



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

April 21, 2015

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:

Rhoni Oliver	Community Development Specialist
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 March 17, 2015 minutes. Richard Wertz seconded the motion. The motion carried.

Old Business:

Bridge #502 Interlocal Agreement for Signature:

Travis Underhill, City Engineer, stated the agreement is for the South Street bridge. He stated it's been approved by the City Commissioners and Common Council already. The starting date would not be until next year.

Rob Henderson made a motion to read the resolution by title only to include the interlocal agreement between the Board of Works and the RDC for Resolution 15-05. Richard Wertz seconded the motion. The motion carried. A public hearing was held.

Jay Goad made a motion to approve the resolution. Richard Wertz seconded the motion. The motion carried.

55 W. Madison Street: Old Post Brew Pub Update: Phil Warrenburg:

Phil Warrenburg, owner, stated they are about 30 days out of completing the work the RDC is funding. He stated he would like to have the RDC visit the property at that time. After that point he will be using investor money. He stated they are about 9 months behind schedule due to only using local investors. There is a holding company which owns all the entities and whoever invests owns a piece of the holdings. He stated they're moving forward with their state plan release so they can get their permits. He stated his intent to have the upper floor completed except the HVAC. Rob Henderson asked Mr. Schafstall if they could match up the RDC's original timelines with Mr. Warrenburg's current timelines with the original economic development agreement.

Elk's Lodge #1818 Economic Development Agreement—Release of Mortgage:

Bob Swinehamer, Franklin Elk's, stated the outside just needs paint but will be done within a few days. He stated the rough-ins are all in. Their plan is to hang drywall this week. They are hoping to be in by the 4th of July. They were able to obtain all their financing; the last step is the final release of the mortgage. He stated they are 99% complete with the funding from the RDC and FDC. They are planning on having an open house when things are finished. Mr. Swinehamer stated there is no hurry on their part to have the mortgage released but they would like to have it done within the next 90 days.

New Business:

2015 TIF Revenue Bond Financial Advisors:

Mr. Goad stated they should say what the dollar amount is for each advisor. Mr. Peters stated the quote is for a separate engagement from the issued last month. The cost for the bond would be \$90,000 for private placement. If it has to go through a full blown bond issue with underwriting it would be around \$160,000 range. Legal work would be \$40,000-\$50,000. The Board agreed that they wanted to do a 15 year bond issue.

BJ Deppe made a motion to approve the engagement of the financial advisors. Jay Goad seconded the motion. The motion carried.

TIF Bond: Economic Development Plan:

Mr. Schafstall stated that Jeff Peters and Rick Hall will be helping with the plan. There is an amendment to the economic development plan and a declaratory resolution that approves the amendment to the plan. He stated the Board had not seen the project list. They are identifying various projects they think are worthy of perusing. He stated if they issue debt by July 1, 2015, then they will extend the life of a couple of their allocation areas.

Mayor Joe McGuinness stated some of the project lists had been added onto. Not all of the projects on the project lists will be completed with the bond money. He stated the cost for everything listed is \$56.5 million. The list is large and some of the projects may not be feasible and they need to have other projects to fall back on. He stated the Parks Master plan is on the list as well. They are going to be updating the master plan as it expires next year.

Mr. Goad questioned if there's anything in particular that should be focused on. Mayor McGuinness stated they don't want to restrict themselves. He stated the list is not specifically for the TIF Bond, but for the RDC. He stated some things have been on the list for a long time. Mr. Hall stated the list doesn't say which of the projects will be funded. Mr. Heuchan stated it will be a general list but won't say how much is being spent specifically for each project. Mr. Schafstall stated they are not expanding the size of the area or adding any allocation areas. The bond issuance is not backed by the general taxpayer base in Franklin. Mr. Hall stated upon the adoption of the resolution it would go to the Plan Commission, the City Council, and then back to the RDC for final approval on May 18th, 2015.

Mr. Heuchan questioned which body has the legal authority on the projects. Mr. Hall stated they need to agree which projects are going to be worked on. Mayor McGuinness stated he would be the liaison between the two groups, the RDC and City Council. Mr. Goad stated there would now be three funds for the RDC. Mr. Peters stated there will now also be a debt service payment. He stated the funds need to be spent in a three year period. Mr. Goad stated there need to be parameters as to which account the funds come out of.

Mr. Peters stated he will create a fund sheet. He stated with the bond they need to look at 20 vs. 15 years for the bond issue. He stated with 15 years they have investors that are going to be comfortable. It will cost \$4.2 million in interest for a bond that will yield \$15 million. For 20 years, there will be a smaller group of financial institutions that will be comfortable. The additional interest would be around 4% and would be \$3.4-\$4.4

million additional. If they can issue debt they can extend the life of development. When the current TIF district was established, it didn't have an expiration date. Now an expiration date must be determined. Mr. Heuchan questioned if the RDC would have the option in 10 years to extend the life of the bond. Mr. Peters stated they could refinance but not extend. Mr. Goad stated there will need to be maintenance completed on the projects at some point. Mayor McGuinness stated that contributions from the State should increase. He stated King Street will be more of a concern.

Resolution 2015-11: Declaratory Resolution-Economic Development Plan:

Mr. Hall stated the resolution is the first step to approval. The declaratory resolution makes findings for the amendment of the plan and authorizes the plan to go forward to the Plan Commission and City Council.

BJ Deppe made a motion to approve the resolution as presented. Richard Wertz seconded the motion. The motion carried.

Downtown Parking Study:

Mayor McGuinness stated the study was introduced at the Board of Works and City Council last night. One-third is being paid for by the RDC. Walker Parking Consultants counted traffic during busy times in the city. They found that 48% of the spots were filled during prime parking hours. He stated the parking ordinances in regards to the time restrictions are outdated and need to be redone. They also identified that way finding signs need to be installed for public parking.

Resolution 2015-10: Water Street, Monroe Street and Home Avenue Improvements:

Mr. Underhill stated there is close-out work that needs to be completed. They need to pay out the rest of the contractors for \$17,645.60. The original estimate was \$1.197 million was the cost for construction, design, inspection and staking. The total cost will be under \$960,000 total for the project. Mr. Henderson questioned the amount remaining in the resolution. Mr. Underhill stated there were two resolutions; one for \$228,000 would be design, engineering, inspection and staking. Ms. Oliver stated the other resolution was 14-12 for the construction costs. She stated the amount may have not been encumbered.

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

Richard Wertz made a motion to approve the resolution as presented. Jay Goad seconded the motion. The motion carried.

Jefferson Street Parking Lot Expansion-Former Franklin Engineering Site:

Mr. Underhill stated they spoke about it several months ago. The City wanted to explore more parking while the Jefferson Street construction is happening. The design is for 124 spaces at \$500,000. They had it designed through a general services contract with CrossRoad Engineers. It is ready for bid. He stated the parking lot will fill needs on a temporary and permanent level. Mr. Heuchan stated they had been waiting to see how the Farmers Market went and the grass lot was being used as a temporary holding area for construction. He stated it would be appropriate now to consider the new lot. Mr. Underhill stated there would be entrances off of Monroe and Jefferson Streets. He stated the lot is in the flood zone so there are not a lot of uses for it. It could be stay a grass lot or a parking lot. The corner of Jefferson and South Jackson could be built on as it is out of the flood zone. Mr. Goad expressed his concern of building a new lot when only 48% of the parking was taken. Mr. Underhill stated the parking study stated that there will be a future issue for parking due to the growth in the downtown area. Danny Vaught stated in the next 5 years they project a need for parking in areas around the courthouse. A parking lot might alleviate the need for the perception of a parking garage. Mr. Heuchan stated they could think about it over the next couple months and bring it back later. The topic was tabled.

Jefferson Street Project: Jefferson Street west of US 31:

Mr. Underhill stated they are expecting construction to begin the day after the county fair. Completion would be prior to Thanksgiving. The amount is \$172,800 for CrossRoad Engineers to perform construction inspection and staking services. It was approved by the BOW.

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

Rob Henderson made a motion to approve council to draft the resolution for the construction of West Jefferson Street. Jay Goad seconded the motion. The motion carried.

Other Business:

March 2015 Financial Report:

Mr. Goad stated the report has been updated for the last month. The B2S labs agreement has been put into the spreadsheet but nothing has been spent by them yet.

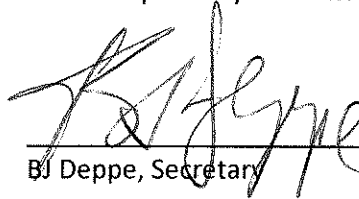
Public Comment:

Mr. Vaught stated the Google Conference was a great success for the school. He thanked the RDC as it started with the purchase with the Chromebooks. Mayor McGuinness stated there were 509 attendees at the conference and it is returning to Franklin next year. He stated eastside development needs to happen soon.

There being no further business, the meeting was adjourned. Respectfully submitted this 19th day of May, 2015.



Bob Heuchan, President



BJ Deppe, Secretary