



# CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

### MINUTES

#### REDEVELOPMENT COMMISSION

July 18, 2017

#### **Members Present:**

Bob Heuchan	President
Richard Wertz	Vice President
BJ Deppe	Secretary
Paul Buening	Member
Keith Fox	Member

#### **Others Present:**

Krista Linke	Director of Community Development
Rob Schafstall	Legal Counsel

#### **Call to Order:**

Bob Heuchan called the meeting to order.

#### **Approval of Minutes**

Keith Fox made a motion to approve June 20<sup>th</sup> and July 6<sup>th</sup> minutes. Richard Wertz seconded. Passed.

#### **Old Business**

#### **New Business**

##### **Grant Agreement between the RDC and the FDC for the Overton Project**

Rob Schafstall reminded of Overton Industries extending McClain Drive. At the March meeting up to \$300,000 in assistance was approved for the road extension project. He recommended this be given as a grant to Franklin Development Corporation and then through an FDC economic development agreement back to Overton. A motion to approve the Overton Project Summary and Grant Agreement was made by Mr. Fox and seconded by Paul Buening. Mr. Wertz asked which contractor they have chosen. City Engineer Mark Richards doesn't believe they have selected yet, but a different pavement was recommended by engineering to handle the heavy truck loads, so the project cost will likely be more than the estimates, thus the recommendation that the cost be increased to \$300,000. The motion passed unanimously.

##### **Resolution 2017-29: \$2,366,170 in Horizon Bank Escrow Account for Shell Building Project**

Mr. Schafstall explained that the State Board of Accounts requires formal appropriation of these funds without expenditures beginning. He clarified the money in the account will be spent for the building. There is a bi-annual payment schedule to Greg Martz who is using that payment schedule to make his payments on this loan. RDC has pledged interest only payments for the first three years and then interest plus principal amortized over 20 years for years four through six of the loan, ending with a balloon payment of approximately two million dollars. Mr. Fox made a motion to read by title only with

BJ Deppe seconding. The motion passed. A public hearing was held. A motion to approve the resolution was made by Mr. Fox and seconded by Mr. Wertz. Passed.

#### **Grant Agreement between the RDC and the FDC for the Urban Air Project**

Mr. Schafstall again recommended structuring this as a grant from the RDC to the FDC with a development agreement from the FDC back to Urban Air. The Urban Air monies have already been appropriated so the grant agreement is all that remains for approval today. A motion to approve the grant agreement and the EDA was made by Mr. Fox and seconded by Mr. Buening. The motion passed.

#### **Update: Common Council Approval of the sale of 55 W. Madison Street**

Mr. Schafstall reminded that RDC owns this property with an agreement to sell to John and Lisa Talley's company. A relatively new statute requires City Council approval first under certain circumstances. This will go before City Council on August 7. He will report back the results.

#### **Other Business**

Mr. Heuchan reported that after the recent flood, Mayor Barnett was identified in The Daily Journal as having expressed the city's willingness to offer flood victims assistance and taking under consideration the purchase of their property. The process includes required appraisals and possible environmental studies. Mr. Heuchan called for a resolution for up to \$50,000 to be considered at the next meeting for this purpose. Mr. Fox asked if Ms. Linke could receive permission to proceed with securing estimates on these items, and Mr. Heuchan assured that was beneficial as it didn't commit RDC in any way. Ms. Linke explained that any unused portion, if not encumbered, would just all off at the end of the year and could also be rescinded earlier if needed. Mr. Deppe asked if there was an approximate count of how many parties could potentially take advantage of this program. Mr. Heuchan thought it to be around three or four. A motion was made by Mr. Deppe and seconded by Mr. Fox to authorize legal counsel to prepare a resolution and advertise for the next meeting.

#### **June 2017 Financial Report**

Ms. Linke pointed out that the May disbursement of property taxes was received in the amount of \$2,275,992.33. The first disbursements were received for the US 31 North and South Allocation Areas. The north area was \$4,110 and the south was \$17,133.

#### **June 2017 TIF Bond Financial Report**

#### **Public Comment and Announcements**

There being no further business, the meeting was adjourned.

Respectfully submitted this 15th day of August, 2017.

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Bob Heuchan, President

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BJ Deppe, Secretary