflict of interest. He stated the Board will have to look at the offer. Mr. White stated he is also willing to share the property. Mr. Henderson questioned if he would be willing to have public restrooms. Mr. White stated he would.

Bob Swinehamer, Elks Lodge 1818, stated they are looking at the possibility of purchasing the GC Murphy building and have formed a feasibility committee. He stated they would fully intend to meet the criteria outlined by the RDC. They would intend to meet the architectural designs. Their parking would not change as their building is right around the corner. They do feel like it's more space than they'll need and are willing to share the building. He stated that being a non-profit they would not generate property tax. He questioned if there would be a conflict of interest as most of the RDC board are Elks members. Mr. Goad stated they are looking for the best use and doesn't feel there is a drawback in not generating property tax. Mr. Swinehamer stated none of the Elk's individual members would benefit financially.

Mr. Henderson stated he would like to give the public notice to have all proposals in by the end of the month. Mr. Barnett stated it would have to go through the Elks and it would be a 3-6 month process. Mr. Goad stated he would like a formal announcement or notice of some sort would be fair to all parties that are interested.

Stellar Communities Grant Application:
Ms. Linke stated that the City is working on an application for the Stellar Communities Grant. The grant amount can be anywhere from $10-20 million. Mayor McGuinness stated the grant began in 2011 and is highly competitive. He is hoping that Franklin will be on the short list this year which would give the City a better chance on the grant next year. The grant would cover streets, buildings, etc. A consultant has been hired to help with the grant writing process.

Other:
Cheryl Morphew, JCDC, stated that they have already had businesses interested in the shell building.

There being no further business, the meeting was adjourned. Respectfully submitted this 21st day of February, 2013.

~~Bob Heuchan, President~~
Robert Henderson, Vice-President

BJ Deppe, Secretary