



# CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

### MINUTES

#### ECONOMIC DEVELOPMENT COMMISSION

April 11, 2023

#### **Members Present:**

Josh DeArmitt	President
Shawn Taylor	Vice President
Eric Leugers	Secretary
Lee Hodgen	Member
Lisa Jones	Member

#### **Others Present:**

Dana Monson	Community Development Specialist
Ellen Fredbeck Ramirez	Legal Counsel

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

Josh DeArmitt called the meeting to order at 8:00 a.m.

#### **Roll Call & Determination of a Quorum**

#### **Approval of Minutes**

**March 14, 2023 Meeting Minutes** – Eric Leugers made a motion for approval of the minutes. Lisa Jones seconded. Passed unanimously, 5-0.

#### **Old Business**

**C 2023-23 Powder Metal Tech 17-08** – Shop Foreman Mark Hyatt represented Powder Metal Tech. Mr. DeArmitt explained the commission's desire to have addressed how current employees are maintained and the hiring process for new ones. Mr. Hyatt explained that their business relies heavily on the automotive industry and that industry is down. They do repair work, and if the machines aren't running, there is no repair work to do on those machines. They have hired three temps with the goal of full-time employees. Mr. Hyatt believes the industry is coming back as they are as busy as they've been in the last year. They have secured a new business from Fairland that is not in the automotive industry, so that helps their diversification. Mr. Hyatt also spoke about their marketing efforts. Mr. DeArmitt reminded the commission that they are above on their real property investment and hourly wages.

Shawn Taylor moved to find in compliance. Lee Hodgen seconded. Passed unanimously, 5-0.

#### **New Business**

**EDC 2023-03 Essex Furukawa Real and Personal Abatement Request** – Their first abatement was received two years ago and the ERA was completed at that time as well. For this new expansion, they requested a 10-year, \$30 million abatement on both real and personal property investments. They are amenable to the two and five percent economic development fees. Lindsay Hartman as the director of marketing presented a background on their company. Furukawa plans an investment in their Franklin expansion of \$43 million with 25 new employees. Mr. DeArmitt asked about their hiring process,

turnover, and employee benefits. Ms. Hartman responded that there is a very involved corporate structure that cares for HR and the job culture. Mr. DeArmitt asked how they entered the EV market. Part of it was to innovate and meet the challenges of the developing market, working hand in hand with the actual manufacturers. Mr. DeArmitt reminded the commission of their current abatement with \$2.6 million over on investment in compliance and above on hiring. Ms. Monson presented the staff's recommendation for a 10-year on the real and seven years on the personal property with the lower number of years due to depreciation on equipment.

Mr. Taylor moved that abatement findings for both real and personal property have been met. Mr. Hodgen seconded. Passed unanimously, 5-0. Mr. Leugers made a motion to approve a 10-year abatement on real property and a seven-year abatement on personal property with EDC fees. Mr. Taylor seconded. Passed unanimously, 5-0.

**EDC 2023-04 Laugle Properties and Dualtech Real and Personal Property Abatement Request** – They are building a new facility on the site. The site is not currently an ERA, so that designation will need to be done. They request a 10-year abatement for \$4,403,000 in real property and a 10-year abatement for \$5,267,635 in personal property. They are not amenable to the two and five percent EDC fees. Attorney Dustin Huddleston accompanied by Principal Owner Jack Laugle represented. He gave a thorough presentation accompanied by a PowerPoint on the development process and timeline of the properties and buildings. He highlighted that they have not requested an abatement since 2008 and that due only to a catastrophic fire. This project will take two years to complete. The hope is to begin construction in August 2023 with completion in March 2024. Equipment purchase is slated to begin in April 2024 with completion in November 2024. Laugle Properties owns the real estate, Innovative Casting is the business that sells the product, and Dualtech is the foundry that makes the product. The building will be 70,000 square feet. Their pledge is to create 11 new jobs while sustaining the 15 current employees. The new jobs will be an average rate of \$27/hour. This is a local company that invests in the community. They were not agreeing to the EDC fees because they would like to maintain their current type and level of financial support directly within the community. Mr. DeArmitt asked if the jobs at the old facility would be transferred to the new facility. Mr. Laugle said they will move to the expansion location. Mr. DeArmitt followed up to ask after so much development without abatements, why are they making this request now? Mr. Huddleston explained it to be a major investment by a small company and they consider it to be a turning point for the future. Mayor Steve Barnett saw this project as unique and supported a 10- and seven-year abatement. The staff's recommendation was for seven and five. Mr. Taylor recommended 10 and 10. The board consensus was acceptance of no EDC fees. Ms. Monson identified the parcels for the ERA designation.

Mr. Taylor made a motion that ERA findings have been met. Mr. Hodgen seconded. Passed unanimously, 5-0. Mr. Leugers moved that abatement findings for real and personal property have been met. Ms. Jones seconded. Passed unanimously, 5-0. Mr. Taylor made a motion for a 10-year abatement on real property and a 10-year abatement on personal property with no EDC fees. Mr. Leugers seconded. Passed unanimously, 5-0.

**C 2023-02 Franklin Tech Park 21-09** – Personal property already having been heard, this is the real property portion. The employee numbers are from Aisin who occupies the facility. They are over investment almost \$1.5 million. Mr. Leugers moved for compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

**C 2023-07 Energizer Holdings 19-08** – Sunbeam owns the building and handles the real property. Energizer is the tenant. They are up in employees over last year by 100 and up in wages with an average of \$22.69. They've increased their investment by almost \$10 million over last year. They have until

December 2023 for full amount and anticipate the \$38 million in personal property will be complete by yearend. Mr. Taylor moved for compliance. Mr. Hodgen seconded. Passed unanimously, 5-0.

**C 2023-09 G & H Wire 21-12** – This was the former shell building on Linville Way that RDC partnered with. It is owned by Patch Development. They have exceeded their real property. This is for the personal property. They are above in investments. They are still continuing to hire and are above in wages. They did not get fully moved in until the first quarter of 2022. Mr. Leugers moved to find in compliance. Ms. Jones seconded. Passed unanimously, 5-0.

**C 2023-29 MTEA 13-07** – All numbers are good. This is for personal property. Mr. Leugers moved for compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

**C 2023-20 MHICC 13-06** – This is for real property as owner of the building for MTEA. They are above in investments. Mr. Leugers moved for compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

**C 2023-21 MHICC 13-29** – Ms. Jones moved for compliance. Mr. Leugers seconded. Passed unanimously, 5-0.

**C 2023-30 OrthoAmerica/PRJ Properties 21-34** – This is for personal property. They are ahead of where they anticipated. They are continuing to do some buildout. They anticipated being able to hire employees with training and experience, but they have not been able to do that so they are hiring at a lower entry wage with training required. Mr. Leugers moved for compliance. Ms. Jones seconded. Passed unanimously, 5-0.

**C 2023-31 OrthoAmerica 21-36** – This is for real property. Mr. Leugers moved for compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

**C 2023-32 Overton Industries 16-21** – They did not meet their full investment numbers in personal property but did in real property. They are above in their wages. They continue to hire. Mr. Hodgen moved for compliance. Mr. Leugers seconded. Passed unanimously, 5-0.

**C 2023-33 Overton Industries 22-01** – This is for personal property equipment. Wages are up and all investments were met. Mr. Taylor sought an explanation on their employment numbers between abatements. Mr. Taylor moved for compliance. Ms. Jones seconded. Passed unanimously, 5-0.

**C 2023-36 Pure Dev. 21-27** – This is a spec building on Jim Black Road, completed in December 2022, with no tenant at this time. They are above on real property investment by approximately \$7 million. Mr. Hodgen moved for compliance. Mr. Taylor seconded. Passed unanimously, 5-0.

**C 2023-37 Rapid Prototyping 18-01** – They are above on all. Ms. Jones moved for compliance. Mr. Leugers seconded. Passed unanimously, 5-0.

**C 2023-38 Rapid Prototyping 19-10** – They are above on all. This is all for personal property. Mr. Leugers moved for compliance. Ms. Jones seconded. Passed unanimously, 5-0.

#### **Other Business**

EDC Fee Grant Application Open – Ms. Monson asked for permission to open EDC fee applications. There is \$73,000 total for awarding to not-for-profits working in the area of economic development within the city of Franklin only. Presentations will be made in May. Ms. Jones made a motion for approval. Mr. Taylor seconded. Passed unanimously, 5-0.

Mr. DeArmitt officially welcomed Ms. Jones to the commission.

**Adjournment**

There being no further business, a motion for adjournment was made and passed unanimously, 5-0.

Respectfully submitted this 9th day of May 2023.



Joshua DeArmitt, President



Eric Leugers, Secretary