

CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

June 17, 2014

Members Present:

Bob Heuchan	President
Jay Goad	Vice-President
BJ Deppe	Secretary
Rob Henderson	Member
Richard Wertz	Member

Members Absent:

Danny Vaught	Franklin Community School Corporation Representative
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Others Present:

Jim Admire	Legal Counsel
Krista Linke	Director of Community Development
Jaime Shilts	Recording Secretary

Call to Order:

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

Approval of Minutes:

BJ Deppe made a motion to approve the May 20, 2014 minutes as presented. Richard Wertz seconded the motion. The motion carried.

Old Business:

Shell Building Update:

Rob Henderson stated the Shell building has had a couple of visitors and one in particular has visited several times. Cheryl Morphew stated there is another company that is looking at the property and has actually asked for a lease agreement.

Resolution 2014-14: Franklin East Bypass Proposal:

BJ Deppe made a motion to read the resolution by title only. Richard Wertz seconded the motion. The motion carried. A public hearing was held.

Mr. Heuchan stated the appropriation is for \$815,900. Jay Goad questioned what the problem is that will be addressed. Travis Underhill, City Engineer, stated that through the relinquishment agreement they targeted four intersections. He stated they have been adding money to the project fund and have applied for \$1.8 million grant for the third portion of the corridor. He stated if they get a favorable response on the grant, there may be some leftover funds that could be used. He stated the City needs to be ready in case another city loses its funding; there's always a possibility that we could get more money that way. Mr. Underhill stated the first part of the contract is an engineering study and the rest of the contract will consist of drawings for the bids. He stated the roads will not be torn up all at the same time but the drawings could be done all at the

same time. Mr. Henderson stated the purpose of the project is to facilitate a safe traffic flow. Mr. Underhill stated that the cost includes purchasing some right-of-ways and design services. It does not include construction oversight. Trent Newport, CrossRoad Engineers, stated that there could be four different public meetings, one for each project.

Rob Henderson made a motion to approve the resolution as presented. Jay Goad seconded the motion. The motion passed unanimously.

Mr. Underhill stated that Bartram Parkway needs to be repaved and bids have been secured and they are looking at around \$160,000. He stated that the Board of Works would see that item before the RDC in the future.

55 W. Madison Street: Old Post Brew Pub:

Eric Prime, VanValer Law Firm, stated that after the last meeting they discussed some changes with RDC legal counsel. He stated there were 10 points from Mr. Schafstall that were addressed. He stated his client is at a point where he is in a catch-22 in that they have been requested to obtain funding to a certain level in order to incentive the RDC to make the deal happen but the EDA has taken so long that it has been difficult for them to get people to invest since they don't have a building. Mr. Prime stated the changes from the prior meeting included: the clarification of the purchase price of the building at \$10,000, commitment of \$450,000 in a two year period that the EDA runs, clarification of the way in which completion would be determined which would be by a Certificate of Occupancy from the City and the funding level being met, the addition of life insurance to the RDC lien rights, and a clarification of the release of the liens and mortgage upon the developers performance, and the title will be transferred by quit-claim deed. He stated that Old Post Holdings is the investment vehicle and 55 W. Madison will be the deeded owner. Mr. Goad stated a Phase 2 review was received back with a positive review with no issues there.

Mr. Prime stated there were additional comments stating that there will be no transfer of rights to a third party, the RDC has the knowledge and certainty that the developer is the developer, and a clarification that there is not a joint venture between the RDC and the developer. Mr. Henderson questioned what was meant by developer will repay the RDC's interest on demand? Mr. Prime stated that if there is a failure of consideration the RDC can get the building back and recoup its funds. The RDC would be committing the sale of the building and a commitment of funding.

Mr. Henderson requested a summary of the challenges of the July change with the RDC. Mr. Prime stated they have been working on the project for over a year. He stated their goal is to equate the funding they are asking the RDC to put in and they actually have reached that. They have spent over \$14,000 into the project out of pocket.

Mr. Goad stated he wants to have all issues on the table today. Mr. Wertz suggested waiting on the vote in light of the new laws taking effect on July 1st and trying to pass something right before the law is going to be changed. Mr. Prime stated they have gone through the regular due diligence and doesn't see an issue with approving it today. Mr. Deppe questioned if the funding falls apart if the developer would still have ownership for 24 months. Mr. Prime stated yes, that the escrow was due by October, but they would still have a year and a half to raise additional funds. Part of the repayment to the RDC would be through rent and leases.

Mr. Henderson stated that he thinks it appears that the RDC is trying to push the project through to make it before the July 1st deadline. He stated he does like the project but is hesitant to keep the project going without the \$450,000 in hand. Jay Goad stated that this group has worked over a year and they have jumped through every hoop. He stated delaying the process is not in the best interest of the future of the RDC.

Mr. Heuchan stated he thinks that if it gets pushed past July, it won't get passed. He stated it's similar to the Elks agreement where whoever takes it on will have a liability.

Jay Goad made a motion to approve the economic development agreement. BJ Deppe seconded the motion. BJ Deppe-yes, Rob Henderson-no, Richard Wertz-yes, Jay Goad-yes, Bob Heuchan-yes. The motion carried 4-1.

Mr. Prime stated for the record that they work with Mutual Savings bank but they have not worked with Bob Heuchan or have had any discussions with him on this project.

New Business:

Resolution 2014-16: Economic Development Interchange Plan:

Mayor Joe McGuinness stated the City needs to figure out what they are going to do with the I-65 interchange. He stated this is an opportunity to put together a plan with the community for what the area should look like. There has been some activity with commercial development west of I-65. He stated the road design is separate from this plan. It is the same firm, HWC, which did the comprehensive plan. He stated there will be a need for future infrastructure development and zoning.

Mr. Henderson stated it would be helpful to have input from the residents that live on the east side of Franklin. Mayor McGuinness stated they would be part of the input process.

Ms. Linke stated there were a lot of concerns about the interchange during the comprehensive plan discussions. Mayor McGuinness stated they have done a traffic study out there and are trying to get as much information as they can so they can figure out land use and infrastructure.

BJ Deppe made a motion to read the resolution by title only. Jay Goad seconded the motion.

The motion carried. A public hearing was held.

Mayor McGuinness stated he feels the project is a potential redevelopment project.

BJ Deppe made a motion to approve the resolution subject to the first page being changed from BOW to RDC and the last page being changed from the BOW to be signed by the members of the RDC. Richard Wertz seconded the motion. The motion carried unanimously.

Jay Goad made a motion to allow Bob Heuchan and BJ Deppe to serve as signatory representatives on the project. Rob Henderson seconded the motion. The motion carried unanimously.

Other Business:

May 2014 Financial Report:

Ms. Linke stated they May installment should be received by the end of June and should be on the next financial report. She will also add resolutions approved today to the next report.

2014-2018 Cash Flow Analysis:

Ms. Linke stated there were not any changes to the document. She will update it after today's meeting.

TIF Analysis, RDC Annual Budget and Reporting Update:

Ms. Linke stated that she has met with Rob Schafstall and Janet Alexander. She stated Lauren Mathis did present the RDC with a proposal for services but no action has been taken on it. Mr. Deppe recommended that Ms. Mathis present a proposal for all services so the Board can decide which they would like to use. Ms. Linke will ask Ms. Mathis for a full proposal for the Board.

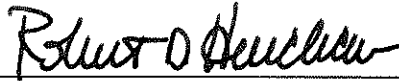
Public Comment and Announcements:

Rob Shilts, Franklin Heritage, stated that he is hearing a lot from people from all over the State of Indiana about how nice Franklin looks. He stated he hopes that on Monday at the special meeting that the project at old City Hall moves forward. He stated that they had a weekend with 1100 folks and not all of those people can eat at the Willard and Jeff Street. He stated that it's a good project and he is in favor of the Old Post Brew Pub.

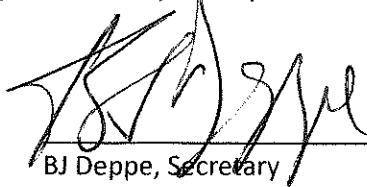
TIF Legislative Update and Super Abatement Overview: Wednesday, June 18th, 2014 at 5:30 pm at Beeson Hall.

Special RDC Meeting Monday, June 23, 2014 at 8:00 am at City Hall.

There being no further business, the meeting was adjourned. Respectfully submitted this 22nd day of July, 2014.



Bob Heuchan, President



BJ Deppe, Secretary