



# CITY OF FRANKLIN

## COMMUNITY DEVELOPMENT DEPARTMENT

### MINUTES

#### ECONOMIC DEVELOPMENT COMMISSION

March 10, 2020

#### **Members Present:**

Jake Sappenfield	President
Josh DeArmitt	Vice President
Lee Hodgen	Member
Anne McGuinness	Member

#### **Others Present:**

Dana Monson	Community Development Specialist
Rob Schafstall	Legal Counsel
Julie Spate	Recording Secretary

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

Jake Sappenfield called the meeting to order.

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

New EDC Member Anne McGuinness

Officer Election: Secretary – Josh DeArmitt nominated Anne McGuinness. Mr. Sappenfield seconded. Passed.

#### **Approval of Minutes**

Mr. Sappenfield identified that he did not call the January 14 meeting to order as he was not in attendance. Lee Hodgen made a motion to approve the January 14<sup>th</sup> minutes as amended. Mr. DeArmitt seconded. Passed.

#### **New Business**

**C 2020-03: Blue Chip** – Dana Monson explained this to be the real property numbers for Nitrex as occupants of the Blue Chip building. They are above in employee count and investment numbers. Mr. Hodgen made a motion finding Blue Chip in compliance. Mr. DeArmitt seconded. Passed.

**C 2020-04: BP Rex** – Ms. Monson reported them to be over in numbers and having met their investment. This is the final year of their abatement. Mr. DeArmitt moved to find in compliance. Ms. McGuinness seconded. Passed.

**C 2020-05: Brookside/Chartlife (Formerly Hetsco)** – Ms. Monson reminded this company is located in the former shell building. Brookside Industrial purchased the building and Chartlife is the company that bought Hetsco. They did not meet their numbers. They had some reorganization due to market conditions. They had some capital equipment repairs. They are under their employee count by 55. Overall salary is also below. Mr. Sappenfield expressed concern over what their explanation of market conditions meant and what is their plan for adding employees. Ms. Monson offered to have them come

to report at the April meeting if the commission so desired. Mr. DeArmitt and Ms. McGuinness concurred with the need for further explanation from them, otherwise finding them not in compliance. Ms. Monson will call them to appear at the April hearing. She also added that 12 of the 26 companies being reviewed today are under their employment numbers.

**C 2020-06: Caterpillar** – Ms. Monson reported them to be under by 29, their total projected number. They identified having to streamline some operations and reduce head count by natural attrition. Overall wages are below. Mr. Sappenfield would like to see explanation on their 2019 decrease. He expressed concern for when a company touts themselves as highly successful and yet their numbers are under. Ms. Monson will have them come in in April. Mr. DeArmitt believes the commission needs to give companies an opportunity to give further explanation.

**C 2020-08: Electro-Spec** – Employee count is down by 18. Wages are up by \$8. They've exceeded their personal property improvements. They are continuing to try to hire. Mr. DeArmitt observed retention to be 100% but lack of success in new hires. Mr. Sappenfield thought they needed to come back in April to explain numbers.

**C 2020-10: Faulkenberg** – They are down by one in their total employee projection. It represents someone who resigned, and Faulkenberg is currently hiring for that position. It is the final year of their abatement. Mr. DeArmitt observed they are well over on their hourly wages and personal and real property. He moved to find them in compliance. Mr. Hodgen seconded. Passed.

**C 2020-12: Heartland Machine** – They are up by one employee from their total projections. Salaries are up by quite a bit, their hourly wage up by \$7, and they are well above in their improvements. Mr. DeArmitt moved to find them in compliance. Ms. McGuinness seconded. Passed.

**C 2020-13: Innovative 3D** – This is a start up company. They projected starting with two employees and actually have three along with three part-time employees. Mr. Hodgen moved to find in compliance. Ms. McGuinness seconded. Passed.

**C 2020-15: Superior Systems** – They estimated having seven employees, and at the end of 2019 they had seven but in January one employee left. They are hiring for the position currently. Mr. Sappenfield noted that total salary is going down and average salary going up, so questioned the math. Ms. Monson added that they did not meet their real property improvements. And it is a five-year abatement that is about halfway through. Mr. Hodgen moved to find them reasonably in compliance. Mr. DeArmitt seconded. Passed.

**C 2020-16: Mitsubishi Res. 10-10**

**C 2020-17: Mitsubishi Res. 12-10**

**C 2020-17: Mitsubishi Res. 13-10**

**C 2020-18: Mitsubishi Res. 13-06**

**C 2020-20: Mitsubishi Res. 13-29**

Ms. Monson reported their reduction of head count. Some market conditions impacted them. There was the GM strike, and they have had to change some of their operations. They are currently at 93 employees and don't ever anticipate they will reach their anticipated 200 employees due to changes in overall operations and decisions made in Japan. All of the above five abatements have met all their improvements. The salaries are currently below. MTEA is above. It is the final year for the first three abatements. The last two have four years remaining. Mr. Sappenfield noted that the job number is a large drop. The commission would like to see them come to the April meeting.

**C 2020-21: MTEA** – Ms. Monson pointed out they are well above at 114 when estimated 73. Their wages are also above by \$3, and they are over their personal property investments. Mr. DeArmitt moved to find them in substantial compliance. Ms. McGuinness seconded. Passed.

**C 2020-22: Nitrex** – Their employee count of 33 is above their estimated 25. They are slightly above in hourly salaries. They are below by \$46,000 in their personal property investment. Mr. DeArmitt moved to find in compliance. Ms. McGuinness seconded. Passed.

**C 2020-27: Overton Industries** – Ms. Monson highlighted that their employee count is down by four and they are trying to hire. They are above by \$2.68 on average hourly wage. They are below on their personal property. They have met real property goals. Ms. McGuinness made a motion to find in compliance. Mr. DeArmitt seconded. Passed.

**C 2020-28: Powder Metal Tech** – Their employee estimate was 15 and they are at 10. They are trying to hire the final five but have had some issues in customer sales. The GM strike and chief client Toa's temporary shutdown of a line effected them significantly. They are above in real property and average hourly salary. Mr. Sappenfield expressed appreciation for their letter of explanation. He would like to compare next year's information against the letter of explanation they submitted this year. Mr. Hodgen moved to find them in compliance. Mr. DeArmitt seconded. Passed.

**C 2020-29: PCTNA** – They are currently hiring for the one employee they are down. Their salaries are down. Hiring has been delayed due to restructuring. They have only two lines producing materials. Decisions have been made for some changes in Japan. Their wages are still well above the county average. Mr. DeArmitt noted that formerly they were working 24/7 and are now down to five days a week. Personal property is complete. Mr. Hodgen made a motion to find them in compliance. Mr. DeArmitt seconded. Passed.

**C 2020-31: Rapid Prototyping & Engineering Res. 18-01** – They are above their numbers even after selling Axis Industries. Mr. DeArmitt moved to find them in compliance. Ms. McGuinness seconded. Passed.

**C 2020-32: Rapid Prototyping & Engineering Res. 19-10** – Mr. DeArmitt moved to find them in compliance. Ms. McGuinness seconded. Passed.

**C 2020-34: Sunbeam** – This is the initial 10-year abatement so no employees or salaries are listed. Energizer will move into this building with an estimated 440 employees. \$52 million in equipment is coming in with Energizer. Ms. McGuinness moved to find in compliance. Mr. DeArmitt seconded. Passed.

**C 2020-36: Tippman**

**C 2020-37: Tippman Res. 11-08**

These are Interstate Warehousing. They have two abatements. The first was abatement was for phases one through three and the second for phases four through six. This is the final year for both. They are well above in employees and salaries and have exceeded all investments for all six phases.

Mr. DeArmitt moved to find both in compliance. Mr. Hodgen seconded. Passed.

**C 2020-38: TOCO (Formerly Trueblood Oil)** – They occupy the former Electro-Spec building. They are above in their employees and wages. They did not meet personal property improvements without

explanation. In 2018 they spoke of depreciation. This is their final. Mr. DeArmitt moved to find in compliance. Ms. McGuinness seconded. Passed.

**C 2020-39: Urban Air** – This is the final year of their abatement. They have completed the hiring of two new employees and met their average salary. They are slightly below in their real property improvements. They have 80 part-time employees. Mr. DeArmitt moved to find them in compliance. Ms. McGuinness seconded. Passed.

#### **Other Business**

Christian Maslowski of Aspire Johnson County introduced Amanda Rubadue as their new Vice President of Economic Development.

Mayor Steve Barnett reviewed a map of future development planned in 2020 to the east of the I-65 interchange.

#### **Adjournment**

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

Respectfully submitted this 14th day of April, 2020.

  
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Jake Sappenfield, President

  
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Anne McGuinness, Secretary