

**MINUTES**

**June 24, 2021**  
Board Meeting

**Members Present**

Kim Kasting..... President  
Tina Gross.....Vice President  
Amy Richardson .....Secretary  
Lisa Jones ..... Treasurer  
David Bedwell ..... Member  
Amanda Ott..... Member  
Dustin Royer.....Member

**Others Present:**

Krista Linke.....Community Development Director

**Welcome:**

Kim Kasting called the meeting to order at 8:00 a.m.

**Approval of Minutes – March 25, 2021**

Amy Richardson made a motion for approval of both minutes. Lisa Jones seconded. Passed unanimously, 7-0.

**Public Hearing – Office of Community and Rural Affairs Small Business Grant**— Krista Linke, Community Development Director for the City of Franklin, welcomed everyone to the second public hearing for the City of Franklin’s grant from the Indiana Office of Community and Rural Affairs State Community Development Block Grant (CDBG) program COVID-19 Immediate Response Program. This program is funded by Title 1 of the federal Housing and Community Development Act of 1974, as amended. These funds were used for a community development project that provided small business grants to retain low-moderate income jobs. The total amount of CDBG funds requested and awarded was \$200,000. The minimum amount of CDBG funds proposed to be used for activities that benefit low-moderate income persons is 51% or \$102,000.

As part of this public meeting there is an attendance sheet, Ms. Linke asked the attendees to please sign in if they had not already. Public notice of the meeting appeared in the Daily Journal on June 11<sup>th</sup>, 2021 and there’s a publisher’s affidavit showing that. Also, all of the grant documentation is available for review in the Community Development Department.

There were 41 applications received and the maximum grant amount was \$7,500. The majority of the requests were for \$7,500. There were just a few that were lower, and the total requested amount was \$279,404. There were more requests than funding available. There was a selection committee of 6 different members who reviewed the applications and there was a scoresheet that had different categories of eligibility criteria. There were a few applications that were found not eligible. One was outside the city limits, one had more than the 15 maximum employees. Those were all scored, then the

scores were combined and averaged. Then they were ranked based on scores. The selection committee met and went over all of the scores and criteria to come up with a list of applications that would be funded. All of the income verification forms that had been submitted were checked. There had to be one for each employee. All of that data had to be entered into a spreadsheet to make sure that of the total number of jobs, that 51% were low-moderate income.

The Franklin Development Corporation provided an additional \$50,000, so there was a total of \$250,000 available. But for the OCRA funds, there had to be at least 51% low-moderate income jobs. Of the 175 jobs, 125 jobs were tied to the \$200,000 OCRA funds, and 57.6% of those jobs were low-moderate income jobs.

Ms. Linke then listed the names of the 32 businesses that received funding from OCRA:

Generation Art & Frame, Wild Root Salon, Frank's Guitars, Middle Davids Candles, Alicia Tisdale Salon, Vintage Whimsy, Classique Hair Salon, #1 Nails and Spa, Brick Street Boutique, Richards Brick Oven Pizza, Toodleydoo Toys, LeRose Dance Academy, Salvage Sisters, Blackbird Nest, Athen's Restaurant, Emerald Collective, Eclectic Jade, 10 Pins, DJ's Sweet Retreat, A Trophy Business, Moore Investments (dba 1823 Bakehouse), Possibilities, Blue Iris Optometry, North Water Syndicate (dba The Mint), RFD Franklin, Tagalong Farms, Tranter Racing Engines, JIBS BBQ, Diva Nails, Shale Creek, JP Parker, and Hagan Auto sales. Those were all funded by the OCRA funding.

There were five additional entities that were funded through the Franklin Development Corporation. Those were Jefferson Street Pub, Center for Global Impact (ByTavi), Farm Girl Mercantile, Brian Leslie Salon and Coffeehouse Five.

Ms. Linke explained that as part of the FDC funds, Jefferson Street Pub and Franklin Heritage both made repairs to their building caused by the storm damage on April 8<sup>th</sup>, 2020. These application did not necessary meet the eligibility of the OCRA funds, but were paid out of the FDC funds because they are in compliance with the use of FDC funding for the rehabilitation of properties. Others were non-profits that were not eligible under the OCRA program. It was lucky to have those funds from the FDC to be able to fund applications that did not meet the OCRA program criteria. Therefore, all but 4 businesses that submitted an application were funded. The majority were fully funded, there were a few that were partially funded based on the profit and loss information and other documentation they provided.

Each business that received funding in 2020 was required to submit their current employment information. There was one business that was no longer open, DJ's Sweet Retreat. That was not due to COVID, but due to health issues of the owner. Another person purchased that business and is open in that location, Norma Jean's Pasties.

Employment information was collected differently this time around. OCRA confirmed that they no longer wanted to know if each individual employee's household income was above or below the amount listed for that household size:

1	2	3	4	5	6	7	8
Persons	Persons	Persons	Persons	Persons	Persons	Persons	Persons
\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150	\$79,250	\$84,350

Instead, each business owner that received grant funding was asked how many employees they currently had, if they were full or part-time, and if the current annual salary for each position was above or below \$45,950. This was much easier data to collect because business owners know what they pay each employee and they did not have to ask any employees for their particular household income information. There were a total of 169 employees reported, and all but 5 of those employees have a current annual salary less than \$45,950 per year. That's 97% of all jobs.

The City of Franklin applied for another round of funding in 2021 through Phase 3 of this program through the Indiana Office of Community and Rural Affairs but the application was not funded.

Ms. Linke asked if there were any questions. A public hearing was held with no respondents.

**Resolution 2021-01: 280 Circle Drive** – This was approved via e-mail.

**Monthly Reports:**

**A. Awareness Committee or Monthly Update:** Amy Richardson had no report.

1. 2020 Annual Report – A draft is complete.

**B. Finance Committee or Monthly Update:**

1. 2020 Audit and 990's – The audit is ongoing.
2. March & April 2021 Financial Reports – The second Horizon account has been opened for the interest and just over \$100,000 transferred. Loans in repayment and façade grants were updated. Revolving loan fund interest through the end of April was \$102,000. Total available programming funds are \$474,468.59.

**C. Loan and Grant Committee or Monthly Update:**

1. Approved Applications (Second Round of Funding for 2021)
  - a. CRLF 2021-01 FHI: 48 E. Madison Street \$84,291 – Approved prior to this meeting.
  - b. CFMG 2021-04 FHI: 48 E. Madison Street \$11,821 – Approved prior to this meeting. Rob Shilts of FHI and the Artcraft reported. He expressed his gratitude to the FDC. Stout Renovations is the general contractor. Work includes demolition, electrical, plumbing rough in and back façade. Ms. Richardson suggested a yard sign be put out at the site identifying it as an FDC project.
  - c. RRLF 2021-02 CARROLL: 2 Martin Place \$15,000 – There is wood rot, tuck pointing on brick and chimneys, garage repair and doors and repainting. Stout Renovations is the contractor on this project as well.
  - d. RRLF 2021-03 CUMMINGS: 850 E. Jefferson Street \$15,000 – Structural integrity and water penetration is the focus. Flashing, tuck pointing and chimney repair. They desire in the future to paint the house in historic colors.
  - e. CFMG 2021-05 CHRISTY: 201 E. Jefferson Street \$15,000 – A lot of the originally requested work was on the roof and interior bell tower which is not covered by FDC funding. Though the project was approved, they are required to submit invoices for façade work only.
  - f. CFMG 2021-06 CARSON: 198 W. Jefferson Street \$30,000 – They are doing two Airbnb rental apartments above the tattoo parlor. They will build balconies on the left and

right windows. Demolition is currently underway. This location also presents an opportunity for a mural.

2. Application not approved:
  - a. 998 E. Jefferson Street (not income eligible) – This is a RDC Indiana Code stipulation.
3. Third Round of Funding for 2021 Discussion – Ms. Linke asked whether the desire was to do another round of funding or go back to taking applications on a monthly basis. The first two rounds were both \$75,000 with round three to be determined with applications due Friday, August 27. Residential amounts had been \$50,000 and were dropped to \$15,000 and she also asked if the commission wished to keep that amount the same or increase it at all. Ms. Jones acknowledged pros and cons to either schedule. Ms. Linke felt that if a qualified project was submitted outside a round of funding and could be brought before the corporation individually, she believed the funding rounds to be satisfactory. Amanda Ott asked if residential requests are consistently for higher than the allotted \$15,000. Ms. Linke reported that every residential application received this year has been for more than \$15,000. Mr. Bedwell asked if those already awarded in 2021 would receive the option of the increased amount. Ms. Linke identified only one project from the first round, and it is complete. There are only two current projects, both with bids over \$15,000, and she could contact them to inform that they have \$20,000 to work with. And only portions are forgivable, so they still have buy in regardless of what they are awarded. Dana Monson asked what the total to work with would be for round three. Mr. Bedwell suggested maintaining the \$75,000 total unless applications require more funding and it could then be revisited by the corporation. Ms. Ott made a motion to increase from \$15,000 to \$20,000. Ms. Jones seconded. Passed unanimously, 7-0.
4. Request for programming funds – Ms. Linke reported presenting the annual report to RDC. She asked when FDC would like to approach RDC for funding. The anticipated amount is \$100,000 for next year. Ms. Kasting suggested appealing to RDC after round three funding.

**D. Development Committee or Monthly Update:**

1. 280 Circle Drive – Ms. Ott coordinated a volunteer cleanup day with cooperation from Franklin Heritage. A revised estimate from Stout Renovations was sent out by Ms. Linke prior to the meeting. It was for \$98,101.68. This included a metal roof for only \$600 more and hardy plank siding which was double the cost of vinyl siding. There are two house plans, one for three bedroom one bath and one for three bedroom two bath. Marissa Stout believes FDC would see the return on a three bedroom two bath. It is a \$3,000 cost difference. Ms. Jones asked the square footage of the property. Dustin Royer confirmed it to be slightly over 1,000 square feet. Mr. Royer recommended going with the vinyl plank for the flooring. Additionally, there are some grading issues and it is Mr. Royer's hope that the city can help when the driveway is put in. Due to the cost of lumber, the wood deck vs. concrete could change. Mr. Royer stated that a metal roof will not change the value of the house and that standard roofing would be adequate. He recommended the fiber cement siding. Consensus was for the three bedroom two bath. Ms. Linke led a discussion on the project budget and the level of involvement the corporation wished to have. Mr. Bedwell recommended authorizing Mr. Royer to supervise and make necessary decisions. Mr. Schafstall clarified line item decisions but not to exceed the budgeted amount. If to exceed the budget or deviate from the contract, it would be brought back before

FDC. Mr. Schafstall added that not having reviewed the contract, this would be subject to that. The deed has not been transferred at this time.

Mr. Bedwell left the meeting at 8:50 a.m.

Ms. Jones made a motion to increase the budget amount to include a 10% variance for Mr. Royer to head the project decision making staying within budget as a whole and to authorize the FDC president to sign the contract once approved by legal. Ms. Gross seconded. Passed unanimously, 6-0. Mr. Schafstall asked if there is liability insurance, and Ms. Linke confirmed.

**Director's Report**

1. 2021 Meeting Dates – Ms. Linke added an August and October meeting.
2. City Council Appointment: Amy Richardson – Her term ends at the end of July. Ms. Linke will ask City Council for her reappointment. Ms. Richardson has agreed.
3. Redevelopment Commission Appointment: Amanda Ott – RDC will be asked to reappoint her to another term. Ms. Ott agreed.

**Public Comment**

Rob Shilts of Franklin Heritage reported on the house move and expressed encouragement to be prepared for more in the future. He also appealed for a continuing balance between the historic and the new. He also appealed for funding for 998 E. Jefferson and other such types of projects in the future. Ms. Kasting explained that there is not currently restriction-free funding available.

**Adjournment**

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

**Approved this 26th day of August, 2021:**

By: \_\_\_\_\_  
Kim Kasting, President

Attest: \_\_\_\_\_  
Amy Richardson, Secretary