



# CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

### MINUTES

#### ECONOMIC DEVELOPMENT COMMISSION

August 8, 2017

#### **Members Present:**

Josh DeArmitt  
Ken Austin  
John Ditmars  
Lee Hodgen

Vice President  
Secretary  
Member  
Member

#### **Others Present:**

Rob H. Schafstall  
Krista Linke  
Julie Spate

Legal Counsel  
Director of Community Development  
Recording Secretary

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

Josh DeArmitt called the meeting to order.

#### **Approval of Minutes**

Lee Hodgen moved to approve the July 11<sup>th</sup> minutes. John Ditmars seconded. The motion carried.

#### **Old Business**

None.

#### **New Business**

#### **EDC 2017-07 Shell Building: City of Franklin Redevelopment Commission**

Krista Linke presented this request for a 10-year abatement. It is the second shell building and located just north of Premium Composite on Graham Road. It is part of a larger project for the construction of Linville Way which is a new road that would access the back of the 68-acre larger tract of land. The shell building project itself is on just under 14 acres. It will be a 50,000 square foot building expandable up to 200,000 square feet. The tax abatement is to make the project even more marketable. There was not an abatement in place for the last shell building and the city had to go back and reimburse end user Hetsco. An abatement was also granted on the build out of their building and also for personal property as well. A \$250,000 was also associated with that project. The desire is to be more proactive on this project. Mr. Ditmars asked what the compliance process is when this is done without a defined use. Rob Schafstall reminded this has been done on a speculative basis a couple of times before, granting a speculative abatement on Franklin Tech Park and also on Trussway. He said there is no criteria. If the building is built, it is abated. Ken Austin added that both Council and EDC were opposed to this in the past and Mr. Austin further highlighted that Mayor Steve Barnett was previously adamantly against it as well. Mayor Barnett explained the reason for his opposition last time was due to the history on the building, that the people were coming to the city with the intention of selling the building. The people who bought it in turn went out of business. The mayor further explained than when a company moves in to the building, their build out particulars will provide the ability to do the compliance piece if an abatement is chosen at that time. Ms. Linke explained that once the building is purchased there would be a subsequent abatement request for the build out. There was no abatement on the shell when

Hetsco came and the city ended up giving them enough cash to cover what the abatement would have been. Mr. Ditmars reiterated that this abatement is based on the cost of the shell only with future requests based on use. Mr. Schafstall added that all those abatements can be conditioned. Mr. Austin expressed that it sounded like a double abatement and wondered if that was legal. Ms. Linke explained that a company coming in will know what the building cost and what the build out will cost so they come in for only one total abatement for the total cost of everything. With this shell building, the abatement is simply being broken into two parts. Mr. Ditmars clarified it is for two real property abatements and one personal property abatement so the possibility of a three-part abatement. Mayor Barnett added that one of the companies is looking at a build out of over one million dollars. Mr. DeArmitt sought clarification on the square footage of the project cited. Mr. Austin made a motion to approve the findings of the criteria for Section Five and Six. Mr. Ditmars seconded. Motion passed. A motion to approve the abatement duration and amount was made by Mr. Ditmars for 10 years and \$2,837,000. Mr. Hodgen seconded. Passed.

### **Other Business**

### **Adjournment:**

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

Respectfully submitted this 12<sup>th</sup> day of September, 2017.

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Jake Sappenfield, President

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Ken Austin, Secretary