



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

August 15, 2017

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
Rob Schafstall	Legal Counsel

Call to Order:

Bob Heuchan called the meeting to order.

Approval of Minutes

Keith Fox made a motion to approve the July 18th minutes. BJ Deppe seconded. Passed.

Old Business

New Business

Resolution 2017-28: Grant Agreement with the Franklin Development Corporation for \$40,000 for the Powder Metal Technicians Project

Doug Hefley was in attendance. Mr. Fox made a motion to read by title only and Paul Buening seconded. Passed. A public hearing was held. Mr. Fox made a motion to approve the resolution. Richard Wertz seconded and the motion passed.

Grant Agreement Between the Franklin Redevelopment Commission and the Franklin Development Corporation for the Powder Metal Technicians Project

Rob Schafstall explained this to be a similar grant agreement to ones the Commission has done in the past. It allows the Clerk-Treasurer to transfer the monies from the RDC account to the FDC account. The FDC then enters in to the EDA with Powder Metal Technicians. Mr. Wertz made a motion to approve the grant agreement with a second by Mr. Deppe. Passed.

Resolution 2017-30: \$50,000 for the Study, Appraisal and Analysis of 2017 Flood Affected Properties

Krista Linke explained that it was unclear as to how much this would cost based on who came forward and which properties would be involved. Three have expressed interest to date. Appraisal quotes have been received back from three different companies ranging in cost from \$2000-\$3500 for each property. Phase I environmental site assessment proposals have also been received back for all three properties

and range from \$4200-6000. Ms. Linke further explained that there are enough funds under this resolution for appraisals and Phase I studies, but Phase II studies are anticipated for all three properties and estimates received from one company offer a price point between \$30-50,000 per property at which point there would not be enough funding to cover the costs. Once Phase I environmental assessments are underway, a subsequent resolution would need to be adopted before doing a Phase II on any of the properties. Mr. Deppe asked about public notice and Ms. Linke assured there was an article in the Daily Journal. Mayor Steve Barnett explained that the City did not approach anyone but that interested parties came to the Mayor to talk about it. The appraisals are to see what the properties are worth and then Phase I studies are to determine any environmental issues. Phase II studies will only be done if there is a problem reported back from the Phase I reports. Mr. Heuchan asked what the total cost would be if all three steps were done for all three properties. Ms. Linke responded it is too early to say until Phase I environmental reports are complete. Further funds can be appropriated if needed. Mr. Buening asked if there are any other property owners that could yet decide to take advantage of this program. There could be others who would be eligible to take advantage of this option. Motion to read by title only was made by Mr. Fox and a second by Mr. Buening. Passed. A public hearing was held. Approval for the resolution was made by Mr. Fox and a second by Mr. Wertz. Passed.

Grant Agreement Between the Franklin Redevelopment Commission and the Franklin Development Corporation for the Paris Drive Hotel Project

Mr. Schafstall reminded that \$560,000 has already been appropriated. The agreement with the FDC is the next step. Rob Richardson reported receiving approval from the BZA for the two variances requested for height and EIFS. Mr. Richardson stated that platting is scheduled for submission for the September meeting to be followed up with Tech Review and submissions to the state. Approval is already received from Marriott, Marriott Fairfield Inn and Suites with 81 rooms. They hope to be under construction yet this year. A motion to approve the agreement was made by Mr. Wertz. Seconded by Mr. Fox. Passed.

55 W. Madison Street Project Update: John and Lesa Talley

Lesa Talley reported the continued work on construction plans with submission to the state by the end of next week. They are working on researching whether a sprinkler system is required. Utility representatives are also engaged for discussions about minimizing utility poles along the north-south alley. Evaluation is being sought regarding water that entered the building in multiple places during the last flood. Mr. Wertz asked if the utility plans are to have it underground. Ms. Talley confirmed that it is with a couple of exceptions. Mr. Wertz followed up with whether the transformers could be removed. Ms. Talley will look into it again but was told they would then require 10 feet all the way around and the concern was how that would affect the traffic pattern in that area. Mr. Schafstall reported that City Council approved the sale.

Proposed Economic Development Agreement for Utility Relocation at 55 W. Madison Street – not to exceed \$50,000

Ms. Linke explained the possibility of additional funds to assist with this given the need and desire to clean up the area with the utility poles. A resolution would need to be advertised for the next meeting to appropriate fund not to exceed \$50,000. RDC has done it in the past. Mayor Barnett identified reasons to bury the cables; traffic flow to get the parking lot where it needs to be and because it looks better for the City. A motion to allow legal counsel to prepare the resolution was made by Mr. Fox and seconded by Mr. Deppe. Passed.

Shell Building Project Update

Chris King with Runnebohm reported still continuing to work on the design and permitting phase. Once done breaking ground can take place. There is strong interest in the building. Ms. Linke reported having secured an unofficial address of 40 Linville Way for the property and also a legal description. Mr. Wertz asked when the building might be completed and Mr. King identified next February or March with complete build out for a particular company by May or June.

Linville Way Construction Cost – Bid Opening Friday, August 18th

City Engineer Mark Richards reported that the city will be opening bids for the construction of Linville Way on Friday. The initial construction cost estimate received was for \$1,605,000. He asked the Commission to authorize BOW to award a construction contract subject to RDC funding in a not to exceed amount of \$1.75 million to allow for a cushion. Mr. Schafstall asked if that included the cost of the land and it does not. Mayor Barnett explained a land trade being discussed with the Linvilles. Mr. Schafstall asked if we need written permission from the landowner. The mayor said we did and that if it wasn't done by the time of the road build, Mr. Linville would provide written documentation. Mr. Schafstall summarized that the city has already purchased the ground on the south side of the shell building site and some of the \$1.6 million is the construction of that segment. The eastern leg of that road that connects back around to Commerce Drive we don't own yet and the cost of that is also included in the \$1.6 million. Mr. Wertz asked if there will be a bike trail along the road. Mr. Richards said there will be sidewalks but not a trail. Ms. Linke identified the trail will run along Commerce Parkway to the south. Mr. Schafstall said two appraisals have to be done on any property purchased and none have been done on the eastern leg. Mr. Richards confirmed that to be correct and that the intent was to use the appraisals done on the existing property and back out the per acre cost of the right of way needed for Linville Way. Appraisals are in hand on the property being considered for trade. Mr. Schafstall reviewed the situation and instructed that it is acceptable for an appraiser to choose to handle his quote that way, but it is not something that can be done in house. Mr. Deppe requested a drawing identifying all the parts and status of everything. Mr. Schafstall responded to this request from a PowerPoint slide. Mayor Barnett expressed his confusion about the need for appraisals. He highlighted the cost of the property just sold to Direct Conveyor, identifying that all that property has been marked at \$40,000/acre. Mr. Schafstall explained that the statute requires it. Mr. Heuchan spoke on behalf of the RDC that permission has been granted for proceeding based on what was set forth today. Mr. Richards added that a proposal from Crossroad Engineers has been received to supplement the design contract for inspection of Linville Way in a cost not to exceed \$100,000 and asked RDC to consider this request at its next meeting and authorize staff to draft a resolution if necessary. Motion to authorize legal counsel to prepare was made by Mr. Fox and seconded by Mr. Wertz for September's agenda. Approved.

South Main Street Parking Lot Improvements: Fee Proposal

Mr. Richards reported the mayor's request to improve the parking lot on the northwest corner of the South Main Street bridge. A proposal from Crossroad was a total not to exceed of \$46,500. Mr. Richards asked for consideration of drafting a resolution for the next meeting. Suggested improvements include a curbed parking lot with drainage, landscaping and lighting. Mr. Schafstall asked who owns it and Mr. Heuchan reported city of Franklin has title to it. Mr. Deppe asked who will pay for the DNR permits and Mr. Richards explained those costs to be included. Mr. Schafstall asked about the monitoring wells previously on the site. Ms. Linke reported that all soil was remediated before purchased. Mr. Richards clarified that the quote includes design and inspection but not construction activity by a contractor which will be bid through the Board of Works. Motion to authorize legal counsel to prepare the resolution for a total of \$47,000 was made by Mr. Wertz and seconded by Mr. Fox. Mr.

Deppe asked that the proposal specify IDEM and DNR permitting when brought back in September or he will not vote favorably for it.

Mr. Heuchan left the meeting and Mr. Wertz took over the chair.

Oren Wright Parking Lot Improvements: Fee Proposal

Mr. Richards identified this parking lot to be in need of repairs including lighting improvements. A design proposal from Crossroad has been received. The scope of the project is to do a mill and overlay on the lot, repair some damage to the drainage, repair potholes, replace some lighting and some additional miscellaneous items. Ms. Linke added the removal and replacement of some trees, reserved parking space sign replacement, a drainage issue, light pole replacements with outlets, all in an effort to make it as similar to other downtown parking lots as much as possible. The proposal is only design and construction will need to be bid separately. Mr. Deppe asked if part of the lot is in the floodway, again requiring IDEM and DNR permitting, so proposal wording would need to also be changed. Motion was made by Mr. Fox and seconded by Mr. Buening. Passed.

Other Business

RDC's Appointment to the Franklin Development Corporation

Ms. Linke reported that this is Steve Woods currently. He has served two terms and his term is up at the end of the month. He is willing to continue to serve should RDC so choose. Mr. Fox moved to reappoint Mr. Woods. Mr. Deppe seconded. Passed.

Project Updates

Ms. Linke offered update on Urban Air who is just completing the parking lot. Mr. Richards has stayed in contact with Steve Overton on McClain Drive extension which is still underway but taking longer than planned. Ms. Linke has received the first set of invoices on the Shale Creek Property. Aisin has completed their loading docks and reimbursement begun. The hotel project with Richardsons continues to move along. Direct Conveyors will close on property soon. An amended economic development agreement through FDC will come for B2S Labs. They will appear at the August 24th FDC meeting, offering a tour immediately following, and any RDC members are welcome to attend that tour.

July 2017 Financial Report

Ms. Linke highlighted Resolution 17-29 shell building escrow account of \$2,366,000 affecting the year end cash balance amount. Mr. Schafstall asked if this account is also reflected in the cash balance as there should be both an in and out. He recommended it come off the report and be its own standalone item. Mr. Wertz asked about the projected November property tax total being a little higher. Ms. Linke confirmed they were in line with Jeff Peters' projection of what they should be.

July 2017 TIF Bond Financial Report

Ms. Linke identified unappropriated funds remaining in the amount of \$1,668,000. Mr. Deppe asked what the deadline is on appropriating the funds which Ms. Linke identified as June 2018.

Public Comment and Announcements

Carisa Delph announced Hops and Vines (renamed Beer and Bluegrass Festival) on August 26.

Janice Bullman announced the chamber's professional development workshop this coming Thursday at 2:00 p.m. to be held at the REMC community room. Signups are on the chamber website.

Ms. Talley passed along affirmation of Franklin from a citizen in St. Joseph, Michigan who had participated in The Great Race.

Ms. Oliver announced the Color the County mural painting Saturday morning from 8 a.m. to 12 p.m. at the Farmers Market.

There being no further business, the meeting was adjourned.

Respectfully submitted this 19th day of September, 2017.

Bob Heuchan, President

BJ Deppe, Secretary