



MINUTES

August 24, 2017

Board Meeting

City Hall – Council Chambers

Members Present:

Jeff Mercer President
Steve Woods..... Vice President
Kim Minton Secretary
Angela Coy..... Treasurer
David Bedwell Member
Mike Denney..... Member
Amy Richardson..... Member

Others Present:

Robert Schafstall Legal Counsel
Krista Linke..... Director of Community Development
Julie Spate Recording Secretary

Call to Order:

Jeff Mercer called the meeting to order at 8:00 a.m. He publicly thanked Lisa Jones for her time with the Corporation and welcomed new board member Amy Richardson.

Public Comment:

None.

Approval of Minutes:

Steve Woods made a motion to approve the July 27, 2017 minutes as presented. David Bedwell seconded the motion. The motion carried.

Committee Reports:

A. Communication Committee or Monthly Update:

Mr. Woods had circulated date options for the fall retreat. He requested board members to respond and he would come up with the consensus date.

B. Finance Committee or Monthly Update:

1. 2016 Audit and 2016 Taxes – Angela Coy reported that financials statements are done. Krista Linke will send them out today. Board members will have a few days to respond with comments and then Ms. Coy will send them off to the state. Taxes are in progress. A few additional needed items will be completed soon.
2. Reallocation of Programming Funds – Ms. Coy reminded that commercial loans were overdrawn by approximately \$25,000. Mr. Mercer, Ms. Linke and Ms. Coy met and are looking for a recommendation to move \$125,087.58 to a reserve account. \$25,087.58 will bring the commercial

loans to zero so as to not be overfunded there and \$100,000 will be available to programs Loan and Grant Committee deems necessary. Mr. Mercer added about the discussion regarding available programming funds of \$441,000 derived from the return of payments on loans, etc. Approximately \$75,000 is being generated annually. Things in the pipeline currently would warrant the dollar transfer, but they wanted to be sure the board was comfortable with it. Kim Minton made a motion to move the monies. Mr. Woods seconded. Passed.

C. Loan and Grant Committee or Monthly Update:

1. Frechette Façade Project Update – 89 E. Jefferson Street – Dave Bedwell reported receipt of final drawings from Neil Dixon on the two-story design. It has been sent out to a couple different general contractors and anticipate receiving them back before the next meeting.
2. CFMG 2017-02 URBAN AIR – 1172 N. Main Street (Approved \$17,124.44 additional) -- There are some additional repairs needing to be completed such as the replacement of a large front window, work on the block, some paint on the south and east facades, but no design review was necessary.
3. CFMG 2017-04 DOWTY – 401 N. Main Street (Waiting for additional financials) – They have no financials on two of the partners so those have been requested.
4. CRLF 2017-05 SMYTHE – 159 E. King Street (Approved up to \$20,000 @ 50% forgivable) – It is a non-owner occupied residential home.
5. CFMG 2017-08 BOUIE BISCUIT – 50 Hurricane Street (Approved \$8,000)

Mr. Mercer asked if the additional expenditure is reflected in the programming funds and Ms. Linke assured it was.

D. Development Committee or Monthly Update:

1. Tax Certificate Properties Update – Ms. Minton and Rhoni Oliver met and five properties are ready. Rob Schafstall has reviewed all the offering sheets. Press release will go out next Thursday and then offering sheets will be available to the public. Proposals are due September 27 and will be opened and read September 28 at the next meeting. Discussion and decision will not take place at that meeting. The five properties are: 544 W. Jefferson Street, 551 E. Madison, 934 Johnson, 348 Kentucky and 244 Cincinnati. Ms. Oliver will make properties available to be shown September 7 between 8:30-12:30 and September 21, 1-4pm. She will also update website before next Thursday with the offering sheets and property lists. Mr. Mercer thanked Ms. Oliver and Ms. Minton for their work.
2. Co-working Committee: Mr. Woods volunteered to take over this group for Lisa Jones. Another meeting will be scheduled. Mr. Mercer reviewed the background and activity timeline for the co-working space. There have been a couple of entities in the last express an interest in a co-working space to be run in a for-profit manner and not necessarily through FDC. Greg Leugers from Hometown Insurance at 26 E. Jefferson Street identified his three-story building of about 10,000 sq. ft. to be underutilized. He envisions the whole second floor and across the west side adding above Greek's as well. An elevator would have to go in and he will have bids on potential modifications by tomorrow. Mr. Woods asked if he owns Greek's. Mr. Leugers said no, but he has talked to Todd Bemis about the process, and it would not be problem, further committing that it could likely be up and operational within the next couple of months. Mr. Mercer asked how many square feet the space could end up being. Mr. Leugers said it would add about 6,000 square feet to his. The second floor alone is 2,800 roughly inclusive of full kitchen, lounge area and bathrooms. Half the basement is finished and could be utilized for PO boxes, lockers, social

gathering area, etc. The first floor would have conference rooms. The third floor would not be open to co-working but for Mr. Leugers' fulltime real estate agents.

Kyle Kasting presented his building at 164 E. Jefferson Street as a non-profit co-working space option, proposing he would own the building and an entity such as the Chamber of Commerce would manage and oversee the space. Mr. Mercer summarized the need to take this information back to full committee.

5. Areas in Need of Redevelopment Program – This will be discussed at the board retreat.

Amended Economic Development Agreement with B2S Labs – 97 E. Monroe Street – Mr. Bedwell recused himself as B2S Labs is a client of Horizon Bank. Mr. Schafstall expressed his apology for giving Aleks Davis the wrong meeting date the last time. He went on to explain the written proposal. B2S plans to do additional renovations to their building including additional structural improvements, windows and doors, first floor lobby space, a new first floor storefront, first floor laboratory space, etc. They plan to invest \$600,000 over the next two years. In order to give the project the best possible chance, Mr. Davis proposed suspending the loan payments for two years from the date of this agreement. During the two-year period, Mr. Davis would provide a written progress report at least semi-annually and make tours available. This would modify the grant terms so that the investment of \$600,000 in two years would constitute completion. Mr. Davis added that the goal of B2S is to not only build a functional space for them but also to help the look and feel of downtown Franklin. He gave a detailed overview and update of his company and construction accomplishments and coming plans with a PowerPoint presentation.

Ms. Coy asked what the ability is to charge interest on the deferment and is precedent being set for others. Mr. Schafstall said there are no legal constraints on the interest. Ms. Coy clarified that the two-year agreement does not have to be agreed with, and Mr. Schafstall confirmed that to be the case. Mr. Mercer confirmed it is precedent setting but posed the question if it is uniquely different enough that the board is okay with that. Mr. Mercer doesn't want this to create similar expectations by other groups. Mayor Steve Barnett doesn't think it sets a precedent but feels each case to be unique. He is in support of today's proposal. Amy Richardson asked why they chose Franklin. JCDC's representation of the county was significant and involvement with Franklin College was key. Civic administration presented a commitment to growth and was very supportive. Mr. Davis personally wanted to drive to work and not have to get in his car again during the work day for coffee, lunches or hosting visitors. Mr. Woods asked when the agreement was entered into and the initial \$200,000 granted. Mr. Davis said it was 2015 but no action took place until 2016.

Mike Denney made a motion to approve the agreement as presented. Ms. Minton seconded. The motion passed by a vote of 4 to 2 with Ms. Coy and Mr. Woods voting against.

July 2017 Financial Report:

Ms. Linke added Loan and Grant Committee approvals. She took off the original five million that funded the organization and condensed them down to show the remaining balances from the original funding amount, which is nearing zero. The next section shows the 2016-2017 funding of \$500,000 each year and the amount committed by program and the balance remaining for additional applications from those funds of \$152,711. The subtotal on repaid both residential and commercial loans to date is \$859,044 and outstanding receivable loans or due to FDC is \$188,000. Total programming account balances without operating is \$441,205.

Director Report:

- a. Alley façade grant requests – A couple have been received. There may be certain areas to look at to qualify those. Discussion item for board retreat.
- b. October Board Retreat – This was previously discussed.

FDC needs to accept these grant and economic development agreements.

- c. Grant Agreement between the RDC and FDC – Powder Metal Technicians
- d. Economic Development Agreement between the FDC and Powder Metal Technicians
- e. Grant Agreement between the RDC and FDC – JART Properties
- f. Economic Development Agreement between the FDC and JART Properties
- g. Grant Agreement between the RDC and FDC – Aisin Holdings
- h. Economic Development Agreement between the FDC and Aisin Holdings of America, Inc.

Mr. Schafstall reminded that Ms. Richardson should recuse on the voting for JART Properties. Aisin Holdings were verbally approved at the last meeting, but Mr. Schafstall recommended approving them again. Motion to approve the three agreements was made by Mr. Bedwell. Second by Ms. Coy. Motion passed.

Ms. Linke extended the invitation to tour B2S Labs immediately following the meeting.

Adjourn:

No further business came before the Directors. The meeting was adjourned.

Approved this 28th day of September, 2017:

By: _____

Jeffrey Mercer, President

Attest: _____

Kim Minton, Secretary