

CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

December 18, 2018

Members Present:

Richard Wertz	Vice President
BJ Deppe	Secretary
Paul Buening	Member
Keith Fox	Member
Danny Vaught	School Board Representative

Others Present:

Krista Linke	Director of Community Development
Rob Schafstall	Legal Counsel

Call to Order:

Richard Wertz called the meeting to order.

Approval of Minutes

Keith Fox made a motion to approve the November 20th meeting minutes with a typo correction pointed out by BJ Deppe. Paul Buening seconded. Passed.

Old Business

Franklin Development Corporation Funding Request for 2019 Programming – Mr. Deppe would like for it to be more than \$300,000 as he is in full support of FDC, but he understands budget constraints. Mr. Fox echoed Mr. Deppe's comments. Jeff Mercer interjected his gratitude for whatever RDC was able to do. Mr. Fox made a motion for approval of the \$300,000 award to FDC. Mr. Buening seconded. Passed.

Mr. Wertz expressed gratitude to Mr. Mercer for his service with FDC. A plaque was ordered but didn't arrive in time for today. Mr. Mercer thanked RDC for their support and the honor he had in working with them.

New Business

Resolution 2018-43: Authorizing the Disposition of Real Property – Shell Building No. 2 – Rob Schafstall explained that any real estate RDC intends to sell needs to be offered to the public, and this starts that process. It could be that no one would submit a bid in which case RDC can proceed with the AMayZing Foods proposal. Or someone could submit a bid including AMayZing Foods and RDC could accept or reject. Mr. Schafstall requested RDC pass this giving the president the power to make a couple of changes, once additional information has been received. One appraisal has been received and the second one is still outstanding. The offering sheet needs to set the asking price at the average of the two appraisals. He would like the bids to be opened at the January meeting. The resolution approves the offering sheet. AMayZing Foods has registered with the Indiana Secretary of State, but Mr. Schafstall has not heard back from them yet on his comments on the purchase agreement.

Jason Kallio with Genovis reported that Tim May is recovering very slowly, anticipating being out of the hospital this week or next and back to work after the first of year. His daughter, Lauren Price, is his POA and keeping everything moving forward. The purchase agreement is with their attorney, Jeff Abrams of Taft, and he is working with both Mr. May and Ms. Price reviewing that. Their final comments should be to the city soon.

Mr. Wertz held a public hearing. Mr. Fox made a motion to approve the resolution giving the president the authority to make the math revision once the second appraisal is received. Mr. Buening seconded. Passed.

Other Business

November 2018 Financial Report

Krista Linke added completed and encumbered projects. For the year, there is a project savings of \$1.7 million. Next year there is a plan to have only one resolution appropriating all TIF funds.

November 2018 TIF Bond Financial Report

There are no changes. Small project reimbursements from the state continue.

December 2018 Cash Flow Analysis Worksheet

None of the projects under consideration have been approved. The \$300,000 for FDC was added.

Ms. Linke reported on Mitsubishi and their real and personal property tax abatements. With tax abatements, there is a yearly compliance report due to the city that is turned into the county. The county also has state required forms for both personal property (103ERA) and for real property (322RE), and if the company doesn't complete them when they file their taxes, they do not receive their abatement. Mitsubishi missed the form, and the only way to correct it is a resolution from the City Council granting a waiver of non-compliance. The Economic Development Commission makes a recommendation to the City Council. Mitsubishi came through for a waiver of non-compliance for their personal property tax abatement, and it is complete. They've come back with two additional requests for real property. The county gives them reimbursement for taxes they've paid in error. The next disbursement to the taxing entity is reduced by the amount of the reimbursement. The county's calculations are due to Ms. Linke this week. She anticipates it to be approximately \$200,000 for 2014-2017. Mitsubishi is asking for a reimbursement because they didn't file their forms and didn't notice they didn't receive their tax abatements for four years. Waivers have been done in the past but never to this scale. Never has a company requested a waiver after four years, only six months to a year, and so the amounts have never been this large. Mitsubishi came to EDC last week requesting the waiver, and EDC didn't feel comfortable making a decision without further clarification from the county and the amount. Mitsubishi is in Franklin's TIF district, so funds would come out of Franklin's December or June disbursements to the RDC. Mayor Steve Barnett spoke that his recommendation to EDC was only a one-year waiver as the precedent has already been set for that. Funds are tight and to take \$200,000 out would only make that worse. Ms. Linke doesn't know yet how the waiver affects the rest of their abatement. Mitsubishi has filed their compliance reports every year so Franklin wasn't aware they weren't receiving their abatements, Mitsubishi didn't notice and the county doesn't notify of such. The responsibility is on the company to check their tax bills. Given how many abatements they've had in the past, it is difficult to understand how they could have missed it for so many years.

Mr. Wertz highlighted about \$8 million of potential expenditures for next year. Ms. Linke reported a meeting with Jeff Peters and he reported that the numbers are still on track. The mayor and Ms. Linke

will begin after the first of the year to meet one on one with RDC and FDC members with regards to projects and monies. A joint RDC and City Council Meeting is scheduled for Monday, January 28th at 6:00pm in Council Chambers. This meeting will be an in depth review of the projects planned for 2019 and the cash flow of the RDC.

Retiring School Board Member – Danny Vaught

Mr. Wertz recognized Danny Vaught for his service with RDC as liaison for the Franklin Community School Board. Mr. Vaught expressed his affirmation for the downtown development and praise for RDC's work. He appreciated the opportunity to serve. He quoted his out of state friend commenting that Franklin is a city that has it going on!

US EPA Multipurpose Grant Application Due January 31, 2019

Ms. Linke explained this new grant program. It is a possibility for the flood property redevelopment area along Young's Creek. They only grant 10 in the United States. It would cover Phase One and Phase Two work along with the hiring of a consultant. There is a small grant match of \$40,000 but up to \$800,000 can be asked for.

Redevelopment Association of Indiana Site Tour

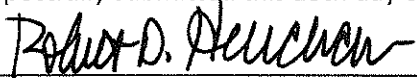
This is an annual event for the state and Franklin was asked to host this for June 2019. Ms. Linke is the president for next year.

Public Comment and Announcements

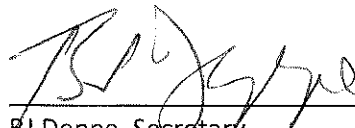
Mr. Wertz commented to keep the north and south US 31 TIF areas in mind and continue to work with the schools.

Mr. Vaught added that the schools appreciate what RDC has done with the schools. Specifically the monies covering the Chromebooks has helped all the students and they are grateful.

Respectfully submitted this 15th day of January, 2019.



Bob Heuchan, President



BJ Deppe, Secretary