



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

June 18, 2019

Members Present:

Bob Heuchan	President
Richard Wertz	Vice President
BJ Deppe	Secretary
Paul Buening	Member
Andrew Eggers	Member
Kristi Ott	School Board Representative

Others Present:

Krista Linke	Community Development Director
Jim Admire	Legal Counsel

Call to Order:

Bob Heuchan called the meeting to order.

Approval of Minutes

BJ Deppe made a motion to approve the May 21st meeting minutes. Richard Wertz seconded. Passed.

Old Business

Presentation for Overlapping Tax Units – IC 36-7-25-8

Krista Linke introduced Jeff Peters from Peters Municipal Consultants in attendance. She explained a new state law this year that requires Redevelopment Commissions to report annually to other overlapping tax units. A handout was presented broken down by townships. The RDC receives close to \$4 million annually from TIF districts. If this was not done, approximately \$76 million of assessed value would be released back in to the overall taxing units and the other taxing units would only be able to generate approximately \$600,000 total. The benefit for Franklin Township of the other taxing units is \$462,882. Ms. Linke reviewed in detail the calculations for both Franklin and Needham Townships. She maintains that what RDC is doing benefits the other taxing entities by spending money in the areas where taxes aren't collected. The integrated TIF areas allow monies to be spent outside of the areas where it is collected. In so doing, assessed values are increased and taxing units are helped to get more money, offsetting the impact of the TIF districts.

Mr. Heuchan asked if the circuit breakers limit what monies are received even without the TIF. Jeff Peters confirmed that was true and gave further explanation. Giving up what the RDC does would only give back \$600,000 to the local units of government. Mr. Heuchan highlighted the benefit to Franklin from the integrated TIF districts, allowing monies to be spent in areas where it is not normally spent. There was some discussion about real vs. personal property tax collection. Ms. Linke identified two other factors required by law. One is the long-term plan for allocation areas. There are no long term

plans to make any changes to the allocation areas but only where the monies collected can be spent. She reviewed the cash flow analysis worksheet, which is a working document updated monthly that serves as the budget and includes all projects for the integrated areas. Currently more money is planned to be spent than what is coming in, so not all projects may be accomplished, but there is also cash reserves. And with approximately \$4 million in TIF revenue, the city owes \$1.4 million annually in TIF Bond repayment.

New Business

Purchase of 180 S. Jackson Street by the Franklin Park Board – Mayor Steve Barnett gave an overview of the city’s purchase of the sale barn property. The plan is to let the Parks Department take it over, and when the amphitheater project is complete, it would be used for storage with Discover Downtown Franklin as well. Parks and Recreation will purchase the building for \$50,000 and put another \$50,000 into it. RDC support is needed for the Park Board to proceed through their approvals. \$50,000 will be returned to the RDC after \$200,000 was spent for the purchase. The Commission verbalized their support.

Interstate 65 Gateway Development – Mayor Barnett reminded that when the deal was made with the Spragues, only two lots were allowed for drive through windows, Taco Bell and Starbucks, on lots two and three. They have received interest from a third drive thru operation, Culvers, for lot four. Culvers has 65% sit down business and 35% drive through. Two major sit down restaurants are considering the larger lots closer to the hotel. Culvers does a lot of community service and they are willing to go above and beyond the minimum building standards. Approval is being sought for another drive through for Culvers only for lot four. As a drive through, Mr. Heuchan pointed out that they do not fit the overlay zoning district requirements, but they are going to work with the city on that. Also, in previous meetings, Mr. Heuchan asked if there was going to be any local ownership. There is a Greenwood resident who will have 20% ownership. She is part owner of the Greenwood location as well. He also asked if the establishment would be well maintained and will employees be well supervised on site. He was assured on both counts. The EDA stipulates the RDC’s approval of who goes on the lots of the Sprague hotel development. Culvers must have approval from RDC, FDC, and Board of Works. Ms. Linke said the addendum needs to be amended with authority for Mr. Heuchan and Mr. Deppe to be able to sign. Mr. Wertz asked if a study of traffic flow has been done. Mayor Barnett affirmed this was done. Ms. Linke reminded that the regular site plan process would be done. Mayor Barnett has had discussions with Texas Roadhouse, and if they decide to come, they are not interested in lot four.

A motion was made by Mr. Wertz to permit Culvers to work with the Sprague’s to acquire lot 4 in the I65 gateway development which will allow for a drive through. Mr. Buening seconded. A public hearing was held. Jim Admire explained the master agreement Addendum Number 1 allowed for only two drive through businesses, so this addendum is needed to permit a third one. The motion passed.

City Funded Projects Update – Mayor Barnett – He reviewed a handout of the funding involved in all city projects included projected projects that may or may not be completed this year.

Resolution 2019-35 Confirmatory Resolution – Franklin US 31 TIF District Amendment – Mayor Barnett requested something in writing from the state confirming the US31 project will be done. They have already approved \$33 million of work with a total project cost of \$40-45 million. The work INDOT is going to do is for 2023-2024. The City of Franklin will pay the engineering costs, and Mayor Barnett would like to move ahead with the engineering side of this project.

Shell Building Update and Construction Timeline – Chris King – Siding was put on hold for a couple of prospects. The siding has now been ordered but will not be delivered for a month. Once received it will be a month and a half and two months total for project completion including landscaping. Paving will come after construction activities are finished. When there is a break in the weather, they will clean up the site and mow grass and establish new signage clearly identifying it for sale. Mr. Heuchan believes it's time to proceed with completion apart from any other prospects. Mr. Wertz identified September as the target completion month, and Mr. King concurred. Mr. Wertz asked if the impact of the contamination in Franklin affecting the sale of the property and Mr. King does not believe so.

Resolution 2019-32 Benjamin's Alley \$4,656.58 – City Engineer Mark Richards explained this to be a change order approved last year for Benjamin's Alley reconstruction. The contractor encountered quite a bit of unexpected concrete under the alley asphalt which added to his costs. The contractor requested a change order for \$5,800. His actual cost was approximately double. The city has agreed to share that cost. Mr. Richards stated the job to be completed satisfactorily and neighbor Andy Wood repaved his parking lot also with concrete. Mr. Heuchan added the positive response from RDI regarding our pedestrian alleys. Mr. Deppe made a motion to ready by title only. Mr. Eggers seconded. Passed. Mr. Eggers highlighted the dumpster enclosure. Ms. Linke explained its location to not be in the alley but on Andy and Leslie Wood's property, so it will be an easement agreement with them. Mr. Deppe made a motion for approval of the resolution and Mr. Eggers seconded. Passed.

Resolution 2019-33 Eastview Upper Shelbyville Road Roundabout Project \$45,170.62 – Mr. Richards identified this to be a change order. It is the result of delays caused by a utility company. Century Link was obligated to relocate their facilities by March 31, 2018. They did not show up on site to do any of the work until mid-June. This caused delays to the contractor. The contractor has submitted a claim. City Attorney Lynn Gray submitted an invoice to Century Link about a month ago for this change order along with another one for approximately \$9,000. Mr. Richards did not know if payment had been received yet, but the city hopes to recover the costs, but they do have to be paid to the contractor. A motion to read by title only was made by Mr. Eggers and seconded by Mr. Buening. Passed. A public hearing was held. Mr. Heuchan would like an update in 60 days to learn the final resolution. Ms. Linke said it would be reflected in the financial report. A motion to approve the resolution was made by Mr. Eggers and seconded by Mr. Buening. Passed.

Resolution 2019-34 King Street Change Order \$41,070 – Mr. Richards explained this to be submitted by Milestone Contractors to account for a need to tap into a water line at two locations and to install backflow preventers for the irrigation system. An irrigation system was designed for the first phase and was submitted as a cost change to the original contractor to install the system. The city thought the cost excessive, and so it was not installed at that time. This change order is for the most recent phase. The intent was to connect with the irrigation system that was to be installed with the initial phase. Since that work was not done, the work previously described was required. The cost would have been borne in the original contract for the first phase, but since that was not constructed it had to be done with this phase. Connection into the existing line can be done, so that cost will not be incurred if extending the irrigation system is done. A motion to read by title only was made by Mr. Deppe and seconded by Mr. Wertz. Passed. A public hearing was held. Mr. Eggers asked if the total project came in under budget. Mr. Richards explained it to be approximately \$250,000 under. Mr. Deppe asked when the completion date for King Street between Forsythe and Middleton is. Mr. Richards stated October 15 per contract but anticipates it will be early. Mr. Eggers made a motion for approval and seconded by Mr. Buening. Passed.

Resolution 2019-37 Approving Execution of Lease with RDA – Ms. Linke introduced Josh Prine (President), Bobbi Ahmin (Secretary) and Les Tabeling (Vice President) as the Redevelopment Authority members. Rick Hall from Barnes and Thornburg explained that in March, the RDC adopted a resolution that expanded the boundaries of the US31 economic development areas and also added to the economic development plan two projects, the US31 road project and the amphitheater project. The resolution was approved by the Plan Commission and City Council. It is back to RDC for a public hearing and approval. In order to spend the bond proceeds, they must be incorporated into the economic development plan. No additional TIF is being captured as a result of the resolution. Mr. Eggers made a motion to read by title only and was seconded by Mr. Wertz. Passed. A public hearing was held. Mr. Heuchan explained that of the \$10 million bond issue, approximately half would go to design fees for the US31 project and the remainder would go to the Young's Creek development. Ms. Linke highlighted different phases to the Young's Creek development. A motion for approval of resolution 2019-35 was made by Mr. Eggers and seconded by Mr. Buening. Passed. Mr. Hall explained the background and workings of Resolution 2019-37. The RDA and City Council have approved this. A motion to read by title only was made by Mr. Deppe and seconded by Mr. Eggers. Passed. A public hearing was held. Jeff Peters gave background and explanation regarding the two TIF US31 districts and this resolution. Mr. Eggers highlighted the blank page in Appendix I for dates and amounts. Mr. Hall explained that there will be an addendum to the lease setting forth specific rental information. Ms. Linke highlighted it will be a 25-year repayment period. A motion for approval of the resolution and lease agreement with Appendix I to be updated was made by Mr. Eggers and seconded by Mr. Buening. Passed.

Resolution 2019-36 Young's Creek Redevelopment Area Property Taxes \$19,881.06 – Ms. Linke reported that the purchased properties don't become tax exempt until the RDC owns them and they are paid a year in arrears. They have already been paid as they were due May 15. A motion to read by title only was made by Mr. Deppe and seconded by Mr. Buening. Passed. A public hearing was held. A motion for approval of the resolution was made by Mr. Deppe and seconded by Mr. Buening. Passed.

Other Business

Mortgage Release on Red Carpet Lots 2 & 3 – Ms. Linke explained the background of this mortgage release for the Sprague's sale of lots to Starbuck's and Taco Bell. A motion to approve was made by Mr. Wertz and seconded by Mr. Buening. Passed.

May 2019 Financial Report – All expenses through May 31 reported. New resolutions from May meeting were added.

Public Comment and Announcements

Hobby Lobby opens July 22.

Mr. Richards introduced summer interns Olivia Norris and Hunter Gross and new staff member Alec Myers. He also announced an open house tomorrow night from 6-8pm at Beeson Hall for the Bike and Pedestrian Master Plan Development.

Ms. Linke asked if the August meeting could be moved to August 27. Mr. Wertz could not attend. Mr. Heuchan said the date could be finalized at the July meeting.

Respectfully submitted this 16th day of July, 2019.

Bob Heuchan, President

BJ Deppe, Secretary