MINUTES

ECONOMIC DEVELOPMENT COMMISSION

August 9, 2011

Members Present:

Sam Yount	President
Tony Wellings	Secretary
H. Lee Hodgen	Vice-President
Ken Austin	Member
John Ditmars	Member

Others Present:

Krista Linke	Planning Director
Rob Schafstall	Legal Counsel
Jaime Harshman	Recording Secretary

Call to Order:
Sam Yount called the meeting to order at 8:00 a.m.

Approval of Minutes:
On a motion by Ken Austin and a second by Lee Hodgen, the members voted unanimously to approve the minutes from the July 12, 2011 meeting.

Old Business:
2010 Economic Development Fee Update:
Franklin Heritage

Rob Shilts, Franklin Heritage, stated they were able to get 425 E. Jefferson Street up and running with some additional renovations. There are now 6 full time employees at the Euphoria Salon. They hope to also do the same sort of thing at 49 E. Madison Street. The house sits 27 inches north of the Artcraft stage and is being converted to a handicap accessible area that will be available for parties and other rentals. He stated that photos of the work in progress were attached to the Board's documents to show some of the work in progress. The current dressing rooms are below the stage so this will make it an easier transition. Last year, they went from 13,000 people to 16,000 people attending the movies, with over 33,000 people through the doors with all the different events. The money will help bring in more people and artists. It's the last piece of the stage and should bring many more folks downtown before and after the show.

Mr. Yount questioned the collection of funds status. Ms. Linke stated that she checked with the county and 4 businesses were scheduled to pay this year. Only 1 out of the 4 has paid their fees. A total of $1,727.96 out of $5,633.76 has been paid. She stated that there were 2 checks that were sent by the Assessor's Office to Discover Downtown Franklin and to Franklin Heritage because that's who the Board chose to split the funds between last year. She has instructed both entities to not cash their checks. She stated that Premium Composite has paid, but there is a remaining balance of $3,908.05 still to be paid by the remaining companies. The current checks made out to DDF and FHI are for $863.98 each.

Mr. Ditmars questioned the total cost of the renovation of 49 E. Madison. Mr. Shilts stated that they had probably spent about $10,000. A new roof had been installed, new insulation, new beams in the basement and refinished floors have all been completed. He stated it would probably be around a $15,000 investment. The accessible restroom alone will cost around $5,000. Mr. Ditmars questioned if any funds received would be used for this project specifically. Mr. Shilts stated yes, the funds from this year would be used toward the project at 49 E. Madison Street. Mr. Austin questioned how far away the Artcraft is from being capable of having concerts. Mr. Shilts stated that they have spent the last year working on the stage. Amps and monitors have been purchased and the stage is ready.

<u>Discover Downtown Franklin, Franklin Development Corp. & Franklin Chamber of Commerce</u>

Megan Sweany, representing Discover Downtown Franklin and Tricia Bechman, with the Chamber of Commerce stated that the three organizations were submitting a proposal for an entrepreneurship and leadership program for the Franklin area. Ms. Sweany stated they would be working with Amy Beechey of Project Matters. Ms. Beechey has put on successful programs all over the state of Indiana. The program would educate people so they know what they are getting into when starting a business. Existing business owners who want to improve or expand their business as well as people who want to start a new business will be helped by this program. Ms. Sweany stated that there aren't any programs currently offered to help entrepreneurs. Mr. Austin questioned where Mr. Wells was and Ms. Sweany stated that she was not sure. Mr. Wellings questioned if it was a class or available year round. Ms. Sweany stated initially it would be a class offered once a year. It was be an intense class that will allow potential business owners to develop a strong business plan that they could then take to a bank. She explained that Ms. Beechey will help with the class and also business plan competitions and business incubators. She will come into Franklin and figure out what the City needs.

Ms. Bechman stated that one of the hopes of the class is to start off with 30 but may only have 10 people graduate. Ms. Sweany stated the cost of setting up the program is $19,600. The class fees are $200-300 for 9-12 week program including materials. Ms. Bechman stated that there is a different person that comes and teaches the class but we could also use someone locally. She stated that part of the program is developing a relationship with banks and accountants in the area. Mr. Austin stated that he assumed Mr. Wells would be helping finance the startup loans. Ms. Sweany stated, that yes, he would be helping with that. Mr. Ditmars questioned if there's a demand for this. Ms. Bechman stated that it would help fill empty spots downtown and in other areas of the city. Part of the program is creating a stronger relationship with the Small Business Administration (SBA). This would be a link between the person trying to start the business and the organizations that have the financing.

Ms. Sweany stated that they will be applying for USDA grants in the spring to help cover the costs. Ms. Bechman stated that Ms. Beechey will be back in town on the 16th and will be available to answer any questions. Mr. Ditmars questioned how we minimize the risk of a non-use of the program. Ms. Bechman stated the program has a proven track record; we are not the guinea pig. She stated that if a business owner successfully makes it through phase 1, there is a business plan competition in phase 2 and the winner receives $5,000 to help with start up costs. Participants have to make it through the program to apply for the money. A business incubator would be phase 3 or 4 and if your community is even suitable for one.

Ms. Linke stated that this would be city wide and open to anyone. It's not limited to restaurants and retail but any business. Mr. Austin asked about the start up costs. Ms. Bechman stated that one of the organizations will have to commit 5 hours a week to the program.

Ms. Sweany stated they are applying for a grant with the JCCF, the USDA, and will also check with local banks to see if they will pitch in. Ms. Bechman stated that the Chamber is not eligible for most grants so DDF & FDC will work on the grants.

Mr. Yount suggested that the money be split. Mr. Austin stated he would like to see the money split between DDF, FHI and the Chamber of Commerce and exclude the FDC. Mr. Yount stated that will cut FHI since the other is a joint proposal. DDF and the Chamber are actually one. Mr. Austin stated that it should be looked at as individual organizations even though they are working together. It would be $1,817.77 if divided by three. Mr. Yount stated he was counting the $864 that they already have. Ms. Linke stated that would be easiest for each of the groups to keep the checks they had already been given.

Action taken on 2010 Economic Development Fee Update:
Mr. Wellings moved to split the fee between the 2 proposed groups, FHI and DDF/Chamber of Commerce/FDC. Lee Hodgen seconded the motion. Mr. Ditmars abstained. Mr. Wellings abstained. The vote passed unanimously.

New Business:

Ken Austin: point system:
Mr. Austin stated that the City of Franklin used to have a point system but most of the records were lost in the flood. He looked at other cities and towns that have extensive information. He stated the point system is very simple with numbers 1-5. Ms. Linke has run numbers for a couple of companies to see how they would have panned out.

Ms. Linke stated that jobs created and job retained had to be separated into 2 categories. The real and personal property abatements also had to be a separate number. She explained the examples that were handed out to the Board. She stated that it is a starting point and can be changed. Mr. Austin stated he is interested in Commission Member's thoughts and input at the next meeting. Ms. Linke stated that there may be categories that are not needed and some that need to be removed.

Ms. Linke stated the fee depends on how competitive other communities are going to be. Mr. Yount stated it needs to be taken into consideration if we want to remain competitive.

Mr. Wellings questioned if the Board is within their legal rights to rescind the additional years of tax abatement if a company is not paying their fees. Mr. Schafstall will look into it.

Adjournment:
There being no further business, the meeting was adjourned. Respectfully submitted this 13th day of September, 2011.

Sam Yount, President	Tony Wellings, Secretary