



# CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

### MINUTES

#### REDEVELOPMENT COMMISSION

July 21, 2020

#### **Members Present:**

|               |                             |
|---------------|-----------------------------|
| Richard Wertz | President                   |
| Paul Buening  | Vice President              |
| BJ Deppe      | Secretary                   |
| Ken Austin    | Member                      |
| Bob Heuchan   | Member                      |
| Kristi Ott    | School Board Representative |

#### **Others Present:**

|                |                                |
|----------------|--------------------------------|
| Krista Linke   | Community Development Director |
| Rob Schafstall | Legal Counsel                  |

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

Richard Wertz called the meeting to order.

#### **Approval of Minutes**

Bob Heuchan made a motion to approve the June 16, 2020 minutes. Paul Buening seconded. Passed unanimously, 5-0.

#### **Old Business**

**Duke Energy Easements Update** – Rob Schafstall sent the agreements to Duke. Upon their return, Mr. Schafstall will secure the previously approved RDC President and Secretary signatures.

#### **New Business**

**Resolution 2020-12 Appropriating \$295,500 for Required Bond Payment (US 31 Bond)** – Ken Austin made a motion to read by title only. Mr. Heuchan seconded. Passed unanimously, 5-0. Krista Linke explained this to be the second of two required bond payments for the year and has already been paid. A public hearing was held. Mr. Heuchan made a motion to approve the resolution. Mr. Buening seconded. Passed unanimously, 5-0.

**Young's Creek Redevelopment Area Project Update: Mark Richards and Chip Orner** – Mark Richards announced that the amphitheater project was awarded to Myers Construction Management last month. He reviewed the layout of the area through a PowerPoint presentation. All alternates were awarded in the contract. There was a base bid and seven alternates. He also reviewed the content and price points of the base bid elements and all seven alternates. Dana Monson is working on a grant application due July 31 to Duke to fund required alternate seven. The total contract price is \$5,672,672.70. This was \$300,000 below the engineer's estimate. Demolition of the former Graham buildings begins today and should be substantially complete by sometime next week. They are mandated not to work on July 31 due to drive-through Strawberries on the Square at the Farmers Market parking lot. Site grading and

construction is scheduled to begin in October. The DNR permit is expected in August or September. Substantial completion is scheduled for July 1, 2021. For site grading, there is an estimated 12,000 cubic foot surplus of soil that must be removed. A local disposal site has been located. Mr. Richards proceeded with a presentation of the pedestrian bridge. Mr. Schafstall asked if the pedestrian bridge is part of the awaited DNR permit and if approval was expected. Mr. Richards confirmed on both counts. There will be sanitary sewer, potable water and electricity for the amphitheater, restrooms and vendor areas. There will also be decorative concrete in these areas. Asphalt, trails and additional parking were reviewed. Miscellaneous items are also included in the bid. There are several landscaping elements. Mitigation will be done at a two to one ratio.

Mr. Schafstall asked what the separation will be on the north side butted up against the strip mall. Mr. Richards explained it to be 10-15 feet, and it will be the back of the festival/vendor area. Mr. Wertz asked if there will be plantings. Mr. Richards said they are not planned for. Mr. Wertz asked when the landscaping will be done, and it will be this fall or next.

Chip Orner explained the eight-month process of reviewing 10 different playground designs. The company is Sinclair Recreation and Game Time Equipment and are the same company that did Blue Heron Park. He reviewed the design details. The cost is \$525,000 for equipment, surfacing and installation. It is not included in the bid and will not come out of the bond. Sinclair is awarding the city a \$153,000 grant to make the \$525,000 price point. Ms. Monson wrote a grant that was awarded to Franklin for \$250,000 that will pay for the splash pad. Park impact fees will cover \$50,000. Operation will be April through October. Infrastructure is underground encased in a flood proof case. Preventative maintenance will be very minimal. Shade is also planned for. There are three picnic shelters that will be available for rent. The playground and splash pad do not include extra lighting beyond what is already slated for in the project. Hours will be sunrise to sunset. You can walk the trail and attend events without hindrance from the playground and splash pad areas.

Mr. Orner added that they are researching the addition of eight pickle ball courts and one basketball court in the grassy area near the strip mall.

**Annual Presentation of the Redevelopment Commission's 2020 sources of revenue and uses of revenue, long term plans for each allocation area, and the impact on each taxing unit** – Last year was the first year of the new law requiring an RDC invitation to all overlapping taxing units to an annual presentation. They were all invited to this meeting. The presentation was also made at the City Council meeting last night.

Jeff Peters gave an extensive overview with handout. There are always opponents of the TIF districts that state they don't want the RDC to collect the revenue but they want it to go back to the units of government. But it is not a one for one trade. When areas of development or re-development are identified, the assessed value already part of the large tax base that all the units of government share are determined to be left in place for perpetuity going forward. Anything able to be generated above and beyond that, that assessed value is set aside from the larger tax base and the RDC is able to levy the tax rate of all the other entities and collect all the taxes on this small assessed value set aside and use that money to further develop the community and to create additional assessed value that can either be captured or let fall back to the larger tax base. The revenue cannot be captured and given back to the underlying tax districts. Certain funds by statute are rate driven and would benefit from a larger tax base. When the fixed dollar amount levy is applied to a larger tax base and tax rates are reduced, the number of properties applicable to the three, two, and one percent tax caps put in place to protect

property owners are also reduced. If fewer properties hit those tax caps, then more property tax dollars are being collected and each unit of government would net collect more of the property tax dollars currently losing to the tax cap parameters. Mr. Peters compared Franklin and Needham Townships. Franklin has more than two allocation areas, but they fall into the two different townships. The 2020 rate is 3.3201 cents. If all assessed value for Franklin Township was released, the total is approximately \$75.7 million. If released in to the tax base, the rate would drop to 3.1494. That would trigger significantly less circuit breaker of those three, two, and one percent tax credits. The estimated circuit breaker reduction would be \$431,223. Each dollar of property tax levied has piggy back taxes that accompany it. Total impact for the Franklin Township allocation areas is \$493,000. Circuit breaker impact in Needham Township is less. Estimated circuit breaker reduction is a little more than \$68,000. Total tax loss is approximately \$69,000. Total area impact is approximately \$137,000. Combined for both districts, total impact for the year is approximately \$630,000. Currently Franklin produces \$4.8 million a year in TIF revenue. If the full assessed value captured in the TIF districts was released back to the full tax base, it would only result in an approximate \$630,000 increase to those taxing entities.

Ms. Linke presented the TIF district budgets. She began with a map to present the integrated and amended TIF districts. The cash flow analysis serves as the budget. June listed all the resolution approved projects. It showed what was spent through end of 2019 and projected expense by quarter in 2020. From May property taxes, received was \$1,812,915. It was approximately \$180,000 less than anticipated. Additional disbursement may be received in August if entities took advantage of the extension and are not delinquent. Ms. Linke does not see the need at this time for RDC to borrow any funds from City Council or the TIF districts. Coming in is approximately \$3.8 million and spending approximately the same. RDC has a little over \$2.6 million for projects.

Mayor Steve Barnett reviewed east side projects underway and upcoming.

Ms. Linke presented new allocation areas via a map presentation. They will not have expiration dates until bonds are associated. Estimated year end cash balance for the US 31 TIF districts combined is \$1.535 million. Playground cost will be taken from this.

**Shell Building Marketing Budget** – Ms. Linke asked Don Treibic with Cushman and Wakefield about putting together a virtual tour instead of an open house event due to COVID. Mr. Treibic reported getting information out about the shell building and that responses have been received. A Request for Proposal came in last week from a potential lessor. Mr. Deppe suggested an approval committee of the Mayor Barnett, Ms. Linke and Mr. Wertz to approve things in between monthly RDC meetings. Mr. Austin suggested the use of a drone. Runnebohm has offered their drone footage. Mr. Deppe made a motion to approve the setup of this committee. Mr. Austin seconded. Passed unanimously, 5-0.

#### **Other Business**

**June 2020 Integrated TIF Financial Report** – This report gives property taxes received, bond payments made, and approved resolution balances after expenditures.

**June 2020 US 31 TIF Financial Report** – This report gives property taxes received and bond payments made.

**June 2020 RDA Lease Bond 2019 (US 31 TIF Districts)** – The US 31 design and the cost for the amphitheater redevelopment area both are paid out of this bond. A summary of expenditures by project is listed.

#### **July 2020 Cash Flow Analysis Worksheet –**

These reports were covered in their entirety during Ms. Linke's earlier presentation.

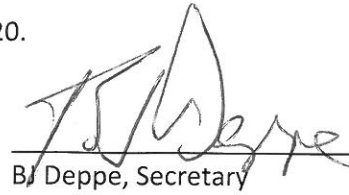
**Public Comment and Announcements**

Marty Williams announced that Strawberries on the Square will be changed to a drive through.

Amanda Rubadue reported on socially distanced site visits and the possibility of virtual tours for site selectors.

Respectfully submitted this 15th day of September, 2020.

  
Richard Wertz, President

  
BJ Deppe, Secretary