



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

July 11, 2017

Members Present:

Jake Sappenfield	President
Josh DeArmitt	Vice President
Ken Austin	Secretary
John Ditmars	Member
Lee Hodgen	Member

Others Present:

Rob H. Schafstall	Legal Counsel
Krista Linke	Director of Community Development
Julie Spate	Recording Secretary

Call to Order:

Jake Sappenfield called the meeting to order.

Approval of Minutes

Lee Hodgen moved to approve the June 13th minutes. John Ditmars seconded. The motion carried.

Old Business

None.

New Business

EDC 2017-04 Powder Metal Technicians

Krista Linke presented Powder Metal's request for a tax abatement for real property investment for a new facility on Graham Road. Mayor Steve Barnett introduced Doug Hefly of Powder Metal Technicians, a 16-year business moving from Indianapolis to Franklin. They are building a 14,000 square foot facility on five acres in Franklin Business Park on Graham Road just north of Pridgeon Clay and south of Hetsco. They will bring 15 new jobs to Franklin at an average wage of \$22/hour with benefits. Mayor Barnett has offered up to \$40,000 to the Redevelopment Commission for moving expenses. The RDC approved moving forward on June 20, and they are drafting the economic development agreement for final approval at their next meeting. Powder Metal has agreed to the two percent economic fee. Requested is a seven year real property tax abatement with the likelihood of a return for a personal property abatement in the future.

Mr. Hefley gave a detailed presentation of Powder Metal Technician's history, business overview and Franklin location details. One key difficulty at their current location is the inability to pull the truck inside to load and offload, so the new proposed Franklin location will allow for that as well as future additions.

Legal Counsel Rob Schafstall advised that the first course of action is a motion to approve the findings A-E as outlined in Ms. Linke's memo are satisfied. Mr. Ditmars made a motion that the property location be found in compliance with items A-E under ERA and Tax Abatement Findings. Seconded by Ken

Austin. Passed. Mr. Austin made a motion for a seven-year abatement with a second from Mr. Hodgen. Passed.

EDC 2017-05 Madison Street Renovation LLC

Keith Fox, on behalf of John and Lisa Talley, identified their desire to pull the abatement off the table at this time. Mr. Fox, along with Mayor Barnett and the Talley's, have met, and there will be a proposal taken back before RDC for some needed additional work.

EDC 2017-06 Direct Conveyors

Mayor Barnett introduced the representatives, Ron Wood and John Van Cooten of Direct Conveyors, 10 years in Franklin and currently located on Forsythe Street. They look to expand into a 30,000 square foot building with \$1.9 million in real property and \$200,000 in personal property. They currently employ 17 people and plan on eight new hires with an average wage of \$20/hour. In identifying their new location, Mayor Barnett highlighted the construction road with the RDC which includes utilities, trees, curbs and sidewalks. The abatement request is for a seven-year on real property and five-year on personal property.

Mr. Wood presented their need for a larger facility and an overview of the company's start-up and history. They propose a capital equipment purchase of \$337,000 and the total proposed project capital investment is \$2.1 million. The average hourly wage for retained jobs is approximately \$20/hour. The proposed site sits between Direct Shot and Premium Composite Technology on Commerce Parkway. They hope to double their initial build in four to five years.

Mr. Sappenfield asked if the eight new jobs would all be hired in upon construction completion or phased in. Mr. Wood projected a phase in but on a fast track as they are needed. Mr. Schafstall asked if their equipment is new to Indiana. Mr. Wood said yes. Mr. Ditmars clarified the \$200,000 investment is the five acres of land and the \$337,000 is for the equipment. He also asked if it was difficult to find the skilled labor they need, and Mr. Wood confirmed that it is, but once found, there is not significant turnover rate. Temp agencies are being used to achieve their hires. The engineers are between \$45-60,000/year. The assembly positions earn approximately \$17/hour. They are in a designated ERA area. Mr. Schafstall confirmed \$337,000 personal property for the five-year abatement. Mr. Schafstall recommended consideration in two parts. The first was to make a determination that Direct Conveyors has satisfied the requirements for a personal property abatement as outlined in Ms. Linke's memo, items 7A-E. Said motion was made by Mr. Austin and seconded by Mr. Hodgen. Passed. The second motion is to decide whether they have decided the requirements for a real property abatement as outlined in Ms. Linke's memo, 6A-E. Mr. DeArmitt made said motion, seconded by Mr. Austin. Passed. Mr. DeArmitt moved for a seven-year abatement on \$1.9 million in real property and five-year abatement on \$337,000 on personal property. Seconded by Mr. Austin. Passed.

Other Business

Ms. Linke reported that the economic development fees for co-working through the Franklin Development Corporation were approved at last night's City Council meeting. The first organizational meeting of the management committee is August 3rd. Decisions and progress will come out of that.

Mr. Austin added from City Council meeting that the co-working startups would be self-funding in a short period of time and the economic development fees have been used two years and with next year it could potentially be divided up between non-profits again as in the past.

Adjournment:

There being no further business, a motion for adjournment was made, seconded and passed.

Respectfully submitted this 8th day of August, 2017.

Jake Sappenfield, President

Ken Austin, Secretary