

MINUTES

December 21, 2017

Board Meeting

City Hall – Council Chambers

Members Present:

Jeff Mercer President
Steve Woods..... Vice President
Kim Minton Secretary
Amy Richardson..... Member

Others Present:

Robert Schafstall Legal Counsel
Rhoni Oliver..... Community Development Specialist
Julie Spate Recording Secretary

Call to Order:

Jeff Mercer called the meeting to order at 8:00 a.m.

Approval of Minutes:

Steve Woods made a motion to approve the November 16th, 2017 minutes as presented. Kim Minton seconded the motion. The motion carried.

Public Comment:

None.

Committee Reports:

A. Communication Committee or Monthly Update:

Amy Richardson reported on meeting with Rhoni Oliver to confirm who will be on the committee. The first meeting will be January 18.

B. Finance Committee or Monthly Update:

Angela Coy will get a quote from Alerding for the audit. She will send that out by email. RDC Meeting Presentation – Mr. Mercer highlighted his presentation to the RDC and the return to their January meeting for the resolution they are preparing. If approved, Rhoni Oliver confirmed the FDC would receive the money in January. The discussed amount was \$400,000.

C. Loan and Grant Committee or Monthly Update:

1. Frechette Façade Project Update – 89 E. Jefferson Street – Neil Dixon is still working with a couple of builders, one to look at a one-story design build. There was a timeline of December 8 for contractors to submit bids, but none were received. Ms. Oliver added that Mr. Dixon will be paid. Mr. Schafstall advised that in order for the RDC to cut the check it first needs to go through FDC so the grant agreement needs to be set up in order to do that.
 - a. Grant Agreement between the Redevelopment Commission and the FDC – David Bedwell made a motion to approve both grants between RDC and FDC and between FDC and the Frechette Eye Center. Ms. Richardson seconded. Passed.

2. Pending Applications – One application was received from Thomas Moore and Elissa McKey for the purchase of Suzy’s. They are looking at a \$40,000 purchase of the business and \$10,000 in startup costs. Everything fits the program parameters so the committee felt comfortable approving the application pending funding from RDC received in January. They want to purchase the business, expand the offerings, make it more of a coffeehouse ambiance with wifi, expand lunch items and maintain gluten free items though perhaps not exclusively. With the current projects and anticipated funding amount from RDC, Mr. Woods asked how FDC felt about potentially running out of money as quickly as in the first quarter or would FDC look more critically at requests received to make the money last longer into the year. Mr. Woods offered his own view that he is not opposed to running out of money after the first quarter. Mr. Mercer cited Keith Fox’s statements that the committee already has a rigorous process in place but the question remains over what if there is a significant run of requests. Mr. Bedwell does not know of any other applicants in the pipeline currently and Ms. Oliver stated there are a number of incomplete commercial applications being worked on by applicants with a couple looking to do both grant and loan. Mr. Bedwell floated the idea of looking at the program and maybe considering giving out less per applicant so more applicants could still be granted funding. Mr. Mercer asked Mr. Schafstall if \$100,000 is still the residential portion of the RDC money being granted. Mr. Schafstall confirmed but doesn’t believe FDC is restricted to that amount.

D. Development Committee or Monthly Update:

1. Tax Certificate Properties: 348 Kentucky Street Request for Proposals Received – Ms. Minton opened the one bid received. It was from Steve and Stacy Ratliff for \$6,000. The committee will review the proposal and get back to the FDC. As to the remaining tax sale properties, three quiet titles are still awaited and one sale (551 W. Madison Street) has been closed. The judge had Mr. Schafstall do another round of notices. Ms. Minton and Ms. Oliver will go to the commissioners in January to ask for two Jefferson Street properties, 847 E. Jefferson St. and 420 W. Jefferson St. Ms. Oliver has a list of approximately 30 interested parties on an ongoing list for tax sale properties who continue to remain interested.
2. Co-working Committee Update: Steve Woods and Greg Leugers – Mr. Woods thanked Greg Leugers for his work. Mr. Leugers reported on 26 E. Jefferson St. Co-working will be in the basement, first, and on the second floor. The entire second floor will be remodeled along with some of the first floor to allow for small business meeting space. He gave an overview of the design plans. The basement will be PO boxes and lockers and group meeting space. The first floor will be a private office area. The second floor will be a coffeehouse style work environment in the front along with group meeting space in the back half. The 100-year-old elevator is being refurbished. They are working with Clever Dog for marketing efforts. Prices will be \$100/month for 10 uses or less. \$150/month for unlimited access, 7:00 a.m. to 10:00 p.m. Add on prices will include lockers and such. If demand dictates, there is 6,000 square feet over Greek’s that can be opened back up and used. He posed his three questions on the EDA. 1) It will probably no longer be Hometown Insurance and Real Estate. Mr. Schafstall pointed out that there is a paragraph in the EDA that would allow for the name change. 2) Initial discussions were that Mr. Leugers was taking over the Franklin Business Co-op, but it looks like it will be a separate entity that FDC is keeping. 3) With regards to the 12 passes given to Franklin Business Co-op is fine, but members will be screened so Mr. Leugers wants to be assured the recipients of the 12 passes will also be screened. Ms. Richardson asked what his staffing needs would be. There will be one front desk person, Stacy Ratliff, and himself. After Clever Dog gets things developed in the first year, Mr. Leugers anticipates hiring an additional staff person for

marketing. Mr. Mercer identified the EDA agreement being primarily for the EDC funding to be received. In addition is Mr. Leugers own investment along with both a potential loan and direct investment through the FDC.

- a. Draft Economic Development Agreement – Mr. Schafstall explained the whole tax abatement process including the option of companies to pay a voluntary fee which resulted in the receiving of approximately \$48,000 to set up a business co-op called Franklin Business Co-Operative, LLC (FBC), owned by FDC as the only member and to be managed by a three-member board of the mayor, FDC president and Director of Community Development. The originally appointed nine-member FBC steering committee can still advise Mr. Leugers. Passes Mr. Schafstall designed the concept for with the possibility of giving some to the Chamber of Commerce to determine deserving recipients. They would still be according to the full guidelines of the FBC. Mr. Schafstall has written the EDA so neither FBC or FDC have any liability. Mr. Mercer added that Mr. Leugers would operate the space for three years under this agreement. Ms. Oliver has discussed with Mr. Leugers about the desire to have day passes to put in the welcome packets for new Franklin businesses. Mr. Leugers would prefer to see passes used for trial runs, not a three- to six-month pass. He envisioned the 12 passes would be more for board members or chamber personnel to come in and use the space, not to give out to businesses in general. Mr. Woods made a motion to approve the EDA process and Ms. Minton seconded. Mr. Woods asked if everyone is comfortable with the approval of the \$23,000 RDC money so that there are no surprises in January with regards to these monies. Mayor Steve Barnett is in support. Mr. Bedwell will abstain from comments and vote due to Mr. Leugers being a client of Horizon Bank. Mr. Woods is willing to take Mr. Bedwell's spot on the committee for the review of this application. The motion passed.

November 2017 Financial Report:

Ms. Oliver reported that nothing has changed and will be posted on the website.

Director's Report

1. 2018 Calendar of Meeting Dates – Mr. Mercer highlighted this for information.
2. Grant Agreement between the RDC and FDC for the Rapid Prototype & Engineering Project – Mr. Schafstall summarized the project and reported offering an incentive at the mayor's recommendation. FDC is being asked to serve as the conduit for the funds, \$100,000, and it will come back to the January meeting.

Adjourn:

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

Approved this 25th day of January, 2018:

By: _____

Jeffrey Mercer, President

Attest: _____

Kim Minton, Secretary