

Franklin Development Corporation

MINUTES

April 24, 2014

Board Meeting

City Hall – Council Chambers

Members Present:

John Ditmars.....President
Steve Woods..... Vice-President
John Wales..... Secretary
Angela Coy..... Treasurer
Lisa Fears..... Member
Lisa Jones..... Member

Members Absent:

Jeff Mercer..... Member

Others Present:

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

Call to Order:

John Ditmars called the meeting to order at 8:00 a.m.

Approval of Minutes:

John Wales made a motion to approve the March 27, 2014 minutes as presented. Lisa Jones seconded the motion. The motion carried.

Public Comment:

None.

ArtsGarden Project Update: Meg Jones and Terry Lancer:

Krista Linke stated that the Park Board had a meeting and they were unwilling to take ownership of the property. Mr. Ditmars stated that the Park owning the property was part of the original stipulation of having the ArtsGarden. Terry Lancer gave the Board a handout with updated information and drawings. He stated the new vision is to move the existing fence and gate back to expand the parking lot. They would have updated fencing and lighting for security. He stated they had a survey of the property completed by CKW and hired a civil engineer for additional drawings. The drawings were submitted to the City's technical review committee and have been approved. He stated they did get bids from contractors. Meg Jones has priced the cost on plants. Mr. Lancer stated they did get approval from the Indiana Department of Natural Resources as the ground is in the floodway. The Jones Foundation has committed \$10,000 to purchase the artwork and sculptures. Mr. Lancer stated that as they are not building any above grade structures in the flood plain, the Corps of Engineers also gave their approval of the project. The parking lot and garden would be open for public use.

Mr. Lancer requested that the Board remove the stipulation that the Parks Department must own the land. Mr. Ditmars stated the other issue is what will happen with the continued upkeep of the garden. Mr. Lancer stated that they could have the project completed in about 90 days. The total budget of the

project is \$200,000 and the FDC grant awarded was \$90,000. He stated they have already spent \$10,000. Ms. Linke stated the land would be provided by Richard and Meg Goss, the site development material is \$50,000 which would be provided by the FDC grant, site development labor \$20,000 provided by Richard and Meg Goss and community sponsorship, plant material \$20,000 from the FDC grant, plant labor \$10,000 provided by Richard and Meg Goss, architecture and engineering \$10,000 FDC grant, furniture \$5,000 provided by Richard and Meg Goss and artwork \$10,000 provided by the FDC grant. Mr. Lancer stated the Jones Foundation would provide the \$10,000 for artwork. They would still request the full \$90,000 but the \$10,000 for the artwork would be used elsewhere on the project.

Mr. Wales questioned what the long term plan is for maintaining the ArtsGarden. Mr. Lancer stated there is no difference with the grant given to other property owners. The property will be taken care of by family or other community members. Meg Jones stated the maintenance would not be as extensive as people think. Rob Schafstall questioned the details of the mortgage release. Mr. Lancer stated that Ms. Jones contacted the bank that holds the mortgage on the property. The bank agreed to release the mortgage on the ArtsGarden so it could be turned over to Parks. Ms. Jones stated it's a moot point if the land is not being donated. Mr. Lancer stated the parking lot is not part of the land agreement. Mr. Schafstall stated his concern over the parking lot being private property. Mr. Schafstall stated the DNR letter looks like it only pertains to the parking lot. Mr. Lancer stated that it does include the garden. It is their description of the garden as he provided them with descriptions and photos.

Mr. Lancer stated when they submitted the proposal they did not say they were turning the land over to the Parks Department. The FDC Board threw in the stipulation at the time of approval without knowing if the Parks Department would take the land or not. Chip Orner, Parks Department, stated that the Park Board is not opposed to the project. He stated that Meg Jones is their head landscaper at Parks. The Park Board denied it because if they would get a project that would be about 60% done, in their opinion. They would have to put up a different fence and additional lighting. He stated it would have to have different uses if it belonged to Parks. It will not be used for weddings and rentals and generating money as would be needed for Parks. He stated it would also need to be ADA accessible if Parks owns it. Mr. Ditmars stated the Board need to decide if it's an ArtsGarden with a parking lot or a parking lot with an ArtsGarden with it. Mr. Lancer stated that the alley adjoining the ArtsGarden has been vacated.

Steve Woods made a motion to lift the requirement for ownership transfer. Lisa Fears seconded the motion. John Wales-no, Lisa Fears-yes, Steve Woods-yes, Lisa Jones-yes, Angela Coy-yes, John Ditmars-no. The motion carried 4-2.

The Board decided that more information was needed before giving out the grant funds. The discussion will be continued at the next FDC meeting.

Sports Corporation Proposals Update:

Ms. Linke stated that during the first round of proposals there was a presentation by the City of Franklin, Franklin College, Johnson Memorial Hospital and the Franklin School Corporation. A portion of their grant money was spent on a study for youth sports. The group has decided to release the remaining funds, \$21,000, back to the FDC. Mayor Joe McGuinness stated the grant money was helpful in

obtaining information about bringing youth sports to Franklin. He stated the sports hotel and complex being built in Greenwood will help Franklin.

Request of Proposals-Time Extensions:

Ms. Linke stated she spoke to Fred Paris and Dan Paris. They will give an update at the May meeting. Rob Shilts has submitted a list of expenses that Franklin Heritage would like considered as a match. They would like an extension from the current deadline in June to September of 2014. Ms. Linke stated she needs to know if the expenses that FHI has submitted meet the criteria. She stated there has been \$100,000 set aside for FHI. If they raise \$200,000, they would receive the full \$100,000. They are submitting \$107,000. Ms. Linke needs to know if she can write a check for half that amount. Mr. Schafstall recommended that the loan and grant committee review the expenses submitted before the check is issued.

Lisa Fears made a motion to approve an extension for FHI until December 31, 2014. Lisa Jones seconded the motion. The motion carried.

Committee Reports:

A. Communication Committee: John Wales:

Mr. Wales stated that Rhoni Oliver and Angie Longtin are working on the website. He requested that each Board member submit a short bio to him for the website. The committee will not be meeting in the month of May.

B. Finance Committee: Jeff Mercer:

- a. Annual Business Property Tax Return: Angela Coy stated she is suggesting that she and Ms. Linke work on the personal tax return to save the money. It will be the final return. Lisa Jones made a motion to allow Angela Coy and Krista Linke to complete the tax form. Steve Woods seconded the motion. The motion carried.
- b. Ms. Coy stated they will need an extension on the 990 form. It is due May 15th. She is proposing a three month extension. John Ditmars made a motion to allow for an extension on the 990 form. Lisa Jones seconded the motion. The motion carried.

Ms. Coy stated she has taken care of forms and all issues with the Indiana Department of Revenue. She stated she is in the process of closing out the payroll accounts with the IRS and Indiana Department of Revenue since there are no longer any employees.

- c. Legal Retainer: Ms. Coy stated she ^{waiting} ~~is working~~ on a letter for a \$1,250 per month retainer effective March 1, 2014 ^{from} ~~for~~ Rob Schafstall. It will be reviewed on an annual basis. Lisa Fears made a motion to approve the retainer letter to have legal services through Rob Schafstall. John Wales seconded the motion. The motion carried.

- C. **Programming Committee: Lisa Fears:** Ms. Fears stated they did an abbreviated needs analysis. She has been taking public comment and input. There were a series of meetings and discussions

on April the 9th & 10th which were very well attended. She also attended the City Council and RDC meetings. Both groups appreciated being asked their thoughts. She stated the RDC would like focus on some of the unattractive properties in the community. Some of the thoughts were that façade grants should continue, residential and commercial loans should continue, the FDC should discontinue direct investment unless involved with the RDC or other city entities, and adding micro loans. Ms. Fears stated their gap plan has three goals: To position the FDC as the coordination leaders of community resources, to restore the trust in the FDC by the wider Franklin community and, to obtain resources to sustain the FDC. She stated they have strategies for each goal. Some have been completed and some are still in process. She suggested they look at sustainability for the work of the FDC and staffing.

D. Loan and Grant Committee: Lisa Jones and Steve Woods:

- a. **CRLF 2014-01: 165 E. Jefferson Street-Dennis & Kelly Thomas (T-Shirt Express):** Mr. Woods stated the committee approved a \$25,000 loan.

- b. **DFMG 2014-06: 102 W. Jefferson Street-Beth Crousore (Simplify):** Mr. Woods stated they have approved a grant for awnings for their business. The FDC portion will be \$1,754.58

Steve Woods made a motion to approve the grant for \$1,754.58. Lisa Jones seconded the motion.

John Wales voiced his concern on approving new projects. Discussion was held.

Ms. Oliver stated that Simplify was not allowed to stay in their first building as it was in the unsafe building process and was not safe. They moved into the second building temporarily and knew they would not be there permanently but had to leave the first building.

Ms. Linke stated she brought the request before the Board to help get them back on their feet. Ms. Jones stated the Grant and Loan Committee agreed.

John Wales-no, Lisa Fears-yes, Steve Woods-yes, John Ditmars-yes, Lisa Jones-yes, Angela Coy-yes. The motion carried 5-1.

Mr. Ditmars stated the Board needs to decide when to lift the moratorium on new submissions. Steve Woods they will be ready to make a motion to lift it next month.

March Financial Reports:

1. Balance Sheet-Ms. Linke stated she still has not had the opportunity to separate out the programming and operating amounts funds.
2. Budget vs. Actual-Ms. Linke went over the different payments for the month.
3. Residential Revolving Loan Fund (RRLF)-Ms. Linke stated the report shows the amounts remaining and what's been drawn. There were no missed payments in March. Roger Hill's project has been complete. The Roach's project is still in the works.
4. Commercial Revolving Loan Fund (CRLF)-Ms. Linke stated she doesn't have any requests for draws.

5. Downtown Façade Matching Grant (DFMG)-Ms. Linke stated she will add Simplify onto the list. The OCRA checks were paid in March. Enochs-Reeves will show up on the April report and will be finished at that time. No draws have started yet on Ann's Restaurant. There has been one draw on T-Shirt Express.
6. Requests for Proposals (RFP) and Direct Investments (DI) Updated amounts are provided on the report. Representatives for each of these projects will be coming before the FDC board for an update within the next two months.

97 E. Monroe Street-Requests for Proposals due May 7th at 3:30 p.m.:

Mr. Ditmars stated they cannot move forward with the building with Indreno still involved. The original agreement requirement Indreno to pay the November installment with penalties, but they will not pay anything further than that in taxes. He stated that he suggested that the FDC pay 50% and Bob Ellett and Mr. Gordon, the current owners, pay the other 50%.

John Wales made a motion to authorize the signing of the settlement and release agreement by the president upon the terms discussed. Lisa Jones seconded the motion. The motion carried.

Mr. Ditmars stated that they next need to discuss if the building should be purchased by the FDC. He would like to hold an executive session to determine this.

Ms. Linke stated the RFPs went out last week. They are due at 3:30 p.m. on May 7th, at the special FDC meeting.

Director Report: Krista Linke:

- A. Loan Disbursement Schedule- Ms. Linke stated she is proposing some changes to the schedule. She wants to make changes to the draw process. She would like to pay invoices directly to the contractors so she doesn't have to worry about reimbursements.
- B. Grant Disbursement Schedule-She would like invoices paid to contractors directly for grants as well after invoices are turned in.

Additional Items:

Special Board Meeting- May 7th, 2014 at 3:30 p.m. Next Regular Board meeting is May 22nd, 2014 at 8:00 a.m.

Adjourn:

No further business came before the Directors.

Approved:

By: _____

John Ditmars, President

Attest: _____

John Wales, Secretary