



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

January 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
Julie Spate	Recording Secretary
Rob Schafstall	Legal Counsel

Call to Order:

Bob Heuchan called the meeting to order.

Approval of Minutes

BJ Deppe made a motion to approve the December 20, 2016 minutes. A second was received from Paul Buening and the motion passed.

Election of Officers

President: Mr. Deppe made a motion to elect Mr. Heuchan. Seconded by Richard Wertz. Passed.

Vice President: Mr. Deppe made a motion to elect Mr. Wertz. Seconded by Mr. Buening. Passed.

Secretary: Mr. Wertz made a motion to elect Mr. Deppe. Seconded by Keith Fox. Passed.

Legal Counsel: Mr. Wertz made a motion to appoint Rob Schafstall. Mr. Deppe seconded. Passed.

Old Business

None.

New Business

Resolution 2017-01: \$35,000 for Utilities and Maintenance Expenses for 2017

Krista Linke introduced this as an annual resolution needing approval, identifying the types of expenses this covers such as utilities, mowing and costs related to ownership of the 55 W. Madison St. building. Mr. Deppe moved to read by title only. Mr. Fox seconded. Passed. A public hearing was held. Motion to approve the resolution was made by Mr. Deppe and seconded by Mr. Fox. Mr. Wertz requested a list of the properties be provided to the RDC members. Motion passed.

Resolution 2017-02: Legal Fees and Expenses for 2017

Ms. Linke reviewed the legal and professional fees this resolution covers. Motion to read by title only was made by Mr. Deppe with a second by Mr. Fox. Motion passed. A public hearing was held. Motion to approve the resolution was made by Mr. Wertz and second by Mr. Buening. Passed.

Resolution 2017-03: Appropriating \$200,500 for the Frechette Eye Clinic – 89 E. Jefferson Street

Ms. Linke presented the updated rendering for a two and a half story building. Revised cost estimates are not in yet. Ms. Linke recommended tabling this project until the new cost estimates are in. It is a Danny Causey design and the building attaches to the Bemis and Wadsworth buildings. Linda Frechette has seen the rendering and likes the look. Ms. Linke mentioned an architect and structural engineer needs to look at it as well before a true cost estimate can be obtained. Those cost of doing that could be paid for out of RDC professional fees.

Resolution 2017-04: Bond Payment Relative to 2015 TIF Bond

Ms. Linke identified two payments that are made annually. One is due shortly and needs to be approved. Motion made by Mr. Deppe to read by title only was made with a second by Mr. Buening. Passed. A public hearing was held. Motion to approve the resolution was made by Mr. Deppe with a second by Mr. Wertz. Approved.

Shell Building Update

Chris King from Runnebohm reported an update of their construction options and plans. The current plan is for a 50,000 sq. ft. building with the ability to go up to 200,000 sq. ft. The building pad and detention will be designed for 200,000 sq. ft. Sewer will be extended to the north of the property. With the new road just north of PCTNA, utilities will be extended as well in order to service the additional 52 acres available there. Good conversation has taken place with PCTNA regarding the closure of their existing road and giving them access via the proposed new road. Mr. Heuchan asked what initiates the city to start the plat process. Mr. King responded that Runnebohm would submit the information for that and their plan to plat for the whole parcel. Mr. Wertz added the approximate cost estimates of \$2.5 million for the building and \$500,000 for the road. The last project was approximately \$1.83 million. This project is a bigger footprint by about 50%. Additional landscaping and utility extensions to set up the project for the future. The total project is about 15 acres. Mr. Wertz reported the price of the land is the same as before and a three-year plan for completion. Ms. Linke asked Mr. King to explain the financing plan under review in conjunction with Rob Schafstall. Mr. King suggested they could bring the project to RDC next month and break ground come spring. Mr. Heuchan explained the delay caused by the time seeking approval from the south neighbors. Ms. Linke reminded a choice will need to be made on the firm to market the property. Two different entities have expressed interest so far. \$100,000 was approved in 2016 for carrying costs, but without a contract, it was not carried over to 2017, so it needs to be added to next month's agendas. Mr. Heuchan suggested a breakdown of proposed expenses and timeline for the project.

55 W. Madison Street Update

Mr. Fox reported another meeting held. Talley's have met with additional people and have changed their plan for the kitchen in the basement due to the difficulty in hiring people to go up and down stairs. Being considered instead is adding additional square footage off the back, making the restaurant more the size of a Chili's or Appleby's. This will raise the costs some. A full presentation is planned for February. Mr. Wertz asked for the price increase amount. John Talley identified the elements raising the cost to be the kitchen addition, basement completion and HVAC. The building goes from \$800,000

to \$1.2 million. The Talley's had hoped for more reuse but are receiving counsel for total replacement on some things. Restaurant was originally projected at \$225,000 but may end up closer to \$325-350,000. Mr. Fox is excited by the addition of another 3,000 sq. ft. of office space downtown through the new plan for the basement level of this building.

Franklin Development Corporation – Request for 2017 Programming Funds

Jeff Mercer presented his request for an additional infusion of programmatic dollars in the amount of \$500,000. He added that with what is currently in the pipeline, all but about \$75,000 will have been expended which would cover approximately one more month. Mr. Heuchan asked if the homes are a priority for the FDC in the coming year and Mr. Mercer confirmed for two reasons. One is operating income for FDC and a second is returning them to the tax rolls. Mr. Heuchan asked about the ability of the FDC to take distressed properties and get them back on the tax rolls. Ms. Linke explained the Property Recovery Task Force chaired by Kim Minton through the FDC. They have identified properties that have not sold at tax sale. Those certificates have been requested from the county to be transferred to the City. Once the properties have been through the process and have clear titles, the City will transfer them to the FDC and the FDC will put them up for sale. Proposals identifying budget, general contractor and plans for the property would be requested and the committee would choose who the properties are sold to. Assistance could be offered on a case by case basis through the loan and grant programs. Mr. Heuchan stated his support for funding the RDC. Mr. Wertz asked that the operating budget be made available before the February meeting. Mr. Deppe asked if there is a proposed project list for the \$430,000. Mr. Mercer confirmed they do thanks to the work of Ms. Linke and Ms. Oliver. Mr. Fox made a motion to prepare the necessary resolution documents to be presented at the February meeting. Mr. Buening seconded and the motion passed.

Resolution 2017-06B: Appropriating Bond Funds for the Purchase of the Red Carpet Property

Ms. Linke gave background on the property. The amount of liens on that property is \$358,218.86 which is why it has never sold at tax sale. 48% is city of Franklin liens and 52% is Johnson County property tax liens. A February 14 special county commissioners hearing will be held for any interested party to bid on the property. The need for this resolution is a backup plan allowing for funds out of the bond proceeds to purchase the property at the commissioners' sale if needed. Mr. Wertz asked about the Lee's Inn and Vandivier properties. Ms. Linke informed that Lee's Inn was purchased at tax sale last year by Pete Grimmer with a year for redemption. If it's not redeemed by October of this year, he becomes the owner of the property. Negotiations with Vandivier property owner have not begun yet. Interim mayor Steve Barnett informed of his discussions and agreement with one of the commissioners on what they agreement should be and that Lynn Gray and Kathleen Hash are preparing that agreement at this time that will be discussed at the next commissioners meeting. With the inter-local agreement already in place, all that remains is Mr. Barnett's signature to make it happen. Mr. Wertz made a motion to read by title only. Mr. Fox seconded. Passed. A public hearing was held. Mr. Wertz made a motion to approve the resolution at \$400,000 and Mr. Fox seconded. Passed. Mr. Schafstall recommended an individual be appointed to attend the sale to make the bid. Mr. Deppe made a motion to authorize Mr. Heuchan and/or Ms. Linke along with Mr. Schafstall to be present at the sale to enter the bid. Mr. Fox seconded. Passed.

Other Business

December 2016 Financial Report

Ms. Linke identified a column added to the report for resolutions not encumbered into 2017. The largest one was \$177,000 from Res. 14-12. Smaller ones included right of way acquisition not done and shell building expenses. November property taxes were received in the amount of \$1.575 million.

Annual interest total received was \$74,029.49. There were some INDOT reimbursements. The 2016 year end cash balance is \$7,238,618.

December 2016 TIF Bond Financial Report

Ms. Linke identified the total spent through 2016 was \$9,636,996.96. Projects planned for is \$14.8 million. Next month's update will reflect the Red Carpet property.

2016-2017 Encumbrances

Ms. Linke explained the \$1,085,000 unencumbered total to be inclusive of TIF control fund and bond funds. Some projects are complete and Ms. Linke will have an updated report for next month. Through the TIF bond brought forward into 2017 through uncompleted projects \$3,746,000. Encumbered into 2017 through TIF control fund is the \$1,179,000. Ms. Linke added RDC has until July 2018 to expend the funds. Mr. Heuchan asked if the Duke matter has been settled and Ms. Linke assured it has but they do have a window of time to appeal which is quickly closing.

Public Comment and Announcements

Mr. Heuchan called on members of the audience.

Mr. Wertz asked Dana Monson of JCDC to report on changes to the property certification from shovel ready to site certification with three levels, silver, gold and prime. JCDC is working to take existing properties and transfer them over into the new program. More will be presented at the February City Council meeting.

Janice Bullman reported the Franklin Chamber of Commerce awards banquet and State of the City address is Feb. 9 at the Indiana Masonic Home. Feb. 25 is Franklin Chamber of Commerce's annual cash bash at Indiana Grand Racing and Casino and the funds raised are restricted to their building.

Rob Shilts reported the Artcraft's annual sponsorship party night on Feb. 4.

Mr. Heuchan reminded that the February, March and April meetings will start at 9:00 a.m.

There being no further business, the meeting was adjourned.

Respectfully submitted this 21st day of February, 2017.



Bob Heuchan, President



BJ Deppe, Secretary