



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

April 15, 2014

Members Present:

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

Others Present:

Rob H. Schafstall	Legal Counsel
Krista Linke	Director of Community Development
Jaime Shifts	Recording Secretary

Call to Order:

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

Approval of Minutes:

Richard Wertz made a motion to approve the March 18, 2014 minutes as presented. BJ Deppe seconded the motion, motion carried.

Old Business:

Shell Building Update:

Chris King stated they have been working with a prospect on the building. They closed on the loan for the building on March 1, 2014. He stated they have been working on erosion issues at the site and should be able to work on it more as soon as there is nice weather. Mr. King stated they did place a "for sale" sign at the property.

2014-2018 Cash Flow Analysis:

Jay Goad stated that he and Krista Linke met with Trent Newport to go over the projects in detail. He stated they still need to move the school project up as a completed item. The amounts for Jefferson Street Phases have been revised to better reflect what the cost will be.

Rob Henderson stated that they have been approached by the owner of the shell building land about acquiring the land at a discount. Mr. Heuchan stated he suggested that Mr. Henderson to reach out to the owner to find out more information.

New Business:

Resolution 2014-12: Water Street, Monroe Street, and Home Avenue Improvements:

Ms. Linke stated the resolution is for the funds for the actual construction of the projects. The design fees were approved at the last meeting.

Richard Wertz made a motion to read Resolution 2014-12 by title only. Jay Goad seconded the motion. The motion carried. A public hearing was held.

Mr. Schafstall stated the \$1.2 million is for the construction of Water Street. It does not include the inspection or design which was already approved. The construction has not been bid yet. He stated the final numbers may come in below the estimate.

BJ Deppe made a motion to approve the resolution. Rob Henderson seconded the motion. The motion carried.

Jefferson Street Reconstruction Update: Trent Newport:

Mr. Newport stated the area for the Jefferson Street construction will go from the fairgrounds to Eastview Drive. They have about 25% of the plans designed. He stated there may be a public presentation in June or July. He stated they are still over a year away from construction downtown and two years away from construction in the Eastview Drive area. He has started to meet with utility companies. He stated they are working on expanding different sidewalks and turn lanes. They are considering a roundabout at Eastview and 44. He stated lots of the areas will be the same, just new walks and lanes. They may be removing the traffic signal at Home Avenue and upgrading the rest of the signals.

55 W. Madison Street-Old Post Brew Pub:

Mr. Goad stated that he and Ms. Linke met with Phil Warrenburg and Mike Ramsey. He stated there is about \$250,000 worth of work that the building needs, he'd like to have more details about that. He requested the details of the financing from Mr. Warrenburg. Mr. Schafstall stated the agreement before the board is just a draft. It still needs lots of tweaking and is not ready yet. Mr. Heuchan stated that Mr. Warrenburg would need to have funding lined up before the approval of the agreement. Mr. Warrenburg stated that he thinks there are some provisions needed on the building that should be taken care of with investments from the RDC. He stated the property should be brought up to a level of service so that any tenant could be brought into the building and could operate.

Mr. Warrenburg stated he has an improved project scope now and a letter from an Indiana State Historic Preservation Officer. The building now has to be reviewed by the National Park Service. He stated the letter states that the project scope of the property doesn't have any adverse affects in qualifying the property for the National Registry. Mr. Warrenburg stated that he had to have the letter to get permission for a brewer's license. He stated they are in the process of trade marking some things with the U.S. Patent Office and have reserved the various entity names with the Secretary of State. They have a completed architectural image package and have completed a Chapter 34 analysis which deals with historic properties and fire codes. They are still working on the associated costs of the property for the brew pub and the brewery. He stated that by state statute they must be listed as 2 businesses. Mr. Warrenburg stated he has applied to a 23 week brewery program.

Mr. Warrenburg stated there is a significant amount of investment in time and economic resources in the building to date. They are looking for funds from willing investors, from the RDC, and for shortfalls to be covered by borrowing. He stated they have several small investors committed and they will be meeting with a couple of larger investors. He stated they are looking at an additional \$100,000 for the build out with the investment balance of \$500,000 being in equipment, furnishings, finishes, tenant build out and utility rough-ins. He stated he is requesting that the RDC bring the building up to a level of service. They must keep the building up to certain standards to stay on the historic registry.

Mr. Warrenburg stated the items needing to be addressed on the property are items such as internal downspouts, flaking paint, electrical panels, HVAC on the main level needs replaced, the hot water system in the basement needs to be reinsulated, roof coating and gutters, window well covers, railing that has been run over, window and door restoration, and plumbing fixtures replaced. He stated it's a big list but as the costs are coming in they will have a better idea of numbers. They should have most of the estimate in place by the end of the month.

Mr. Warrenburg stated that the Treasury Department requires that you have a lease secured with signatures or documentation of the ownership of the property in order to have a brewery. Mr. Henderson stated he wondered about having a lease with Mr. Warrenburg on the building. He is okay with the investment of the building but doesn't want the RDC investing in the business. He stated the biggest issue is capital and investment. Mr. Heuchan stated that as they don't have confirmation of the capital yet they need to decide if they want to do improvements to the building while it's under the RDC. Mr. Deppe stated they could give them a lease with an option to purchase and do the improvements first so the building is ready. If the agreement falls apart, the improvements on the building will be done and the building ready for the next buyer. Mr. Goad stated they should have fixed up the building first before getting the property on the National Registry. Mr. Warrenburg stated the brewer's license takes time to get. Mr. Heuchan stated he doesn't want a lease agreement perceived as helping out a personal business. Mr. Wertz stated he is going to bring it up at the City Council meeting.

Steve Barnett, City Council, stated he doesn't see a problem with the brewpub but with the lack of finances. He doesn't want the City to lease and go into the real estate business. Rhoni Oliver stated there was one environmental concern at 55 E. Madison. They told her there was a dry cleaner located to the east of the building in the 50's-70's. She told the company to proceed with an estimate for a Phase 2. Danny Vaught stated that the post office building has been empty for quite some time and the City hasn't moved forward on it. He stated the City has not asked for it back and the City hasn't talked about it within the past few years. This is the first time someone from the private sector has made a serious proposal.

Mr. Heuchan stated the issue would be tabled to the May 20th, 2014 meeting.

Franklin Community School Corporation Economic Development Agreement:

Mr. Schafstall stated the appropriation was approved at the last meeting. He stated the findings in the agreement need to be voted on. The findings include the following; the project will promote the redevelopment and economic development of the unit, the project is of utility and benefit, and the project is in the best interest of the unit's residents. He stated that it is structured such that if the project is completed within 2 years, the money does not need to be paid back. If it is not finished, the money is to be paid back on demand.

Rob Henderson made a motion that the findings in paragraph 5 of the agreement have been satisfied. Richard Wertz seconded the motion. BJ Deppe-no, Rob Henderson-yes, Richard Wertz-yes, Bob Heuchan-yes, Jay Goad-yes. The motion carried 4-1.

Jay Goad made a motion to accept the Economic Development Agreement as presented. Rob Henderson seconded the motion. BJ Deppe-no, Rob Henderson-yes, Richard Wertz-yes, Bob Heuchan-yes, Jay Goad-yes. The motion carried 4-1.

Farmers' Market Parking Lot Improvements: Discover Downtown Franklin-Tara Payne:

Tara Payne, Discover Downtown Franklin, stated that they are gearing up for the summer and the Farmers' Market. They have 34 vendors signed up. She met with Jane Blessing at the hospital and is making plans to

have a market there at the hospital during the week. She gave the RDC the DDF expense budget and said that the estimates are on the high end. They are looking to do electrical upgrades, repair some of the brick pavers and also have an arch installed. The arch would not be a permanent fixture and could be moved. She stated the market starts May 10th and there are some hazards involved with the bricks and upkeep. Mayor Joe McGuinness stated he received a letter from Commissioner Brian Baird and concerns with the brick pavers and their current condition. Ms. Payne stated the port-o-pot would be there Friday night and removed during the week. Ms. Linke stated the electrical is just for entertainment during the market, it's not for the vendors. The current electrical outlet cannot be reached without extension cords due to its location. Mr. Heuchan requested firmer numbers on the electrical work by the May meeting. Ms. Payne said she would have them.

Richard Wertz made a motion to use up to \$11,600 for Discover Downtown Franklin for parking lot maintenance and upkeep and a port-o-pot. Rob Schafstall recommended that the motion read that DDF would ultimately have a development agreement, lease the picnic tables and other items to DDF for \$1.00, and eventually turn the items over to DDF. BJ Deppe moved to amend the motion as recommended by Rob Schafstall. Rob Henderson seconded the motion. The motion carried.

BJ Deppe made a motion to approve advertising for the funds for the arch at the next meeting. Rob Henderson seconded the motion. The motion carried.

Other Business:

2014 March Financial Report:

Ms. Linke stated the expenditures through March were \$1,370,000. Estimated cash balance at the end of the is \$4.8 million at the end of the year.

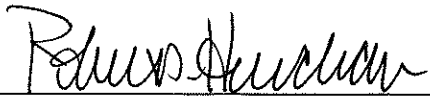
Tax Revenue Analysis: Rob Schafstall:

Mr. Schafstall stated there is new legislation regarding the RDC. It becomes effective July 1, 2014. He stated it would have an impact on any real estate owned by the RDC and how it can be disposed of. He stated it should not affect the shell building project as it is not owned by the RDC. The old City Hall building and Oren Wright properties will have to have approval by the City Council in order to sell them after July 1st. Mr. Schafstall stated that if the RDC chooses to set an annual budget, which they currently do not, after July 1st the City Council has to approve it. The RDC does not currently do this but there is an August deadline to have a budget in place. Mr. Henderson suggested getting an accounting firm involved. Mr. Goad stated that it might be best to go to Umbaugh for assistance.

Mr. Schafstall stated that he would like to check with Steve Watson on the tax revenue analysis. He stated he would check with Mr. Watson anyway to see how Greenwood is dealing with it issue.

Public Comments:

There being no further business, the meeting was adjourned. Respectfully submitted this 20th day of May, 2014.



Bob Heuchan, President



BJ Deppe, Secretary