



# CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

### MINUTES

#### REDEVELOPMENT COMMISSION

February 20, 2018

#### **Members Present:**

Richard Wertz

Vice President

BJ Deppe

Secretary

Paul Buening

Member

#### **Others Present:**

Rhoni Oliver

Community Development Specialist

Rob Schafstall

Legal Counsel

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

Richard Wertz called the meeting to order.

#### **Approval of Minutes**

BJ Deppe made a motion to approve the January 16<sup>th</sup>, 2018 minutes. Paul Buening seconded. Passed.

#### **Old Business**

##### **Resolution 2018-19B: Eastview Dr. and Hurricane Rd. Roundabout Right-of-Way Acquisition \$162,500**

Mr. Deppe made a motion to read by title only with a second from Mr. Buening. Passed. City Engineer Mark Richards reported that this project is set for construction beginning August 1 of this year. Right of way acquisition is in process. Appraisals have been completed. \$162,500 is the correct amount for the resolution. The resolution text is not correct listing it at \$12,600. Rob Schafstall accepted responsibility for the error but because it is bond money it has already been noticed and appropriated, so this is a scrivener's error that can be ignored. He advised amending the resolution to the appropriate amount of \$162,500. Mr. Deppe made the motion and Mr. Buening seconded. Passed. Mr. Richards added that the acquisition includes six parcels surrounding the intersection of Hurricane and Arvin Roads. A public meeting was held. Mr. Buening made a motion to approve the resolution. Mr. Deppe seconded. Passed.

##### **Resolution 2018-21: S. Main Street Right-of-Way Acquisition \$793,360**

Mr. Buening made a motion to read by title only. Mr. Deppe seconded. Passed. Mr. Richards informed this project to be the construction of trails and reconstruction of South Main Street from the South Main Street bridge south to US 31. The original agreement for engineering and right of way acquisition included costs for the right of way engineering. The request was to increase the engineering contract from \$402,000 to \$793,360. The reasons are an increase in parcels from 20 to 92 and the original contract did not include right-of-way acquisition services in the amount of \$301,510 including appraisals and right of way purchases. Mr. Buening questioned the significant jump in number of parcels. Mr. Richards responded that until design is complete and land acquisition needs identified, it is only a preliminary guess in the beginning. Mr. Wertz asked if all the homes down South Main are affected.

Mr. Richards explained not the homes, but the parcels they occupy are effected. The right of way needed is for the new sidewalks. A public meeting was held. Mr. Buening made a motion to approve the resolution and Mr. Deppe seconded. Passed.

**Resolution 2018-22: S. Main Street Parking Lot Supplemental Agreement \$31,500**

Mr. Deppe made a motion to read by title only. Mr. Buening seconded. Passed. Mr. Richards reminded that last year approval of a contract with CrossRoad Engineers was requested for engineering design of the parking lot at the northwest corner of the South Main Street bridge. It was used as a staging area last year for the contractor working on the bridge. It is city owned property. The request was to amend the agreement to include an additional \$31,500 for improvements including the Hendershot parcel adjacent to the west of the city parcel and with some cost savings due to the combination of the projects. A public meeting was held. Mr. Deppe made a motion to approve with a second from Mr. Buening. Passed.

**Grant Agreement Between the Franklin Redevelopment Commission and the Franklin Development Corporation: 2018 Programming**

Mr. Schafstall advised that a public meeting was not required. And Rhoni Oliver reminded that the resolution was approved in the January meeting. Mr. Buening made a motion to approve. Mr. Deppe seconded. Passed.

**Frechette Eye Clinic – Project Update: Neil Dixon, Linda Frechette and Mike DuKate  
Resolution 2018-18: Frechette Eye Center Building Project \$200,000**

Neil Dixon presented the move from a two-story design to a one-story design to bring the budget down. It originally came in at \$1.2 million dollars. In the redesign they made Linda Frechette both the owner and builder of the project. The new design of a single-story building with design of 3,000 new square feet and a remodel of 3,000 square feet in the basement came in at \$520,000 all inclusive. Mr. Wertz asked if there is an elevator and Mr. Dixon confirmed. Mr. Deppe asked if the rendering included painting or something on the west wall. Mr. Dixon confirmed but in addition ownership of the wall is being determined as well. Mr. Deppe sought confirmation that with it being Linda Frechette's project, it will not go out for bid. Mr. Dixon confirmed and that it was the way they were able to lower the prices, cutting out overhead fees. Mr. Buening asked if the \$520,000 included a full interior. Mr. Dixon explained yes, the design included two white box spaces. They will re-establish the missing wall originally there when Ms. Frechette built the building, so there will be two separate entrances to two rentable spaces. A finished restroom will go into each of the two spaces. Mr. Wertz asked Ms. Frechette if she was comfortable with a \$350,000 personal investment to combine with RDC's committed \$200,000, totaling the \$520,000. She responded that she was not comfortable. In running the numbers with her banker David Bedwell, the amount of money needing to be invested did not make sense for her situation. Mr. Bedwell from Horizon Bank and FDC explained reviewing the numbers as an investment property. With the money Ms. Frechette already has invested in the property along with the additional \$320,000 and another approximated 10% to get it move-in ready, considering the amount of money she still owes on the property, it doesn't make financial sense for her and not worth the return on investment. Mr. Buening suggested tabling for further discussion. Mr. Deppe made the motion and Mr. Buening seconded. Passed.

## **New Business**

### **Shell Building 2 Project Update**

Chris King with Runnebohm reported foundations are almost complete. Steel should be going up next week. The timeline still has a completion target around May. There has also been interest in the building and they are working with JCDC on these.

### **Resolution 2018-23: Shell Building Escrow Account \$2,366,110**

Mr. Schafstall explained that Greg Martz's company borrowed this amount of money from the bank and it went in to this escrow account. The Clerk-Treasurer has control over this account. From this account the disbursements for the building construction will be paid out starting with the first disbursement request. The Redevelopment Commission has committed their TIF money to make semi-annual payments on the Horizon Bank note, \$82,480. Mr. Wertz asked if this was the interest. Mr. Schafstall explained it is interest years one through three and principal and interest years four through six. Ideally it would be paid off before the principal component starts. Motion to read by title only was made by Mr. Buening and seconded by Mr. Deppe. Passed. A public meeting was held. Mr. Buening made a motion to approve and Mr. Deppe seconded. Passed.

### **Shell Building Disbursement Request #1**

Mr. Wertz introduced the requests from Runnebohm for \$904,950 and \$57,167.40 to Greg Martz Management. Mr. Buening made a motion to approve. Mr. Deppe seconded. Passed.

### **Resolution 2018-20: Semi-Annual Payments for Shell Building 2 Project \$82,480**

Mr. Buening made a motion to read by title only. Mr. Deppe seconded. Passed. A public meeting was held. Mr. Deppe made a motion for approval and Mr. Buening seconded. Passed.

### **Right-of-Way Acquisition for W. Jefferson Street Project: Mark Richards**

Mr. Richards asked the board to authorize staff to prepare a resolution for right of way acquisition. There are 17 parcels totaling \$147,966. One at least could possibly be a donation. He will appear before County Commissioners next week to request land along JMH on West Jefferson Street be donated in the amount of \$43,120, dropping the total amount to approximately \$100,000. Motion to approve staff to prepare the resolution was made by Mr. Deppe. Mr. Buening seconded. Passed.

### **Request for Funding for City Seal at the Jefferson and Main Street Intersection: Mark Richards**

Mr. Richards presented the plan to install an embossed city seal at the intersection. It would be a 25-foot circle at a cost of \$21,885. Mr. Wertz asked if this would be similar to what is on the 65 corridor coming into town. Mr. Richards explained that it is a thermal plastic seal depressed in the pavement so snow plows won't effect it. A motion to authorize staff to prepare the resolution was made by Mr. Buening and seconded by Mr. Deppe. Passed. Mr. Deppe offered that his second was to keep the process moving, but he is not sure he likes the idea.

### **Resolution 2017-32 Linville Way Construction Inspection – Amended to include Brookhaven Drive and Benjamin's Alley Project Construction Inspection**

Mr. Richards requested this to come back for approval next month. The inspection agreement for Linville Way in the amount of \$100,000 will not all be used but only \$25-30,000 approximately. The contractor is using GPS operated equipment which cuts back the surveying required. The inspections for Brookhaven Drive and Benjamin's alley project could be rolled in to this agreement. Mr. Wertz asked if it would also include the Eastview Upper Shelbyville Road roundabout. Mr. Richards explained that to

be a separate issue. Mr. Schafstall reviewed what was presented. He asked if it was encumbered and Rhoni Oliver believed it was.

#### **Resolutions needed for Brookhaven Appraisals and Construction Cost**

This is needed for appraisals and construction costs so two separate resolutions are needed. The appraisals are in the amount of \$5,600 for two appraisals of two properties each. The designer is in the process of finalizing the construction cost estimate. There will be bids next month.

#### **Resolution needed for Benjamin's Alley Construction Cost**

Duke Energy and an electrical contractor are being worked with on this. There is no cost projection yet. There are three parts to the construction costs. There is the actual construction of the alley, relocation of Duke facilities which the city will have to pay for and associated electrician costs for changing the services into individual buildings required by Duke. Mr. Wertz asked if any of the overhead wiring will be able to be put underground. Mr. Richards confirmed. There is a three-bank transformer mounted on a pole structure in the alley that will be eliminated. A ground mounted transformer will be installed in the parking lot adjacent to the alley directly behind Lynn Gray's building. The poles at the east end of the alley will be removed and the wiring put underground.

#### **Resolution needed for Eastview/Upper Shelbyville Road Roundabout Inspection and Construction**

The inspection is \$196,000 and the local share of the construction is \$950,000 ultimately determined by the bid amount. In addition, relinquishment funds of approximately \$591,000 will be used. Only the local share of the construction will be appropriated.

A motion for staff to prepare all documentation for agenda items 5. G-J and bring to the March meeting was made by Mr. Buening and seconded by Mr. Deppe. Passed.

#### **Other Business**

##### **January 2018 Financial Report**

Ms. Oliver asked that Resolution 17-09 be rescinded as it is a duplication of Resolution 18-15. A motion was made by Mr. Deppe and seconded by Mr. Buening. Passed.

Resolution 2017-32 amount was accidentally reduced upon encumbrance from \$196,000 to \$96,000 so a resolution needs to be prepared for \$100,000 and brought to the March meeting to add back that amount for Linville Way construction and inspection. A motion was made by Mr. Buening and seconded by Mr. Deppe. Passed.

##### **January 2018 TIF Bond Financial Report**

Ms. Oliver pointed out that this is overcommitted so some projects will need to be paid for out of the regular TIF control account. All monies must be spent by end of June.

##### **Cash Flow Analysis Worksheet: February 2018**

Ms. Oliver reported that this has been updated to show active projects and projects under consideration for 2018-2020.

##### **Property Use Request Form – Discover Downtown Franklin Farmers Market**

Ms. Oliver identified this as the request from DDF to use the parking lot again for Farmers Market 2018. Mr. Buening made the motion and Mr. Deppe seconded. Passed.

**Public Meeting on February 21<sup>st</sup> at 6:30pm – City Hall Council Chambers**

Mr. Richards announced this with HWC representatives to discuss the King Street project and CrossRoad representatives to discuss Jefferson Street, King Street and three roundabouts. Presentations will be made and all planned detour routes will be reviewed. Mr. Wertz asked if this information will be made available on social media and Mr. Richards assured it will be along with contact with residents.

**Public Comment and Announcements**

Mayor Steve Barnett asked if property closings for Paris and Hendershot are still on target for March and Mr. Schafstall said he thought so. He also asked about the McDonald's project. Mr. Schafstall reviewed the project and that McDonald's has responded with a counter proposal. The RDC is simply cutting the check so as long as the Board of Works is satisfied, it can proceed. Mr. Barnett also gave further explanation about the city seal project and the design committee's personnel and efforts and the cost explanation with return to the RDC.

There being no further business, the meeting was adjourned.

Ms. Oliver reminded that the next meeting is March 20<sup>th</sup> at 9:00 a.m.

Respectfully submitted this 20<sup>th</sup> day of March, 2018.

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Bob Heuchan, President

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BJ Deppe, Secretary