

**FRANKLIN REDEVELOPMENT COMMISSION**

**ANNUAL ACTIVITIES REPORT FOR 2015**

**PURSUANT TO I.C. 36-7-14-13**

FROM: CITY OF FRANKLIN REDEVELOPMENT COMMISSION  
Bob Heuchan, President

TO: INDIANA DEPARTMENT OF LOCAL GOVERNMENT FINANCE

DATE: March 11, 2016

CC: Joseph E. McGuinness, Mayor  
Janet P. Alexander, Clerk-Treasurer

**ACTIVITIES AND INFORMATION FOR THE CALENDAR YEAR 2015:**

**A. INFORMATION RE: REDEVELOPMENT COMMISSION MEMBERS AND OFFICERS**

President: Robert D. Heuchan, Member

Vice President: Jay R. Goad, Member

Secretary: Brian J. Deppe, Member

Member: Robert Henderson

Member: Richard Wertz

Non-Voting Mayoral-Appointee School Board Member: Daniel Vaught

Names of Commission Members appointed during 2015: each Commission Member was appointed in 2015 for a one (1) year term.

Names of Commission Members removed during 2015: None.

**B. REGULAR EMPLOYEES (IF ANY) OF REDEVELOPMENT COMMISSION**

<u>Name of Employee</u>	<u>Fixed Salary or Compensation</u>
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None.

## **C. EXPENDITURES MADE DURING 2015, AND GENERAL PURPOSE**

**Encumbrances from 2014 Expended in 2015:** Projects that received approval in 2014 and were encumbered and paid in 2015 include:

**Resolution 2014-07:** Gateway Design Contract Supplemental #5 - CrossRoad Engineers: \$341,539.49

**Resolution 2014-08:** N. Main Street Phase 2 Construction Inspection: \$158,617.72

**Resolution 2014-12:** Water Street, Monroe Street, and Home Avenue Improvements: \$50,989.71

**Resolution 2014-14:** Franklin East Bypass Proposal: \$180,475.00

**Resolution 2014-15:** Old Post Brew Pub: \$114,501.00

**Resolution 2014-16:** Economic Development Interchange Plan: \$35,400.00

**Resolution 2014-18:** Hetsco, Inc. Relocation Incentive: \$245,000.00

**Resolution 2014-19:** Hetsco, Inc. Relocation Incentive: \$5,000.00

**Resolution 2014-22:** HWC Design Contract (E. King Street Interchange): \$94,131.00

**Resolution 2014-24:** Downtown Parking Study: \$2,953.63

**2015 Expenditures:** The following additional expenditures were made in 2015:

**Resolution 2015-01:** Water Street to N. Main Street Alley Water Line Improvements: \$53,965.99

**Resolution 2015-02:** Legal and financial expenses: \$39,707.26

Legal notices, attorney's fees, TIF analysis report, and legal consultant fees for 2015 TIF Bond.

**Resolution 2015-03:** Maintenance, repairs, and utilities for RDC owned properties: \$3,262.30

Monthly electrical utility bills, mowing, parking lot cleaning, and landscaping.

**Resolution 2015-04:** N. Main Street Phase 2: \$1,966.25

Additional appropriation for change orders related to realignment of the curb line on N. Main Street, Phase 2.

**Resolution 2015-05:** N. Main Street Phase 1: \$15,000

Additional appropriation for change orders on the project. Payment had been withheld from the contractor until corrections were made by the contractor. Not an increase in project cost, but a new resolution was needed because the previous resolution was not encumbered from 2014.

**Resolution 2015-06:** Deposits, Investments and Reinvestments: \$0

Authorization for the Clerk-Treasurer to deposit, invest and reinvest RDC funds.

**Resolution 2015-07:** Jefferson and King Street Supplemental #6 with CrossRoad Engineers: \$0

Design contract with CrossRoad Engineers for the design of replacing sanitary sewers in Jefferson Street While Jefferson Street is under construction. No invoices ended up being paid out of this resolution.

**Resolution 2015-08:** S. Main Street Bridge #502 Improvements: \$50,430.40

The City partnered with Johnson County on the bridge reconstruction project. The City paid 50% of the design, right-of-way, and inspection, and 50% of the 20% required match. The RDC's participation in the project will allow for sidewalks, decorative rails and light poles that would not have otherwise been included in the project.

**Resolution 2015-09:** B2S Labs Economic Development Agreement: \$0

This resolution was rescinded and reworked later in the year through Resolution 2015-19 with the Franklin Development Corporation.

**Resolution 2015-10:** Water Street, Monroe Street, and Home Avenue Improvements: \$11,240.16

Close-out work for the project needed to pay the contractor. The original estimate for the project was \$1,197,000, and under \$960,000 was spent on the project. This resolution was needed because not enough of the 2014 resolution for the project was encumbered.

**Resolution 2015-11:** Declaratory Resolution – Economic Development Plan: \$0

Approval of the Economic Development Plan 2015 for the Franklin/Interstate 65 Integrated Economic Development Area, as related to the 2015 TIF Bond.

**Resolution 2015-12:** CrossRoad Engineers: \$122,794.52

Construction inspection services for the Jefferson Street reconstruction project (Jefferson Street west of US 31 to City View Apartments).

**Resolution 2015-13:** N. Main Street Project Phase 2: \$42,926.81

Resolution to pay an invoice for additional change orders from the Board of Works related to the water company.

**Resolution 2015-14:** Confirming Resolution Amending Integrated TIF Economic Development Plan: \$0

The Economic Development Plan was approved by the Plan Commission and City Council. The Redevelopment Commission gave their final approval of the plan.

**Resolution 2015-15:** Redevelopment Bond: Not to exceed \$16.6 million

Approval of the issuance of up to \$17 million bond from TIF funds. The bond is not payable from general property taxes, but solely from TIF revenue. The maturity will not exceed 16 years and the maximum interest rate is 6%.

**Resolution 2015-16B:** W. Jefferson Street Parking Lot: \$488,716.95

Resolution paid for out of the 2015 TIF Bond to build a parking lot on property owned by the RDC on W. Jefferson Street in downtown Franklin. Former location of the Franklin Engineering building at 151 W. Jefferson Street that has previously been demolished after the flood of 2008.

**Resolution 2015-17B:** W. Jefferson Street Reconstruction (west of US 31): \$938,645.47

Resolution paid for out of the 2015 TIF Bond to rebuild W. Jefferson Street west of US 31 to City View Apartments.

**Resolution 2015-18:** Amending Redevelopment Bond 2015-15: \$0

The resolution was amended due to a lower interest rate on the Redevelopment bond (2.74% instead of 3%). The term was also amended to 14 years, 7 months. The \$1M debt reserve account was negotiated at a flat amount which will save \$180,000. The parity bond amount will go up to 150% coverage.

**Resolution 2015-19:** 97 E. Monroe Street Grant to the FDC for B2S Labs: \$250,000  
Grant to the Franklin Development Corporation to administer the funds needed by B2S Labs to renovate 97 E. Monroe Street.

**Resolution 2015-20:** Required Bond Payment for 2015: \$134,374.29  
Payment to JP Morgan Chase for the 2015 TIF Redevelopment Bond Issuance Project.

**Resolution 2015-21B:** HWC Professional Services for King St. and I65 Gateway Design: \$415,835.39  
Professional service fees for the design of E. King Street at the I65 interchange along with the realignment of Paris Drive Bypass and the Hillview Entrance onto E. King Street.

**Resolution 2015-22:** Return of Rexam Personal Property Taxes collected to Johnson County: \$909,382.72  
Upon the City of Franklin's analysis of TIF revenue, it was found that a personal property parcel had been included in the TIF district in error. The funds collected for the past three years were collected in error. The City of Franklin Redevelopment Commission elected to return these fund to Johnson County to be re-disbursed to the correct taxing entities.

**Resolution 2015-23B:** W. Jefferson Street Trail Design with CrossRoad Engineers: \$10,710.00  
Professional service fees to design a pedestrian trail along Jefferson Street west of US 31 to the Jefferson Street and Westview Drive intersection.

**Resolution 2015-24B:** Downtown Redevelopment Projects: \$0  
This resolution appropriated \$2,000,000 from the 2015 Redevelopment TIF Bond towards downtown redevelopment projects. No funds were spent in 2015.

**Resolution 2015-25B:** Design Contract with CrossRoad Engineers for King Street between Edwards Street and Forsythe Street: \$22,500.00  
Professional services to design the Greenway Trail connection along King Street. Lighting improvements are also included in this project, along with the redesign of the road to take traffic calming into consideration.

**Resolution 2015-26:** Programming Grant to the Franklin Development Corporation: \$500,000.00  
Request for replenishment of the Commercial Revolving Loan Fund, the Commercial Façade Matching Grant Program, the Residential Revolving Loan Fund and the Property Recovery Task Force by the Franklin Development Corporation.

**Resolution 2015-27:** Franklin Community School Corporation Educational Programming: \$349,028.27  
Purchase of ChromeBooks for the students of the Franklin Community School Corporation – Franklin Community Middle School.

**Resolution 2015-28:** CrossRoad Engineers Invoice #15758 (Res. 14-08): \$2,286.75  
This was a housekeeping matter due to an invoice getting paid out of the incorrect resolution.

#### **D. RECIPIENTS OF LOANS, GRANTS, OR PROPERTY**

1. (a) Name of Recipient: Old Post Brew Pub
- (b) Loan, Grant, Property Transfer: Loan forgivable upon project completion

- (c) Amount: \$250,000
  - (d) Source: Integrated TIF District – 311 TIF Control Fund
  - (e) Purpose: Funds provided to the developer of 55 W. Madison Street, which was formerly owned by the Franklin Redevelopment Commission.
2. (a) Name of Recipient: Hetsco, Inc.
- (b) Loan, Grant, Property Transfer: Loan forgivable upon project completion
  - (c) Amount: \$250,000
  - (d) Source: Integrated TIF District – 311 TIF Control Fund
  - (e) Purpose: Funds provided to Hetsco, Inc. as a relocation incentive to purchase and the shell building (located at 1725 N. Graham Road) built as a partnership between the Franklin Redevelopment Commission, Runnebohm Construction and Fred and Helen Linville (property owners).
3. (a) Name of Recipient: Franklin Development Corporation
- (b) Loan, Grant, Property Transfer: Grant pursuant to economic development agreement
  - (c) Amount: \$250,000
  - (d) Source: Integrated TIF District – 311 TIF Control Fund
  - (e) Purpose: Funding towards the renovation of 97 E. Monroe Street by B2S Labs. Exterior and interior improvements being made a building that has been vacant for several years.
4. (a) Name of Recipient: Franklin Development Corporation
- (b) Loan, Grant, Property Transfer: Grant pursuant to a grant agreement
  - (c) Amount: \$500,000
  - (d) Source: Integrated TIF District – 311 TIF Control Fund
  - (e) Purpose: Replenishment of programming funds for the Commercial Revolving Loan Fund, the Commercial Façade Matching Grant Program, the Residential Revolving Loan Fund and the Property Recovery Task Force.
5. (a) Name of Recipient: Franklin Community School Corporation
- (b) Loan, Grant, Property Transfer: Loan forgivable upon project completion
  - (c) Amount: \$375,000
  - (d) Source: 399 TIF Capital Fund

- (e) Purpose: Purchase of ChromeBooks for the students of the Franklin Community School Corporation – Franklin Community Middle School.

**E. AMOUNT OF FUNDS ON HAND AT CLOSE OF CALENDAR YEAR 2015**

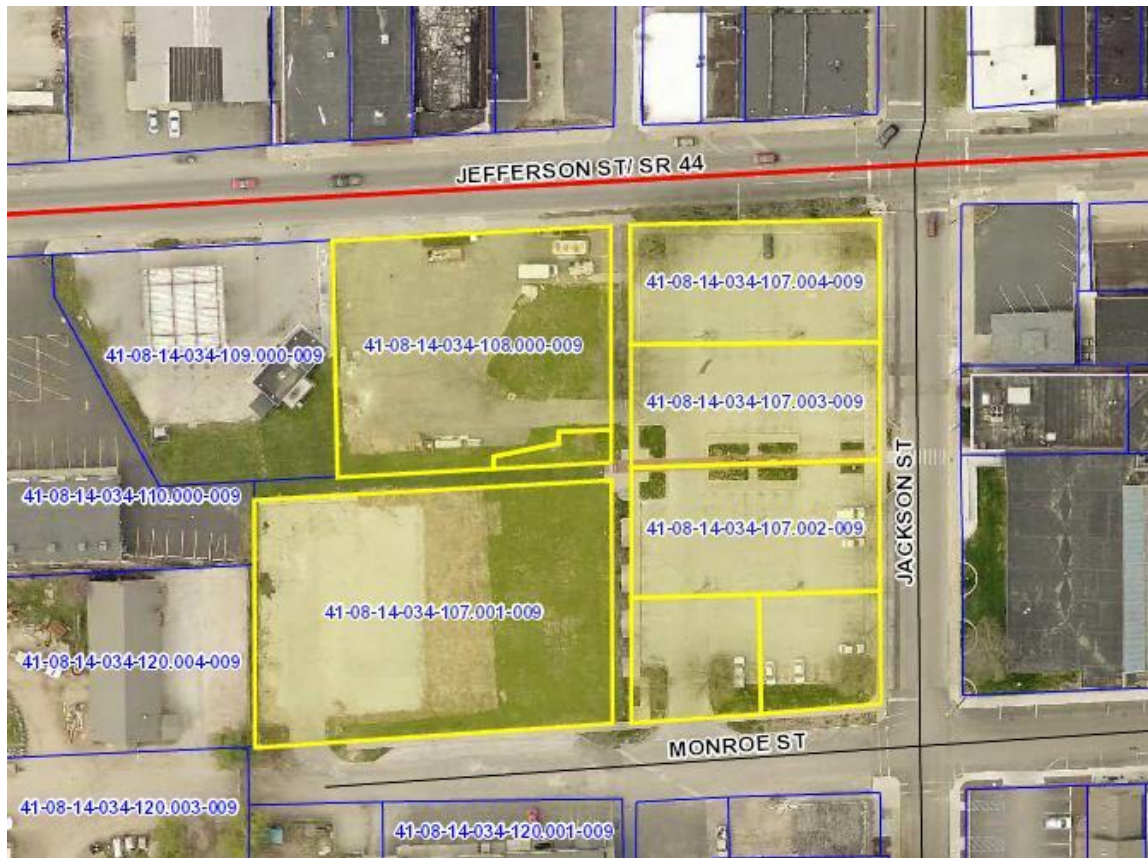
<u>Name of Fund</u>	<u>Amount</u>
1. 311 T.I.F. Control	\$2,303,248.76
2. 399 RDC Capital	\$5,044.12
3. 311 TIF Control Fund Investment	\$3,300,000
4. 399 Capital Fund Investment	\$400,000
5. 398 TIF Revenue Bond Reserve Account	\$1,079,149.93
6. 398 TIF Revenue Bond Investment	<u>\$13,017,650.00</u>
Total	\$20,105,092.81

## **F. ADDITIONAL COMMENTS REGARDING ACTIVITIES OF THE REDEVELOPMENT COMMISSION AND RESULTS OBTAINED DURING 2015**

### **Property Owned by the RDC in 2015:**

Parking lot at the southwest corner of Jackson and Jefferson Street.

Parcel Numbers: 41-08-14-034-107.004-009; 41-08-14-034-107.003-009; 41-08-14-034-107.002-009; 41-08-14-034-106.000-009; 41-08-14-034-107.000-009; 41-08-14-034-108.000-009; and 41-08-14-034-107.001-009.



### **Other Projects Not Listed Above:**

Approval of the Interstate 65 Economic Development Plan on May 19, 2015.

Approval of the Downtown Parking Study on April 21, 2015.

Planning for future infrastructure improvements.

Monthly cash flow analysis projections through 2018.

Continued design of the intersections of the truck route along the East Bypass.

Began the process for creating a new US 31 TIF District – Declaratory Resolution 2015-31 approved on December 15, 2015.

Began planning for the construction of the second Shell Building.

Public parking improvement discussion for Crowell Street and Depot Street between Jefferson Street and King Street.

**Other Matters:**

Monitored the progress of the renovation at 56-58 E. Jefferson Street. Received reports regularly from the Elks Lodge #1818.

Monitored the progress of the renovation of 55 W. Madison Street. Received reports regularly from Phil Warrenburg, representing Old Post Brew Pub.

Re-appointment of Steve Woods by the Redevelopment Commission to the Franklin Development Corporation Board.

Continued TIF analysis by Jeff Peters, Peters Municipal Consultants, Ltd.