



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

January 19, 2021

Members Present:

Richard Wertz	President
Anne McGuinness	Vice President
BJ Deppe	Secretary
Ken Austin	Member
Paul Buening	Member
Kristi Ott	School Board Representative

Others Present:

Krista Linke	Community Development Director
Rob Schafstall (via phone)	Legal Counsel

Call to Order:

Richard Wertz called the meeting to order at 8:00 am.

Approval of Minutes

BJ Deppe made a motion to approve the December 18, 2020 minutes. Ken Austin seconded. Passed unanimously, 5-0.

Election of Officers

President – Mr. Deppe nominated Mr. Wertz. Mr. Austin seconded. Passed unanimously, 5-0.
Vice-President – Mr. Wertz nominated Anne McGuinness. Mr. Austin seconded. Passed unanimously, 5-0.
Secretary – Mr. Wertz nominated Mr. Deppe. Paul Buening seconded. Passed unanimously, 5-0.

Old Business

Request for Offers to Purchase Real Property: South Main Street & Wayne Street Parking Lot – An offering sheet was sent out and it has been publicized twice. One bid was received. Rob Schafstall advised that all bids can be rejected. If all bids are rejected, in 30 days any party could be met with privately. Also the best quality bid submitted could be chosen or the bidder chosen with the task assigned to Mr. Schafstall and the RDC president to negotiate with the bidder for the final terms. Mr. Schafstall maintains his concern over protection against complete or partial project failure. Ms. Linke added that two appraisals were obtained, and the offering price was the average of the two appraisals. One bid was received Friday afternoon.

Billy and Todd Bemis presented their proposal for a mixed-use development, Newkirk Square, LLC. This is a newly formed partnership between Billy and Todd Bemis and Kwang Casey of Garment Factory Events and Garment Factory Holdings. They are proposing 10,000 square feet of retail space on the first floor along S. Main Street with seven flats on both the second and third floors. All flats will be for sale and will be owner occupied. Newkirk Square will own and maintain the retail space. Eleven single-

family townhomes are proposed for the other side of the development. Under the east-west alley running behind B2S Labs, they are proposing an underground parking garage to service all the flats. At the top of the mixed-use building will be a rooftop patio, entertainment area for those residents. The 11 townhomes are all single-family, rear access with a minimum of a two-car garage and square footages of all units will be between 1,200 and 2,000 square feet. The residential units will start around \$450,000. The combined current assessed value of all of the Bemis owned properties in this area and the RDC owned parking lot is \$514,700. The Bemis investment is \$10-11 million. The Bemis' offer to purchase the city parking lot at 199 S. Main Street for \$5,000. The Bemises do not plan to ask RDC or the city or taxpayers for any funding. They do not see this project as a public-private partnership. They are funding it themselves. Mr. Schafstall counseled that the RDC can accept the \$5,000 offer or they can accept the Bemises as the bidder and discuss in the days following what would happen in the event of project failure. Mr. Schafstall believes it behooves the RDC to plan for a response to potential project failure as the city is selling a roughly \$50,000 parking lot for \$5,000 to a private party. If the project is successful, it is a great deal. If it fails, the city has lost nine or 10 parking spots and some real estate. If the RDC sees this as an acceptable risk, that is fine. Protection against failure could be a bank line of credit or the city could have access to some of the Garment Factory parking. Projected timeline is proposed for a late spring 2021 start and completion by end of 2023.

Mayor Steve Barnett believes the project to be great for Franklin as in favor of it. The Garment Factory parking lot on the south side of Wayne Street is a city owned public parking lot currently. Mayor would like to see the project move forward as quickly as possible with the suggestion that if not substantially complete at the end of two years, the remaining balance of what the parking lot appraised for could be paid.

Mr. Wertz is in favor. Mr. Buening is in favor with a claw back agreeable to the RDC. Ms. McGuinness, Mr. Deppe, Mr. Austin, and Kristi Ott all concur with Mr. Buening. Todd Bemis added that this was made public and theirs was the only bid received. He is concerned about the timing and potentially unwarranted restrictions based on their reputation and track record. Mayor Barnett added that the tax revenue generated by this new development will not go back in to the TIF since it is not located within an allocation area. With newly added street parking potential, he also doesn't believe there will be a loss of as many as nine spaces.

Mr. Austin made a motion to accept the Bemis proposal with the stipulation that per Todd Bemis's commitment, \$49,000 be reimbursed to the city if not substantially complete in three years. Ms. McGuinness seconded. A roll call vote was held and passed unanimously, 5-0.

New Business

Shell Building Update – Don Treibic reported the building is currently under contract for sale. It is subject to a lease agreement between the new owner of the shell building and the company. Within the next few weeks, the transaction should be in writing and completed, closing in the next 90 days.

Resolution 2021-01: Utilities and Maintenance \$35,000 – A public hearing was held. Mr. Austin made a motion for approval. Mr. Buening seconded. Passed unanimously, 5-0.

Resolution 2021-02: Professional Services \$50,000 – A public hearing was held. Mr. Austin made a motion for approval. Ms. McGuinness seconded. Passed unanimously, 5-0.

Resolution 2021-03: RDC Bond \$1,356,195 – A public hearing was held. Mr. Deppe made a motion for approval. Mr. Buening seconded. Passed unanimously, 5-0.

Resolution 2021-04: Shell Building \$218,024 – A public hearing was held. Ms. McGuinness made a motion for approval. Mr. Buening seconded. Passed unanimously, 5-0.

Resolution 2021-05: RDA Bond Payments \$591,500 – A public hearing was held. Mr. Austin made a motion for approval. Mr. Buening seconded. Passed unanimously, 5-0.

Resolution 2021-06: Commerce and Arvin Right-of-Way \$7,250 – A public hearing was held. Mr. Deppe made a motion for approval. Mr. Austin seconded. Passed unanimously, 5-0.

Other Business

December 2020 Financial Report – The year began with \$2,157,020. Total receipts for 2020 were \$4,425,000.90. After 2020 expenditures, cash balance at year end was \$2,843,000. If all appropriations were spent the cash balance would be \$2,073,000.

US 31 TIF – The bond payments are the only approved resolutions. Cost estimates for playground, splash pad and pickle ball courts are reflected. If full amounts are spent from this fund, it would leave \$629,000 in remaining appropriations and a cash balance of \$883,000.

RDA Bond – There is currently a negative bond balance in order to spend all of the bond funds. The balance needed will be paid out of the US 31 TIF fund as previously mentioned.

January 2021 Cash Flow Analysis – Updated with encumbered resolutions. The 2020 shell building loan payments were \$74,000. \$30,731 was spent in 2020 on right-of-way purchases for Commerce and Arvin. \$60,000 has been added to allow for resurfacing of the RDC owned Oren Wright Parking Lot. Also added to the project list, but without a dollar amount, is a potential roundabout east of I-65 at CR 600 E that may be needed in the future due to the industrial development planned in that area.

Public Comment and Announcements

Rosie Chambers reported a ribbon cutting for Hickory Hillz BBQ today. State of the City will be a recorded event in March.

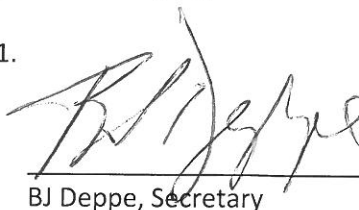
Dana Monson announced that IBC Advanced Alloys is expanding and came before EDC for a tax abatement. The Public Art Advisory Commission is also beginning projects in the downtown cultural district.

Amanda Rubadue from Aspire reported a pickup in the number of projects.

Rob Shilts announced their virtual sponsorship party. Private watch parties are being held at the theater. Outside concessions are happening on Friday and Saturday nights.

Respectfully submitted this 16th day of February, 2021.


Richard Wertz, President


BJ Deppe, Secretary