



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

May 17, 2016

Members Present:

Bob Heuchan	President
Richard Wertz	Vice President
BJ Deppe	Secretary
Paul Buening	Member
Keith Fox	Member
Danny Vaught	School Board Representative

Others Present:

Krista Linke	Director of Community Development
Rhoni Oliver	Recording Secretary
Rob Schafstall	Legal Counsel

Call to Order:

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

A motion was made to approve the April 19th minutes by BJ Deppe, seconded by Richard Wertz. Motion carried.

Old Business:

None.

New Business:

Parking Agreement with Johnson County

Mr. Heuchan introduced the parking lot agreement with Johnson County, suggesting that no action was needed today, but additional discussion between the city and county needed to take place. The county has submitted a 50-year parking lot agreement request for the parking lot at the southwest corner of Jefferson and Jackson Streets. Mayor Joe McGuinness thought this plan to be very unfair and strongly urged the board not to enter into this 50-year agreement at this time. He reported that discussions are continuing and that 50 years was excessive. Mr. Deppe asked what is in it for the city. The mayor confirmed that was the problem. He further explained that the county sent the agreement over last Monday just a few hours before their commissioners and county council meetings. The mayor had not heard of it or seen it before.

Shell Building 2 Discussion

Mr. Heuchan introduced this discussion, identifying Chris King of Runnebohm Construction, Fred Linville, and Charlotte Sullivan in attendance. Rob Schafstall reported his preparation of document drafts needed to approve the project with feedback received back. For efficiency Mr. Schafstall initially

combined the \$480,000 land resolution in with the \$100,000 carrying cost resolution. Chris King pointed out that the acreage might be 14 acres instead of 12 which will spend most of that \$100,000 carrying cost, so Mr. Schafstall now thinks it best to put that back in to two different resolutions. Also Mr. Linville identified no provision for who is covering closing costs on either the transfer from the Linvilles to the city and then the city to Runnebohm. Mr. Schafstall expressed that the city would cover those costs, but in reality RDC needs to make that decision. Last time when Runnebohm entered into an agreement with Hetsco, the closing occurred before RDC knew the final close out numbers. Once Runnebohm completes the building and finds a buyer, Mr. Schafstall recommends RDC have a meeting to learn final numbers before closing occurs.

Mr. Schafstall also said precast walls need to be ordered by Runnebohm as soon as possible as they take about six months, but Runnebohm won't want to bear the cost of that should the project be terminated for any reason. Chris King with Runnebohm Construction presented. Their goal is to have a completed economic development agreement for the June RDC meeting and the project to be complete by year end or early 2017.

Mr. Heuchan identified the presence at the meeting and involvement in the project of both Cheryl Morphew and Rob Henderson as well.

Keith Fox expressed concern about the building being completed and put on the market at a slower time of year for real estate. Mr. King reassured that there is significant interest and activity for this type of building.

Mr. Wertz asked if a special meeting on June 7 would be advisable. Mr. Deppe asked what the cost would be if the project did fall through and if so, could the precast walls be stored somewhere. Mr. King proposed bringing the proposals to the June 7th meeting. He projected the cost to be \$50,000 should the project fall through. The better, more final numbers would be part of the economic development agreement at the June 21 meeting.

Krista Linke asked if the walls were to take six months and thus arrive in the winter, is that doable. Mr. King confirmed it is. Mr. Wertz asked if the preparation is feasible by a June 7 meeting and Mr. King confirmed.

Mr. Fox wondered about the need for a June 7 meeting. He felt the RDC does want to move forward. Mr. King needs assurance of a resolution to be able to spend money.

Mr. Wertz made a motion to have a June 7 meeting with one agenda item. Mr. Fox seconded. Mr. Schafstall confirmed the resolution for that meeting to be for \$100,000. Mr. Deppe prefers to have numbers before starting to spend money. Motion passed with one nay from Mr. Deppe.

Other Business

April 2016 Financial Report:

Ms. Linke highlighted the resolutions approved at the last meeting.

March 2016 TIF Bond Financial Report: Ms. Linke gave an overview of the updated report.

Cash Flow Analysis Worksheet #29

Ms. Linke reported that there are not a lot of changes to this report. The Hetsco tax issue payment is reflected.

Mr. Wertz asked about the state funding for bypass construction of the four roundabouts. Ms. Linke responded that until the design is done, there won't be exact numbers.

Public Comment and Announcements

Rob Shilts from the Artcraft gave an update on their HVAC project. The completion goal is June 7 so the AC can be on for the Glen Miller Orchestra.

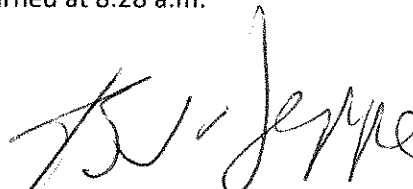
Tara Payne reported the start of Farmers Market this past Saturday and Strawberries on the Square coming May 27th.

There being no further business, the meeting was adjourned at 8:28 a.m.

Respectfully submitted this 21st day of June, 2016.



Bob Heuchan, President



BJ Deppe, Secretary