



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

REDEVELOPMENT COMMISSION

July 18, 2013

Members Present:

Bob Heuchan	President
Rob Henderson	Vice-President
Jay Goad	Member
Richard Wertz	Member
Brian Wertz	Franklin Community School Corporation Representative

Members Absent:

BJ Deppe	Secretary
----------	-----------

Others Present:

Rob H. Schafstall	Legal Counsel
Krista Linke	Director of Community Development
Jaime Shilts	Recording Secretary

Call to Order:

Bob Heuchan called the meeting to order at 8:00 a.m.

Approval of Minutes:

Richard Wertz made a motion to approve the June 20, 2013 minutes as presented. Rob Henderson seconded the motion. The motion carried.

Old Business:

Shell Building Update: Mike Runnebohm:

Chris King, Runnebohm Construction, stated they are finishing up roofing and then landscaping and that will be about it. They are on budget but are working on an issue related to the electrical. They are on schedule and should be finished in the next few weeks. He would like to schedule a date for the RDC to visit the building.

56-58 E. Jefferson Street Status Update - Jay Goad:

Jay Goad stated they have been working on the language on the agreement. They do have an economic development agreement prepared for the transfer of the title. They will start construction within 30 days and hope to be finished within 12 months. The Elks agree to invest at least \$250,000 in renovation work and the RDC agrees to invest up to an additional \$200,000 for property improvements related to the renovation. This is subject to the Elks receiving \$100,000 from the FDC for a matching grant for façade work. The RDC will also take care of incidental costs such as title insurance deeds, disclosures, etc. Mr. Henderson questioned what the amount of their mortgage would be. Mr. Schafstall stated they have not discussed that yet. Mr. Henderson suggested that the mortgage be discussed.

Jack Baker, Elks representative, stated they will have issues with weather and need to get the façade started. They would like to set a deadline for completion for all work, except for the downstairs area to

be used by the Elks. They will complete other areas first including the façade and the area to be used by Aunt Judy's restaurant. Mr. Schafstall requested that the Board allow Mr. Heuchan to make non-significant changes to the agreement as necessary. Mr. Heuchan stated the mortgage should be \$200,000, the amount of RDC investment.

Jay Goad made a motion to approve the transaction of the Elks in regards to the G.C. Murphy Building. Richard Wertz seconded the motion. The motion carried.

55 W. Madison Street Update:

Mr. Heuchan stated he has spoken to Lesa Talley, one of the interested parties in the building. Mr. Wertz stated that Lesa Talley was prepared to have a presentation at the August 15, 2013 meeting. Mr. Goad stated he has also talked to Ms. Talley and told her that they needed more details. Mr. Schafstall stated the RDC can now deal publicly or privately with anyone.

Rhoni Oliver, City of Franklin, stated she gave the Board an amended proposal from AIR Co. She stated that there was an issue in testing which allowed for the discrepancy. The cost of the asbestos removal that's been finished plus the work to be finished is a total cost of \$14,460. Ms. Linke stated that the original amount allotted was \$25,000. She stated there's enough money left to complete the project. Ms. Oliver stated they will get a clearance test to confirm that everything's been removed. She stated there is also an issue with a north basement wall bowing and with moisture. Travis Underhill is going to take a look at it. There is a bit of mold where the wall is wet.

Jay Goad made a motion to approve the contract change with AIR Co. Rob Henderson seconded the motion. The motion carried.

Incentive Program for Burial of Overhead Utilities - Target Area and Budget:

Mr. Wertz stated he has talked with Krista and brought this up at City Council. He thinks they'll have to take baby steps in moving current lines underground in the downtown. Mr. Henderson would like to define an area and set aside money to bury lines. Mayor McGuinness stated that burying conduit is about \$25 a foot. The transformers that are now on poles would need to be placed on the ground. New meters for residential homes need to be provided at \$700 a home. He stated it does make a lot of sense to have the lines underground but his fear is that the cost of it will be extremely high. He wants to know what kind of incentive the RDC would be able to offer. He's concerned about the high cost for the city. All new subdivision developments do have to bury all lines according to our ordinance.

New Business:

Greenway Trail Extension Discussion:

Richard Wertz stated he spoke with Chip Orner, Franklin Parks, about having a trail that would encircle Franklin. There would be portable bridges for crossing creeks in the flood plain areas. The path would be about 8 miles around the city. Ms. Linke stated that areas that are not in the city limits present somewhat of a challenge. They talked about hiring a consulting firm to give more options, which typically cost \$50K.

Gateway Project Update, Phase 1: Travis Underhill, City Engineer:

Mr. Underhill stated that West Court Street is under construction. The foundation work and limestone walls will be completed in the next two weeks. The target date is 3-4 weeks out. They will continue to work on South Main and Monroe Streets. He stated that the parking lines were painted and the general consensus was that it didn't look bad and the brick inlay would not happen.

N. Main Street Project Update:

Mr. Underhill stated that Phase 1 sidewalks are almost done. They are installing the ADA approaches at the intersections. The wiring for the new lighting has been installed and the pole installation will start as soon as Monday. The final coat of asphalt and striping is scheduled for the first or second week of August.

Resolution 2013-15: Downtown Parking Lot Improvements:

Mr. Underhill stated that they had talked about needing additional funding for the brick inlay parking lines. Since that time, the inlay has been abandoned. They are currently at budget. The resolution is no longer needed.

Other Business:**June Financial Report:**

Ms. Linke stated that they did receive the May property tax disbursement. Funds remaining at the end of the year would be just under \$6 million after all appropriations.

RDC Reporting to City Council: Due August 1, 2013:

Mr. Schafstall stated there is a new requirement this year that requires the RDC to report to the City Council the revenues, expenses and fund balance for each TIF district. The TIF districts are Casting Technology, Franklin Tech Park, Franklin Park amended-Owens Illinois, Franklin Power Products, and Musicland.

Jay Goad made a motion to approve the report and for Bob Heuchan to sign the report upon its completion. Rob Henderson seconded the motion. The motion carried.

Heartland Machine:

Mr. Schafstall stated that in 2010, Heartland Machine was given a loan of \$110,000. The terms of the loan were that credits could be earned for job creation, employing Franklin residents or using local contractors and suppliers. The company is doing well and are requesting that the \$110,000 be forgiven. Mr. Schafstall stated they are in substantial compliance.

Tom Goin, Heartland Machine, stated that Heartland Machine is asking for a release on their loan. He is asking that the amount to be released soon to remove it from his balance sheet. It took seven months to meet the requirements. They would like to break ground soon on another building but need to have the loan released first. Mr. Goad stated there's not a loan receivable on the balance sheet. Ms. Linke stated there is a list of outstanding economic development agreements.

Richard Wertz made a motion to approve the release of Heartland Machine's \$110,000 economic package as presented. Jay Goad seconded the motion. The motion carried.

Mr. Wertz requested to see a list of all outstanding agreements. Ms. Linke stated that she has a list but doesn't have any documentation prior to the past two years. She will gather the information for the August meeting. Mr. Heuchan stated they should review these once a year.

There being no further business, the meeting was adjourned. Respectfully submitted this 15th day of August, 2013.

Bob Heuchan, President

BJ Deppe, Secretary