



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

May 19, 2020

Members Present:

Bob Heuchan	President
Richard Wertz	Vice President
Brian Deppe	Secretary
Ken Austin	Member
Kristi Ott	School Board Representative

Others Present:

Krista Linke	Community Development Director
Rob Schafstall	Legal Counsel

Call to Order:

Bob Heuchan called the meeting to order via conference call.

Approval of Minutes

Richard Wertz made a motion to approve the April 21st, 2020 meeting minutes. BJ Deppe seconded. Passed unanimously.

Old Business

Listing Agreement for the sale of 40 Linville Way (Shell Building 2) – The document previously disseminated was not correct. Krista Linke received the correct document this morning. Fritz Kauffman identified two changes. The definition of outside brokers at number six on page one is the first of two changes. It should have read Fritz Kauffman or Don Tribec. On the schedule of commissions on page three, the seven percent of the first \$500,000 should have been marked out. It should have only cited six percent of the gross sale price. Mr. Heuchan asked who has been excluded from the agreement under the exclusions clause. Mr. Kauffman replied with AMayZing Foods, Radwell International and Ardica. Mr. Deppe did not want to approve an agreement he has not seen. He brought up some of his concerns. There is no provision regarding jurisdiction ^{or} venue. There should be no commission if this runs out and is listed with a different broker. Who determines if the 90-day period is extended as long as negotiations are continuing. No listing price is included. He does not like the agreement and does not want to sign an agreement he has not seen and doesn't like. Members were not able to access the document attachment so could not see it. Mr. Wertz asked if it could be done with a conference call after the document has been able to be reviewed. The decision was made to table this and advertise for a special meeting on May 26 at 8:00 am.

New Business

Resolution 2020-11: \$10,000 for Shell Building Marketing Expenses – Mr. Heuchan suggested tabling this agenda item as well. Mr. Kauffman stated there being nothing in the agreement for marketing expenses. This is for extraordinary expenses such as bulk mailings or open houses at the city's

discretion, any expenses outside of what can be done within the company. Mr. Deppe asked if there will be something in writing that outlines the marketing expenses and how it relates to the agreement. Mr. Heuchan proposed reaching out to Mr. Kauffman for such information. Ms. Linke asked if all comments by commission members could be sent to her so they could be incorporated and changes made before next Tuesday.

Project Update from Franklin Gateway Development – Nick Sprague – Mr. Schafstall reported being past the partial release from a couple of months ago relating to the Culvers lot. This relates to the large umbrella agreement with the Sprague family that covers not just the hotel but also the old Vandivier liquor store, the old Red Carpet Inn site and the areas in between. There is still ground not completed yet. The city holds a mortgage with the Sprague family that expires on its own terms June 1, 2020. There are several options. One is to do nothing if satisfied with the status. If dissatisfied with the status, the mortgage could be foreclosed. A third is to extend the mortgage by agreement for six months. Nick Sprague reviewed the history. They hope to open the hotel in June. They were able to complete the closing of the Culvers property and their construction is underway. There are no specific users secured for the undeveloped properties at this time. Their broker is continuing to contact establishments such as Texas Roadhouse and Chick-fil-a, but it will take time to secure the quality users desired. Rick Sprague added they had hired Milestone to clear and level the excess dirt. The Sprague's requested the mortgage to be allowed to expire as currently slated. Mr. Heuchan asked what the status of the storm drains is. Rick Sprague explained the drainage coming from the west under Paris Drive and the drainage from the hotel will all go to the ditch to the north of the hotel and then north up the interstate approximately 100 feet, under the interstate and back south into the wooded area on the east side of the interstate. They are working with INDOT to get them to clean up the ditch along the interstate so there is relief for the water to flow. There are storm drains under the hotel parking lot. Steve Barnett asked about leveling and seeding between the curbs and sidewalks. Rick Sprague will take a look at that on the Burger King side between the curbs and sidewalks on both sides of the road. Also on the south side of the road by the Starbucks and Taco Bell where the utilities went in, it needs to be graded and seeded as well.

New Allocation Area – 120 Jim Black Road (Sunbeam Shell Building) – Ms. Linke introduced this as a discussion item. Creating a new allocation area would allow for a new expiration date. Currently it is 2035. If a new district is created, the expiration date would not be determined until a bond is issued. The recommendation is to go ahead with establishing this new TIF district. A motion was made by Mr. Deppe to authorize legal counsel to prepare a declaratory resolution. Mr. Wertz seconded. Passed unanimously 4-0 by roll call vote.

Status of GDI/Interstate Warehouse Allocation Area – Ms. Linke reported that the two parcels south of Interstate Warehousing have been annexed. The thought was they could be added to the new allocation area. Because the building is only going to be extended by additions and not new free-standing buildings, a meeting is required to see if this is possible. Ms. Linke will know more after her meeting tomorrow on this matter.

Young's Creek Redevelopment Area Update: Mark Richards, City Engineer – The plans and bid documents are out for dissemination to interested contractors. So far seven have picked up documents. A mandatory pre-bid meeting will be tomorrow at 1:30 p.m. in Council Chambers. Bids will be opened June 9. A contract will be awarded at the June 15 Board of Works meeting. Scott Graham was out of the property last Friday. He will be dismantling one building and moving it to another location by July 1. Work will likely begin early July.

Other Business

April 2020 Financial Reports – Ms. Linke added Resolution 2020-10 for Forest Road construction. This increases the estimated negative cash balance if all resolutions would be 100% spent through the end of this year which they won't and hopefully the shell building will sell bringing in approximately \$600,000.

May 2020 Cash Flow Analysis – Ms. Linke moved Forest Road to approved and several projects are still under consideration. June and November tax receipts were highlighted, lower than before. Jeff Peters provided this estimate.

Public Comment and Announcements

Mayor Barnett stated efforts to get City Council meetings back to normal June 1. Chambers will hold 30 people with chairs six feet apart and board members are six feet apart at the bench.

Ms. Linke announced the city's receipt of a \$200,000 grant for businesses with 15 or less employees. The maximum grant amount is \$7500. Applications are due Tuesday, May 26. It is to cover any expenses relating to retaining jobs. Income for employers and employees has to be tracked. Fifty-one percent of the jobs retained have to be low to moderate income.

Rosie Chambers reported getting the grant information out in their newsletter. They are also doing virtual events.

Respectfully submitted this 16th day of June, 2020,



Bob Heuchan, President



BJ Deppe, Secretary