CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION
January 21, 2020

Members Present:

Bob Heuchan	President
Richard Wertz	Vice President
BJ Deppe	Secretary
Paul Buening	Member
Andrew Eggers	Member
Kristi Ott	School Board Representative

Others Present:

Krista Linke	Community Development Director
Rob Schafstall	Legal Counsel
Julia Spate	Recording Secretary

Call to Order:
Bob Heuchan called the meeting to order.

Election of Officers

a. **President –** BJ Deppe nominated Mr. Heuchan. Andrew Eggers seconded. Passed.
b. **Vice President –** Mr. Deppe nominated Richard Wertz. Paul Buening seconded. Passed.
c. **Secretary –** Mr. Eggers nominated Mr. Deppe. Mr. Wertz seconded. Passed.

Approval of Minutes
Mr. Wertz made a motion to approve the December 17th, 2019 meeting minutes. Mr. Buening seconded. Passed.

Old Business
Shell Building 2 Update – Krista Linke reported the exterior of the project to be nearing completion. A couple incentive offer letters are out. Robert Carmony with Runnebohm Construction reported the wall panels are being installed currently. Completion should be done in about two weeks.

New Business
Mr. Eggers made a motion to read all new business by title only. Mr. Wertz seconded. Passed.

US 31 Interlocal Agreement with INDOT – City Engineer Mark Richards explained this agreement to represent a year of negotiations and outlines the criteria by which the project will be developed. The total project cost is estimated to be $48,481,874. The city's portion is for the design fees of $3.2 million. The remaining $45,281,874 represents the right-of-way acquisition costs, construction and inspection. The agreement also outlines the limits of the project. South Main Street and US31 is the southern limit. Israel Lane and US31 is the northern limit near Knollwood sub division. December 31, 2027 is the end date of the interlocal agreement. That is sufficient to complete construction and all close out phases of the project. Mr. Wertz asked if there will be community meetings to explain the project. Mr. Richards assured that several are planned starting with the mayor at the State of the City address and continuing over the next 12-18 months. Mr. Heuchan asked when it will begin. Mr. Richards reported their work with INDOT at this time to determine the schedule. INDOT has asked the project to be accelerated. There are approximately 70 parcels the city will need to acquire.

Mr. Deppe highlighted his concerns over the agreement.

1. The city's responsibility for all change orders which exceed INDOT's contribution. If they decide to do a change order over which the city has no control, the city's liability increases. Mr. Deppe feels their change orders should require our approval, otherwise it is open-ended liability. Mr. Richards explained their primary concern to have been the city's responsibility for the design fees and then the project not move forward after being fully designed.
2. Mr. Deppe also read from the agreement a section making reference to the financial expenses would be the sole responsibility of the city which he doesn't like.
3. He also pointed out that we agree to hold INDOT harmless for any mistakes or failures, but they do not agree to hold us harmless.

Mr. Richards explained the agreement was written with the assistance of Franklin City Attorney Lynn Gray and INDOT attorneys. The final terms were reluctantly agreed to by Ms. Gray. Negotiations reached a point where it was felt there was enough room to give the city protection without unnecessarily experiencing a lot of risk. Mr. Deppe expressed his confidence in Ms. Gray.

4. Mr. Deppe followed up with the provision that allows INDOT to terminate the agreement at their sole discretion, but the City of Franklin is not provided the same right. Mr. Richards reported that the city was told that was a non-negotiable point. INDOT requires that in every contract they have. But Mr. Richards explained the city will have the ability to renegotiate the scope of the agreement if that comes to pass. He also assured that they've been told where there is a joint project of this type, it's never happened.

Mr. Deppe asked if INDOT required RDC to be party to the agreement. Mayor Steve Barnett explained that he's always wanted buy in from BOW, City Council and RDC. It is not required, but the mayor wanted it and asked for it. Mr. Richards added that the initial INDOT contribution of $42,000,000 has been raised to $45,000,000. Mr. Heuchan asked if the project will be bid out before beginning and Mr. Richards assured it will be one bid. If it comes in too high, the city will scale the project back. BOW and City Council have already approved. Mr. Wertz requested that most of the utilities be put underground in this project.

Mr. Eggers made a motion to approve the interlocal agreement with INDOT. Mr. Wertz seconded. The motion passed 4-1 with a nay from Mr. Deppe.

East Side Projects – Mayor Barnett gave an overview. Interstate Warehousing is currently working on location and planning additional phases of expansion. The name of County Road 550 E has been changed to Hamm Road with this annexation. There is a proposed sewer project to handle all development in the area for the next 20 years. GDI is currently going through the process for a tax abatement to build two shell buildings. Aisin plans to add on to their building owned by Mac McNaught. Energizer is moving into the Sunbeam building and plans to be operation by August. Sunbeam is doing further development this year. The new sewer line being put in is a $5-million-dollar project. Sewer rates have not been raised in 16 years, but they will be going up. Even with an increase, Franklin will maintain their position as the lowest in the county.

Declaratory Resolution 2020-08 for the Eastside Allocation Area: Mr. Schafstall explained this to be for the ability to designate Energizer as a taxpayer to collect its personal property taxes and expand the TIF zone, a declaratory resolution needs to be passed. This will come before RDC in February.

Resolution 2020-01: $35,000 for Utilities and Maintenance Expenses for 2020 – Ms. Linke identified this to be an annual resolution. The entire amount is not typically expended. It is primarily for the buildings and parking lots the RDC owns. A public hearing was held. A motion for approval was made by Mr. Wertz and seconded by Mr. Eggers. Passed.

Resolution 2020-02: $50,000 for Legal, Financial and Professional Services Fees and Expenses – Ms. Linke explained that this includes not only attorney fees, but analyses and expenses such as Jeff Peters and Rick Hall. A public hearing was held. A motion for approval was made by Mr. Deppe and seconded by Mr. Buening. Passed.

Resolution 2020-03: $1,354,485 for Required Bond Payments Relative to the 2015 TIF Bond – Ms. Linke reported this to be the same as last year. The first payment was due prior to today. One was due in January and the second one due in June or July. A public hearing was held. A motion for approval was made by Mr. Wertz and seconded by Mr. Eggers. Mr. Wertz asked how many years were left on this bond, and Ms. Linke believed it to be 10 years. Mr. Heuchan would like to see the balance next month. Passed.

Resolution 2020-04: $74,171.93 for Loan Payments related to the Shell Building No. 2 Project – Ms. Linke explained this to be the loan interest for this project. This reflects the annual amount due. A public hearing was held. A motion for approval was made by Mr. Deppe and seconded by Mr. Buening. Mr. Wertz requested a report on this project in February as well. Passed.

Resolution 2020-05: $100,000 for the Westview Drive Roundabout Inspection – Mr. Richards reported this to be for inspection of the Westview Drive roundabout. The project will begin in June of this year and complete in August. It is a standard INDOT agreement that must be signed with the consultant. Attorney Lynn Gray has reviewed all documents. She has objected in the past over some minor concerns, but the document remains unchanged. Indemnification has been one of the concerns. A public hearing was held. A motion for approval was made by Mr. Deppe and seconded by Mr. Eggers. Passed.

Resolution 2020-06: $407,120 for Construction Costs and Expenses Related to the Forest Road (formerly CR 525 E) Road Construction Project – Mr. Richards identified this project to be one that funding will be applied for from Community Crossings for up to 50% of the cost. The construction estimate is $1.3 million. Applications are due February 7th and results will be known in March or April. Mayor Barnett identified this resolution to be for design and inspection costs. A second resolution will be brought back before RDC at a later date for construction costs. Due to that, Mr. Schafstall counseled that the signature page could still be signed, but he will need to update the wording of the resolution first page. A motion to amend was made by Mr. Deppe and seconded by Mr. Eggers. Passed. A public hearing was held. A motion to approve as amended was made by Mr. Eggers and seconded by Mr. Buening. Passed.

Resolution 2020-07: $25,000 for Right-of-way for the Arvin and Commerce Roundabout Project – Mr. Richards said this project is scheduled for construction in 2021. The design phase is nearly complete and the right-of-way acquisition phase is soon to begin and should be acquired this year. A public hearing was held. A motion for approval was made by Mr. Wertz and seconded by Mr. Buening. Passed.

Other Business

December 2019 Financial Reports – Presented at the February Meeting – Ms. Linke explained these reports weren't ready yet due to encumbrances and year end close outs. She and Mayor Barnett want to schedule some individual meetings with board members.

Duke Energy Presentation – Duke Senior Environmental Specialist Jessica Keener presented. She gave history and overview of their project at the former manufactured gas plant site. It is located on Jefferson Street at the current Indiana-American Water property. The former structures have been removed and the site raised. Duke has undertaken site investigation activities. The processes used at the site to generate the gas resulted in some residuals often left at the site in both soil and ground water. No direct risk to the community was identified, but impacts in soil and ground water were identified. The site was entered in to the Department of Environmental Management's voluntary remediation program and site impacts remediated. Duke has removed all accessible impacted soil. No site risk from soil impacts remain. There are remaining impacts to the ground water. One of the former structures on the property was a cistern that was used to dispose of some of the residuals from the gas manufacturing process. Duke believes it to be the source of the ground water impacts and they are currently working with IDEM on a plan to abandon the cistern and cap it. This should eliminate the continued source to ground water but likely that impacts will still be remaining. The ground water is not being used for anything and they are at a 30-50 foot depth at the site. In order to close the site, Duke will have to place a land use restriction on the property. They requested an access agreement and review of the intended environmental restrictive covenant to be signed so it can be recorded to the deed of the property. Primary risks on these environmental sites are vapor, soil and ground water. The vapor risk is eliminated due to the fact that ground water is at depth and under a clay soil layer. Duke has removed all accessible impacted soil. Impacts remain in ground water but without risk directly or through ingestion pathway. The restriction Duke desires to place on the property would eliminate the potential for the ground water to be extracted and for anyone to come in contact with it. Ms. Keener reviewed at this time their partnership with IDEM and the steps remaining in the process to close the site. She went on to highlight verbiage from the proposed access agreement.

Mr. Heuchan asked if any of the vapors are similar to the ones reported in the Franklin community. Ms. Keener said no, that it is a totally different class of chemical. Mr. Heuchan followed up with a question regarding the ground water formation. Ms. Keener explained it to be a sand and gravel mixture through which the ground water passes towards the creek but at a depth below Young's Creek. Duke's evaluation has determined there is no leeching up into the creek. Ms. Keener optimistically estimated Duke to be approximately a year out from IDEM's closure of the site.

Mayor Barnett requested the official results be given to the city within a week of when Duke receives them. He wants EnviroForensics to have input as well.

Mr. Wertz asked for an update on Linda Frechette's building downtown that is currently for lease. He feels the roofline between the two properties needs work completed. Ms. Linke reported a visit by Dennis Drake who has given estimates to both Linda Frechette and the adjoining property owners. All were told they could apply to the FDC for additional façade grants and that they would be responsible for 50% of the project costs. No one has applied to date.

Young's Creek Redevelopment Area (Amphitheater) Presentation at the February RDC Meeting – Ms. Linke announced this will be at the February meeting.

Public Comment and Announcements

Rosie Chambers announced the State of the City event on February 13 at The Garment Factory. Registration deadline is February 5.

Respectfully submitted this 18th day of February, 2020,

Bob Heuchan, President

BJ Deppe, Secretary