

Franklin Development Corporation

MINUTES

May 7, 2014

Board Meeting – SPECIAL MEETING

City Hall – Council Chambers

Members Present:

John Ditmars.....President
Steve Woods..... Vice-President
John Wales..... Secretary
Angela Coy..... Treasurer
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 3:30 p.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.

Mr. Ditmars stated that Lisa Fears has submitted her resignation effective May, 1, 2014.

97 E. Monroe Street:

Mr. Ditmars stated the status of the settlement agreement on the 97 E. Monroe Street property, is that the FDC has approved a 3 party agreement between the developer, owners, and the FDC to excuse the owners/developers from any further liability or further involvement with the project. The agreement still needs to be signed by the developer but should be signed by the end of the week. He stated that a two party agreement between the FDC and the owners will be formed whereby the FDC will fund overhead expenses relative to the property in the interim period between now and when the FDC accepts a proposal on the building. Mr. Ditmars stated that any expenses paid for by the FDC will be reimbursed when an agreement on the proposal is reached.

ArtsGarden:

Mr. Ditmars stated that the proposal was originally approved at \$90,000 with the condition that the City or City designated entity take over the property. He stated that neither the City nor the Park would be taking over the property. He stated that the Board wants to know how the project fits together and

where their \$90,000 is going. A revised scope of work was given to the Board. Mr. Ditmars stated he didn't know if the Board would have time to make a decision with such little time to look at the revised scope of work. Angela Coy questioned if the FDC is off the hook for the \$10,000 that has been donated by the Jones Foundation. Meg Jones stated that they would like to use the original amount of \$90,000. Lisa Jones asked what the stipulations were originally on the RFP. Mr. Ditmars stated the big question is if Meg Jones is not taking care of the property, then who will be? Lisa Jones questioned if there were stipulations that had to be made when the RFP's were put out in regard to property owners. Mr. Ditmars said it was on a case by case basis. Ms. Linke stated the original cost was and still is \$200,000. \$90,000 is from the FDC and Meg Jones and the Jones Foundation make up the rest of the financials.

Meg Jones stated that \$18,000 will be sufficient for plants. She stated if anything were to happen to her she would donate the property to the Parks Department. She stated that the college had students that were interested in helping with the labyrinth. She stated they will be reusing the fencing but will need to purchase pavers.

Steve Woods stated he felt like the issue should be tabled for a month. He stated he thought more details need to be figured out.

Steve Woods made a motion to table the issue.

John Wales stated he is still having issues with the cost. Mr. Ditmars stated another issue is accessibility onto private property. He stated they have to think about the liability. Mr. Wales stated he doesn't have a problem with paying for Mr. Lancer's services used so far. Meg Jones stated if the project is not approved soon, it will have to wait until fall. Mr. Ditmars suggested that Mr. Woods and Lisa Jones be on the committee to look into the project further.

John Wales seconded the motion. The motion carried.

97 E. Monroe Street Proposals:

Ms. Linke stated that three proposals have been received for the 97 E. Monroe Street Property and two of the representatives are in attendance today.

Scott Baldwin, Envoy, stated that they are proposing a public private partnership with the City and Redevelopment Commission. \$2.2 million is the total project cost. They are asking for 1/3 of the cost (\$700,000) to be paid and they will cover the other 2/3rds. Their plan is an office suites building with 26 office suites, 30 virtual suites, and a small business incubator. He stated they have developed office suites across Indiana and in Texas. Most of their buildings are 100% occupied. He stated they would like to incorporate a municipal supported incubator space that would help with new businesses. Mr. Baldwin stated they have completed over \$370 million in projects. He stated their plan would create 56 new businesses. He stated they are requesting a master lease as their profitability will be very low. They would have \$4,000 per month cash flow. They expect to attract lots of attorneys, but also everything from beauticians to people making cupcakes.

Mr. Ditmars questioned if they had completed any type of feasibility study. Mr. Baldwin stated they believe they can fill 26 spaces based on what they've seen at their other properties. He stated he doesn't have any sort of a written study.

Lisa Fears stated she is looking at something similar in nature to the previous proposal. She stated they are proposing a mixed use for retail, including a restaurant, 20 + office suites and a co-working site. She stated that it differs from an incubator site in that they are generally member or subscription based on an annual basis. She stated it would be a 1 to 1 partnership. She stated the cost would be around \$2 million. They could start the project right away, with a 4-6 month construction period. She stated full occupancy would likely occur within 18 months. She stated it would be leased space. Jeff Holt, Franklin College graduate and entrepreneur, would be joining her on the project. Ms. Fears herself has managed projects for Franklin College. She stated they would most likely be using Schmidt Design Services for the building and local contractors for the construction. Mr. Wales questioned if Ms. Fears had access to the matching dollars she would need. She stated she did. She stated they planned on purchasing the building and completing the build out. One million would be from private investors and the other million from public incentives for a total cost of \$2 million.

Pat Hagan submitted a proposal, but he did not attend the meeting. He still has some interest in the building

John Ditmars suggested that the board take the proposals under advisement and direct questions to Krista Linke. The Board may take action on May 27th. The Board shall not consider the proposal from Blue Top (Pat Hagan) as he did not do a presentation. Rob Schafstall suggested that Board narrow to one potential user by the next meeting and get further information from that entity. Rob asked for a motion to drop the presenter that did not appear and consider only the two who presented.

Lisa Jones made a motion to eliminate the presenter that did not appear and only consider the two projects and were presented. Angela Coy seconded the motion. The motion carried.

John Ditmars requested that both parties attend the meeting on May 22nd at 8:00 a.m.

Additional Items:

Next Regular Board meeting- 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