



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

October 10, 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
Rhoni Oliver	Community Development Specialist
Julie Spate	Recording Secretary

Call to Order:

Jake Sappenfield called the meeting to order.

Approval of Minutes

Josh DeArmitt moved to approve the September 12th minutes. John Ditmars seconded. The motion carried.

Old Business

None.

New Business

EDC 2017-09 Sunbeam Development

Rhoni Oliver introduced this request for a 10-year tax abatement on \$18,000,000 in real property investment for the construction of a 600,000 square foot modern bulk building facility expandable up to 1,000,000 square feet. It is just east of I65 on St. Rd. 44 (King Street). Tara Payne presented a statement of support for this abatement from Mayor Barnett in his absence. Ken Austin verified the square footage again and Mr. Sappenfield clarified that the tenant prospect would be a logistical company. Mr. Ditmars added it to be synonymous with warehouse, so a lot of space and not a high number of jobs. Dana Monson from JCDC said they do not have a tenant in mind at this time. It will be skilled labor in addition to logistics. It could also be a multi-tenant facility and a minimum of 200-300 employees bare minimum. Mr. Sappenfield asked if they will start the construction process without a tenant, and Ms. Monson stated that to be likely their plan. Shovel in the ground could start next fall, but at this time it is spec. Mr. Ditmars summarized that they are looking for an abatement on the facility to enhance their marketing of the space, and Ms. Monson confirmed. Mr. Sappenfield reviewed when the abatement will start and it would be once the building is assessed. Mr. Ditmars asked if it will be completed or interior build out only with an end user. Ms. Monson said the interior build out will be left to the end user. Ms. Oliver said this area was previously identified as an economic revitalization area but it has expired as of January 2017 so that process would have to be done again. Mr. Ditmars asked if there was some commitment made to this project on abatements offered inside this development. Rob Schafstall

responded not this project but in 2001 when the ERA was first established, EDC recommended and City Council passed a resolution that said if someone would build a building at least 100,000 square feet, the would qualify for a 10-year real estate abatement. It was made specifically for the Franklin Tech Park. It would still be in effect except that it expired with the expiration of the economic revitalization area. Mr. Ditmars asked if this was on spec or committed space and Mr. Schafstall said there was no delineation between the two. Mr. Ditmars further inquired that this project qualifies but there is no requirement to grant the abatement. Mr. Schafstall confirmed. Due to the expiration, the EDC is free to do as they deem best. Ms. Oliver added that Sunbeam agreed to a two percent economic development fee. Mr. Austin asked if the ERA designation would need to be taken care of first and Mr. Schafstall affirmed that to be the case with a motion that the requirements for the creation of an ERA have been satisfied pursuant to paragraph five of Krista Linke's staff report. Mr. Austin made a motion that ERA requirements paragraph five, a-e, have been met and Mr. DeArmitt seconded. Passed. Mr. Ditmars made a motion to grant the tax abatement based on the satisfaction of section five, a-e. Mr. Austin seconded and the motion passed. Mr. Austin sought clarification that the abatement was on the building alone and once a tenant is established they would come before EDC for abatement for jobs, pay, etc. Mr. Ditmars agrees to the abatement but not the maximum 10-year abatement due to it being a marketing tool. Ms. Monson added Sunbeam's strong statement of a full 10-year abatement for marketing purposes on such a large building and that it is fairly customary. She also spoke highly of the Sunbeam company but Mr. Ditmars further explained he is speaking of the companies that will be the tenants and resulting jobs. Mr. Austin made a motion for a 10-year abatement. Lee Hodgen seconded. Motion passed with one nay from Mr. Ditmars. It will go before City Council at their next meeting.

Other Business

EDC's appointment to the Franklin Development Corporation Board -- David Bedwell expressed thanks for his appointment to FDC and requested continuing with another two-year appointment. Mr. Austin and Mr. Sappenfield thanked him. Mr. Austin moved to reappoint Mr. Bedwell. Mr. Hodgen seconded. Passed.

Mr. Ditmars asked the status of the old post office. Mr. Schafstall reported a tentative closing set for the day after the RDC meeting, next Wednesday.

Adjournment:

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

Respectfully submitted this 20th day of December, 2017.

Jake Sappenfield, President

Ken Austin, Secretary