



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

May 13, 2025

Members Present:

Josh DeArmitt	President
Shawn Taylor	Vice President
Eric Luegers	Secretary
Lisa Jones	Member

Others Present:

Dana Monson	Community Development Specialist
Ellen Fredbeck	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

April 15, 2025 Meeting Minutes – Shawn Taylor made a motion for approval of the minutes. Eric Luegers seconded. Passed unanimously, 4-0.

Old Business

C 2025-13 G & H Wire 21-12 – Michelle Patishall, CEO Lou Azzara, and HR Director Jim Murray were in attendance for their CF1 compliance report for this year. This company is located on 40 Linville Way in the former RDC shell building. They are above in personal property and below in employees. They are above in average wage and below in overall. Ms. Patishall gave an overview of the company's history and activity. They have exceeded their investment by approximately \$732,000. As a global company servicing 90 countries worldwide, they are subject to economic pressures. Their industry is at a low single-digit growth rate. They have been affected by the low labor availability in Johnson County at 2.8%. Their average salaries and wages are up approximately \$7/hour. With the remote job market, 38% of their salaried or contract employees are outside Indiana. A decision was made in October 2024 to insource their external contract manufacturing to Franklin. This process will take approximately a year and should increase headcount by 20-30.

Mr. DeArmitt asked for a description of the skill level for employees being sought. Ms. Patishall responded with semi-skilled or entry-level.

Mr. Luegers asked how many employees were working in the Franklin facility in 2021. He followed up with how many employees work locally and how many are out of state. They have 126 in-state and 38 out-of-state. There is not much difference between the 2021 statistics and the current day. There have been no direct hourly workers since the abatement approval. There have been many new hires, mostly out of state, since 2021. Current staff operate the equipment. Twenty to 30 new onsite positions for operations and distribution are projected to be added in the next year.

Mr. DeArmitt was in favor of finding them compliant. Mr. Luegers made a motion to find them in compliance. Lisa Jones seconded. Passed unanimously, 4-0.

C 2025-37 Ortho America PRJ Properties 21-34 – Mr. Luegers made a motion to find in compliance. Ms. Jones seconded. Passed unanimously, 4-0.

C 2025-38 Ortho America 21-36 – Mr. Luegers made a motion to find in compliance. Ms. Jones seconded. Passed 3-0 with Mr. Taylor voting nay.

This is located at 2165 Earlywood Drive, the former location of G & H Wire. Devon McSurley presented. The project was initially procured in November 2021 with the anticipation of completion by year end of 2025. Currently, there is approximately \$500,000 in real property investments and \$2.7 million in personal property investments. There are approximately 73 employees with the expectation of 100 employees by the end of 2025. They are \$2.00 above the average anticipated wage. The original acquisition fell through. They are currently considering different acquisition opportunities. The largest spend was on the 2928 Graham Road.

Mr. DeArmitt highlighted the big miss on the employees and property. He asked what the “unforeseen circumstances” were that they cited in their letter. A representative of PRJ Properties responded that they are the oldest, privately held orthodontics company in the industry. They moved five times during COVID, and the Franklin move took longer than anticipated. They had 12 regulatory audits. They were more focused on move logistics than the customer, as they should have been. They have approximately 60 employees outside of Indiana and around 75 on-site. An additional 60 are worldwide, the majority in Europe. There is an initiative to bring a percentage of those employees on-site.

He followed up on the timeframe for additional investment. Their representative stated that their goal is to be on track for the 100 by the end of 2025. They do not have a plan for the \$1.8 million facility at the Graham Road facility. That would be coupled with their acquisition strategy. They are actively looking at investments and want to grow the product line.

Mr. Taylor asked if growing the product line could take place in their current building. The representative responded that it could not and would require a buildout. Mr. Luegers asked if getting to the 100 employees would find most of them remote, and the representative suggested it would likely be a 50-50 mix. On-site employees would mostly be in the areas of project management, marketing, and sales. Their employment struggle has been at the mid-management level and not on the floor. Mr. DeArmitt stated disappointment over the lack of investment but was inclined to find compliance with a check next year. Mr. Taylor had hesitation over the lack of a real plan for the personal property and taking that to the City Council for recommendation.

New Business

EDC 2025-02: Pure Development Waiver of Non-Compliance – This concerns the building at 2280 McLain Drive. The building was originally built as spec and came before EDC in 2021 from The Peterson Group, who originally built the building. In 2022, the company was sold to Pure Development. A Form 11 was sent to the company stating an increase in assessed value. At the beginning of an abatement, this triggers a requirement by the county and state to complete a Form 322, which instructs the county to begin the abatement the following year. This was not filed by the required deadline. Pure Development appealed for a waiver of non-compliance from EDC, which was granted in September 2023. A call was received from Jesse Sadoway of Pure stating the realization that the abatement was not applied for the 2024/25 tax bill. There had been a second Form 11 sent out in June 2024. It did not get the required Form 322. For the first assessment of the building at approximately \$17 million, EDC agreed to the waiver, and Pure filed the Form 322. This portion is on a 10-year abatement track. It took

two years to complete the building. Johnson County chooses to do partial assessments. They did the partial on the first \$13 million. The second \$17 million for the second Form 11, which is the final, is for consideration today. The Form 11 went out in June. Taxes have already been calculated based on not receiving the abatement since the Form 322 was not applied. Should EDC choose, a waiver of non-compliance could be provided, and the county then goes back and recalculate the amount owed and apply the difference. EDC's options include approving the waiver or not approving the waiver for this year, and everything would stay as it was. The submitted Form 322 will be applied to next year. The abatement would start in its second year next year for this portion.

Mr. Luegers asked what the notification process is. They come out annually. Any time there is an increase in assessed value, the Form 11s are mailed out every spring. They are also on the website through Beacon. The Form 322s are required to start an abatement, so companies are initially told there is an abatement. Ms. Monson and the county work together to try to help companies as much as possible. Ms. Monson's e-mail to Pure went to someone no longer there, but she didn't receive a bounce back, so she had no knowledge that this person was no longer in their employ. It was the company's responsibility, and this is exactly what happened the first time as well. Ellen Fredbeck added that in spite of Ms. Monson's graciousness, neither the EDC, Ms. Monson nor any county or city staff person has any obligation to give people reminders.

Mr. Sadoway acknowledged their responsibility for this situation. He explained the reason the bounce back on the e-mail to the previous General Counsel did not occur was that they were under a litigation hold, and all her e-mails were trapped due to the litigation. They were also in the midst of a move. Mail was likely not forwarded. They didn't know of the need for a new Form 322, so they weren't actively looking for it. He spoke highly of Ms. Monson and her team and acknowledged again Pure's fault for this. Mr. DeArmitt asked how large Pure was, as far as how many people would touch something like this. Mr. Sadoway responded likely four. The company in total has approximately 25 employees. Ms. Jones asked when they moved. It was June 2024.

Mr. Taylor confirmed they have developments all across the company. Mr. Sadoway cited that this is their only location with an abatement. The current building is at 33% capacity. Mr. DeArmitt highlighted that on their next abatement request, they are not amenable to the EDC fees. Mr. Taylor has concerns that this is the second time for this after being given the waiver of non-compliance last year with a very similar story. He does not see it being approved by the City Council. Mr. Taylor made a motion to not grant the waiver of non-compliance. Mr. Luegers seconded. Passed unanimously, 4-0.

EDC 2025-03: Pure Development RE Tax Abatement Request – This is a five-year request on \$558,289 in real property for buildout. It is for the northern portion of the building. The southern portion has already been built out and has a tenant. Because it is considered spec, there are no jobs or wage information. It is already in an ERA. They are not amenable to the economic development fees.

Mr. Sadoway explained it to be a demising wall to allow for additional tenants, and that is why they are making the additional investment. It was not in the original budget, it is why they are asking for the additional abatement. Mr. DeArmitt asked why they were not amenable to the EDC fees. Mr. Sadoway did not know they had specified that on their form completion. Ms. Monson explained it to be at the end of the form, specifying involvement in the local community and community development. She highlighted the next portion of the meeting, dealing with the grant application for EDC fee distribution, and invited Mr. Sadoway to remain in an effort to understand what the EDC fees were all about. Ms. Monson further explained how the EDC fees are calculated and awarded. Mr. Sadoway changed their application submission to be in favor of EDC fees. Mr. Taylor was more inclined to a three-year range rather than a five-year. Mr. DeArmitt and Mr. Luegers stated agreement.

Mr. Luegers moved that the findings have been met. Mr. Taylor seconded. Passed unanimously, 4-0. Ms. Jones made a motion for a three-year tax abatement with EDC fees. Mr. Luegers seconded. Passed unanimously, 4-0.

EDC Fee Grant Applications – The total available for distribution is \$107,679.08. Last year was \$90,257. Three proposals were submitted. Rosie Chambers of Franklin Chamber Foundation presented their \$25,000 ask for their capacity-building program for local businesses. They want to grant five \$5,000 capacity building grants. Ms. Jones asked for their vetting process. Ms. Chambers identified an application process with a rubric scoring system and a follow-up to ensure that awarded funds were used for. Ms. Jones disclosed that she and Mr. Luegers are on the Chamber board, and this is a separate entity from the Chamber Foundation board. Mr. DeArmitt confirmed that the applicants are not required to be chamber members. Mr. Taylor asked if the foundation checks back in on past years' recipients and do the same entities receive annually. Ms. Chambers explained that in the three years of the program, there has only been one repeat, and they do check in on the businesses. Of the 25 total recipients, only one or two are no longer in business. Ms. Jones highlighted the support of this program in the growth of the businesses.

George Chimples represented FHI for their ask in support of a live event/movie series running January-April 2026. Events would be held on evenings such as Wednesdays, Thursdays, and Sundays. Mr. Chimples gave statistics on show attendance and income generated for Franklin businesses. The focus would be on Hoosier acts with original content. Goals include economic development for Franklin and the county, support of local artists, and affordable entertainment for area residents. There is good sponsorship for movies, but overhead costs are minimal. Financial support for the expense of live events is needed in the beginning until sponsorship can be secured for live events as well.

Mr. DeArmitt asked where the remainder of their needed funds for the project would come from. Mr. Chimples highlighted Festival Country as well. He also asked how last year's project went with the grant money received. Mr. Chimples responded that they are for their strategic plan process, which is ongoing and projected to be complete in August. They will present that report back to EDC after that time. Mr. Luegers asked for an update on the condition of the theater as that has influenced the ability for live acts in the past. Mr. Chimples highlighted the tornado damage a couple of years back and the funding that was received for repair, and also the results of the strategic plan effort.

Danny Causey of DDF presented their request for a year's multi-media advertising for the whole Franklin downtown area. Franklin's small business community has identified a soft start to 2025, which is a source of some concern. Their ask is for \$57,000 with a breakdown of \$10,000 in digital, \$10,000 in radio, \$10,000 in social media \$ and 20,000 for traditional advertising. Downtown pedestrian signage would be \$2,000. The remaining funds would be used to partner with the Chamber on their photography efforts to secure quality photos of downtown businesses and business owners.

Mr. Luegers asked if the billboards are to advertise events. Mr. Causey explained it would be more on behalf of supporting the downtown as a whole with Franklin as a regional attraction. They are looking into both traditional and digital billboards. Mr. DeArmitt asked what the timeframe would be. Mr. Causey stated the plan to start soon after the grant award and on through most of 2026.

Ms. Fredbeck highlighted that there is one repeat project, and the guidelines state against that. She mentioned an adjustment of guidelines might be in order. Mr. Taylor desires to see more organizations involved in this opportunity. Mr. DeArmitt was in favor of amending the application for 2026.

Mr. Luegers made a motion to approve all three requests. Ms. Jones seconded. Passed unanimously, 4-0.

Other Business

Mayor Steve Barnett expressed his appreciation for the board.

Adjournment

There being no further business, a motion for adjournment was made by Mr. Taylor with a second from Mr. Luegers. It passed unanimously, 4-0.

Respectfully submitted this 10th day of June 2025,

Handwritten signature of Joshua DeArmitt in black ink, written over a horizontal line.

Joshua DeArmitt, President

Handwritten signature of Eric Leugers in black ink, written over a horizontal line.

Eric Leugers, Secretary