



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

September 11, 2018

Members Present:

Jake Sappenfield	President
Josh DeArmitt	Vice President
John Ditmars	Member
Lee Hodgen	Member

Others Present:

Krista Linke	Director of Community Development
Julie Spate	Recording Secretary

Call to Order:

Jake Sappenfield called the meeting to order.

Approval of Minutes

Lee Hodgen made a motion to approve both the August 14th minutes. Josh DeArmitt seconded. Passed.

Old Business

None.

New Business

EDC 2018-04: AMayZing Food and Beverage Group LLC

Owner Tim May presented an overview of the history and product line and processes of his company. He went on to explain his plans for 70,000 square feet on Graham Street for their manufacturing plant. They will have 25-30 employees the first year and will double that number the first four years. The hourly wage will be around \$21. They also plan to give back through charitable giving into the community. They will make fertilizer from their coffee grounds to sell at cost so non-profit groups can resell at a profit margin. They will make tote bags from their coffee burlap bags. They will also have a trust fund called ACED, standing for Amazing Children Educational Direction. In 2019 they will fund a trust governed by a small committee to educate 50 children up to \$10,000 per child in K-12 for school related expenses. Passing grades is all that's required. In 2020 they will add college student tuitions, 10 students up to \$100,000/scholarship.

Mr. Sappenfield asked when hiring of fulltime employees will start. Mr. May anticipated late spring of next year. Mr. Sappenfield asked if the \$20 million in personal property is more of a high end estimate or an actual projected spend. Mr. May said it is pretty close.

Mr. DeArmitt asked what brought them to Franklin. The smallness and location of the community, the shell building under construction and the road (Linville Way), along with the other surrounding industrial development.

John Ditmars asked about their time in business. AMayZing is a startup but other companies of Mr. May's have been in existence since 2009. Mr. Ditmars also asked what the distribution process is. Mr. May explained that currently he contracts the carriers. With the new product line, committed clients will handle the pickup. Mr. Ditmars asked up with regards to capacity and sustainability through the beginning stages.

Mayor Steve Barnett spoke to the city's desire for the shell building to be something other than automotive manufacturing and a unique employment opportunity which AMayZing qualifies for. That was the reason for the recommendation for a 10-year on personal property. Mr. Ditmars asked who paid for Linville Way. Mr. Barnett reported RDC paid for Linville Way. Mr. Schafstall asked if all \$20 million of personal property is new to Indiana, and Mr. May said yes. Mr. Sappenfield clarified that a total of a 5% economic development fee was agreed to.

Mr. DeArmitt made a motion that staff findings have been satisfied. Mr. Ditmars seconded. Passed. Mr. Ditmars made a motion to recommend a 10-year real property abatement with a 2% economic development fee. Mr. DeArmitt seconded. Passed.

Mr. DeArmitt made a motion to recommend a 10-year abatement on personal property with a 3% economic development fee. Mr. Hodgen seconded. Passed with one nay from Mr. Ditmars.

EDC 2018-05: RBC/Sargent Aerospace and Defense LLC

Robert Crawford, RBC Bearings Director of Risk Management out of Oxford, Connecticut, presented a history of their company and investment in Sargent. Had the shell building not been in place, this company would not be considering Franklin today. Mike Mislán gave his history in Franklin and of their business growth. He also gave an overview of their company activities and staffing. Sixty-five percent of their business is international. Current wage averages are \$26/hour. New hires will be around \$24/hour. Mayor Barnett spoke again to the request for another 10-year tax abatement, different from the normal standard of three- to seven-year abatements.

Mr. DeArmitt asked why they are not amendable to paying the economic development fee. Mr. Crawford said they are just looking for every way they can keep costs down. Mr. Schafstall asked if they have a current personal property abatement and Mike explained they do not. They verified that all personal property is new to Indiana.

Mr. DeArmitt made a motion that staff requirements for real and personal property have been met. Mr. Ditmars seconded. Passed.

Mr. Ditmars made a motion to recommend the 10-year abatement on real property. Mr. DeArmitt seconded. Passed.

Mr. DeArmitt made a motion for a five-year abatement on personal property. Mr. Ditmars seconded. Passed.

City Council meets on Monday, September 17, at 6:00 p.m.

EDC 2018-06: Mitsubishi Turbocharge and Engine America, Inc. Waiver of Non-Compliance

Linda Brown, Assistant Accounting Manager for Mitsubishi Turbo presented. Ms. Linke explained that the county had been conferred with regarding their personal property tax abatement and Mitsubishi has filled out and turned in their compliance reports every year since the abatement was granted. Mitsubishi was then notified by the county that Form 103ERA, personal property deduction, had not been filed. Ms. Linke is confident everything is in compliance on our end and that it's just the paperwork that needs to be filed with the county. Ms. Linke explained that it will be a credit on future property taxes and not a refund. Ms. Brown confirmed with Ms. Linke that this is for personal property

only. Real property would require this same process again. Mr. Hodgen made a motion to find in compliance. Mr. DeArmitt seconded. Passed.

Other Business

Economic Development Fee Update – CoWorking: Franklin Development Corporation and The Elevator Jeff Mercer, FDC President, presented a history of the co-working space startup. Eric Leugers gave an update on the space remodeling and future plans. They have hired their first staff member, Jordan Shay, a social media marketing specialist. She will be the “face” of the space. They have five individuals and three businesses waiting to start their memberships. They hope for two to three new members a month. Mr. Schafstall asked if City Council will receive this presentation as well. Ms. Linke hadn’t intended for that until opening, but is open to making that happen. Mr. Mercer reminded that FDC continues to walk along with them in light of their investment.

Adjournment

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

Respectfully submitted this 11th day of December, 2018.

Jake Sappenfield, President

Ken Austin, Secretary