



# CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

## MINUTES

### REDEVELOPMENT COMMISSION

June 16, 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:**

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:**

Jay Goad made a motion to approve the May 19, 2015 minutes. Richard Wertz seconded the motion. The motion carried.

#### **Old Business:**

Rob Schafstall stated they received personal property taxes from Rexam in 2013. They received these in error in the amount of approximately \$909,380.72. He stated it will be another month before the RDC check will be back to the County. Ms. Burton stated the error was found and corrected for 2015. Pam Burton, County Auditor, stated the situation with the City is being monitored and will not happen again. Rob Henderson stated Stephen Watson had done a report and found the error in 2012 and errors occurred subsequent to that.

BJ Deppe made a motion to allow Rob Schafstall to write up an appropriation for the total amount due to Johnson County. Jay Goad seconded the motion. The motion carried.

#### **Interstate 65 Interchange Economic Development Plan:**

Mr. Heuchan stated the plan had been presented last month.

Rob Henderson made a motion to approve the plan dated May 20<sup>th</sup>, 2015 as prepared by HWC Engineering. BJ Deppe seconded the motion. The motion carried.

## **New Business:**

### **Resolution 2015-16: West Jefferson Street Parking Lot Project:**

Travis Underhill, City Engineer, stated they received a bid of \$496,499.36 from Dave O'Mara. The appropriation is in the amount of \$500,500.00. Mr. Henderson questioned if the islands could be removed or minimized. Mr. Underhill stated the islands protect the light poles and help with safety for pedestrians. He stated it would be more expensive to install bollards.

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

Mayor McGuinness stated he has remained neutral on the project but there are some pros to the project. He stated with the addition of the parking lot it will get the City out of the parking agreement with the County. He wants to hang on to the property though. Mr. Underhill stated they are not proposing any changes to Monroe Street, there will be a parking lot added off of it though. Mr. Goad stated he is not in favor of the parking lot, he stated it's a luxury not a need. Mr. Wertz agreed. The mayor stated he wants to hang onto any property that is along Jefferson Street. He does not want to deed the property back to the County. Mr. Henderson stated he sees a need for the parking lot with all of the new development going in on Jefferson Street and the reconstruction of Jefferson Street.

BJ Deppe made a motion to approve the resolution. Rob Henderson seconded the motion. BJ Deppe-yes, Rob Henderson-yes, Richard Wertz-no, Jay Goad-no, Bob Heuchan-yes. The motion carried 3-2.

### **Resolution 2015-17: West Jefferson Street Reconstruction Project:**

Mr. Underhill stated they received 3 bids on the project. The low bid was for \$1,326,640 from Milestone. The resolution is for \$1,219,000. The difference in the bid is due to the water company working at the same time. Their portion is \$218,000 that they are contracting directly. He stated they want to finish the project before Thanksgiving. The project starts west of US 31 near City View Farms after the Johnson County Fair is over.

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.

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

### **Resolution 2015-18: Amending a Resolution Authorizing Tax Increment Revenue Bonds:**

Jeff Peters, Peters Municipal Consultants, stated the original amount of the TIF bonds was \$16.6 million issued to net \$15 million and the target interest rate was 3%. He stated JP Morgan Chase came in at 2.74% and it would be a term of 14 years and 7 months. They negotiated a million dollar debt service reserve at a flat amount which will save \$180,000. The parity bond amount will go up to 150% coverage. The funds will be in an interest bearing account but it won't be earning a lot. The income from the interest should go back into operating or the debt service fund. Mr. Henderson questioned if Mr. Peters will continue to be available to advise the RDC under his current fees. Mr. Peters stated they are available to answer questions but if there are in depth issues they will have to enter into another agreement.

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.

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

**Bond Purchase Agreement:**

Mr. Schafstall stated the agreement needs to be ratified.

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

**Professional Services Agreement for King Street Design:**

Mayor McGuinness stated he is requesting bond funds for the project. He stated the funds will be used for east side development. It will include infrastructure work. Mr. Underhill stated there will be 3-4 construction contracts including roads and monuments. The amount is \$2.54 million for the projects and includes inspections for the first three phases.

Jay Goad made a motion to approve the agreement subject to the funding of the TIF bond. Richard Wertz seconded the motion. The motion carried.

**Grant Agreement with the FDC and B2S Labs/request to advertise Resolution 2015-19:**

Mr. Schafstall stated they have already appropriated the \$250,000 funds but they need a resolution for July. He recommends using the neighborhood development corporation (the Franklin Development Corporation) to fund projects like this going forward. He stated the FDC will be asked to buy in on the plan. It will come back to the RDC on July 21<sup>st</sup>. The RDC has already approved \$250,000 for the project but it needs to be approved for the funds to be given to the FDC as a grant. The FDC will distribute the funds.

BJ Deppe made a motion to advertise the resolution at the July 21, 2015 RDC meeting. Jay Goad seconded the motion. The motion carried.

**Other Business:****TIF Analysis Presentation-Jeff Peters, Peters Municipal Consultants Ltd:**

Mr. Peters presented a TIF spreadsheet to the board containing revenue, assets, fund information, etc.

**May 2015 Financial Report:**

The May 2015 Financial Report was presented by Ms. Linke.

**Cash Flow Analysis Worksheet #18:**

Ms. Linke presented the worksheet. She added the projects that were approved at the May 2015 meeting and the anticipated debt bond service.

**Public Comment:**

Hetsco is having a ribbon cutting on July 10<sup>th</sup>, 2015.

Sharon Barnard questioned if an appropriation would have to be made for the bond payment. Mr. Schafstall stated it would be on the July agenda.

Mr. Goad questioned the anti-discrimination law and how it affected the RDC. Mayor McGuinness stated there was an updated law and he would get a copy of it to the RDC.

Steve Barnett stated the Board of Works had recently approved \$1.6 million worth of paving projects.

Mr. Wertz stated he would like to have the RDC think about how they can partner with the school on the bond issue.

There being no further business, the meeting was adjourned. Respectfully submitted this 21st day of July, 2015.

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Bob Heuchan, President

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BJ Deppe, Secretary