

**MINUTES**

**June 22, 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

**Others Present:**

Robert Schafstall ..... Legal Counsel  
Julie Spate ..... Recording Secretary

**Call to Order:**

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

**Public Comment:**

None.

**Approval of Minutes:**

Steve Woods made a motion to approve the May 25, 2017 minutes as presented. Kim Minton seconded the motion. The motion carried.

**Committee Reports:**

**A. Communication Committee or Monthly Update:**

None.

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

1. 2016 Audit – Angela Coy reported there should be a draft for next month.

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

1. Frechette Façade Project Update – 89 E. Jefferson Street – David Bedwell reported that Neil Dixon anticipates bid ready drawings done by the week of July 5.
2. CFMG 2017-04 STRAIN – 100 S Jackson Street – The committee approved this but it is pending the BZA meeting on July 5.
3. RRLF 2017-02 HEWETT – 150 S Home Avenue – The committee approved this project at 70% forgivable. She is painting the house and garage and making driveway repairs. The total cost estimate is \$20,350. The FDC maximum amount is \$20,000 and 70% forgivable.
4. CFMG 2017-05 DOWTY – 401 N Main Street – This is a multi-family property. Drawings of their plans are in. The target market is the millennial crowd. The west side of the building is the street facing
5. side but for the façade matching grant they desire to use some of the funds for the south side of the building to remove or repair the columns and add architectural pieces. Ms. Minton asked if the property owner was new and Krista Linke confirmed they are. They have asked some of the tenants to leave and want to do a complete overhaul of the building. The list of improvements includes new paint and trim, front doors, metal soffits, metal

gutters and new architectural corbels. Lisa Jones asked how much they are investing, but those numbers haven't been received yet. Ms. Linke further explained that the width of the west facade on North Main Street is 40' wide. If just applied to that facade it would be eligible for \$50,000. The south facade is three times that. They would have to match, so they would be required to put in at least \$50,000. They are also working on an application for a low interest loan for an additional \$50,000. Ms. Jones highlighted the similarity of this project to the FDC approved Marsh building project. Rob Schafstall asked if they would use the loan as the match. Ms. Linke thought they would use some of it for the match but not all as there is so much interior work to be done. Steve Woods compared it to the Trent Petro building project on the east side. The project design is from the Design Committee. The budget numbers were not for this design so updated budget numbers are needed. He had originally wanted to paint the entire building which doesn't conform with the guidelines. Mr. Bedwell made a motion to approve the facade portion of the grant. Ms. Minton seconded. The motion passed.

6. CRLF 2017-04 DOWTY – 401 N Main Street – Mr. Bedwell reminded that they will come back for a loan review as well. If their information meets all the criteria, they will just take it to the committee for decision.
7. Brumbaugh – 200 E Jefferson Street – They are working on getting information in. The site visit has been completed.
8. Engle – 251 E Jefferson Street – Ms. Linke presented that they have been encouraged to open up the porches like the original. They have not chosen to do this but they do want to restore the columns. They don't wish to lose any of the square footage on the front of the building. He may want to put something different in the upper gable such as lap or hardy plank siding. The committee is also trying to go over color schemes. Mr. Bedwell explained that putting windows back where once a porch stood is not historically accurate. Mr. Schafstall sought further explanation as to why window installation is not a good idea. Mr. Woods asked what the estimate amount was for the columns, but Ms. Linke said that figure had not been received yet. The businesses currently occupying the building are Tagalong Farms, Trinkets and Threads and My Awesome Basement Remodel. This project is in the works but has not submitted a formal request with estimates at this time. Mr. Woods is not in favor of restoring the columns.
9. John & Lisa Talley -- 55 W Madison Street – They have requested a facade matching grant. They have committed a significant investment into this property and will be driving new people into the community through the high visibility restaurant. The facade faces north and west and most of the work they will facilitate is on the south and east side of the building. They want to add outdoor seating on the east side and they want to enclose the loading dock on the south side and make it the kitchen. The Loan and Grant Committee is in favor of looking at this project even though it is a variance from the norm. Ms. Linke explained that the Talleys would like to receive \$50,000 for the south and east sides of the building which they would match. The east side is very visible facing Main Street with the Willard and Artcraft. Ms. Jones asked how much they received from RDC. Mr. Schafstall reported that closing will be in July or August with \$300,000 for the whole project being put into escrow and will be matched by the Talleys. The funds are for the total project. The total project cost is just over \$1 million, so the Talley investment is approximately \$700,000. Mr. Woods made a motion to approve the facade grant for \$50,000 for the south and east sides of the building. Mr. Bedwell seconded. The motion carried.
10. Integrated TIF District Expansion – Mr. Schafstall asked that this no longer be considered but consider solving the concerns through the Blighted Property Improvement Program and no longer to call it by that name but rather Areas in Need of Redevelopment Program. Mr. Schafstall explained that Indiana statute allows for increased real estate taxes that result from improvements to the property. One can anticipate what those are going to be and borrow against them. You have a stream of cash that runs through and you can leverage that and finance off that. When Franklin set up the TIF district in 2008, the statute was interpreted to allow the integration of Franklin's economic development areas into one comprehensive district. It runs east to west through the city along 44/Jefferson Street and north to south along Main Street. It also runs along the railroad track and includes the downtown core from Jefferson north to King Street. The RDC made statutory findings of fact to justify that district and size. The Plan Commission and City Council approved it. A public hearing was held. Mr. Schafstall is reluctant to expand the geographic scope of the district because he isn't sure that statutory findings required to do that can be satisfied. It is his professional advice to stop where they are. The

problem to be solved is that there are residential areas on the north side that FDC cannot spend money on because they are outside the district. But there is a different statute called the Housing TIF. It would designate a new area that doesn't have to be in the current TIF area. If an area can be identified that satisfies the statutory requirements, the area can be designated and collection can be made of the increased real estate taxes for every real estate parcel in the area including residential. So you could slowly begin to leverage your future cash flows in order to redirect them into that housing TIF zone. Ms. Jones asked if there are income restrictions in this program. Mr. Schafstall wasn't aware of that. The RDC could still use the FDC as a conduit to make grants for residential improvements. Mr. Mercer identified that this program would impact every taxing entity including the schools as the assessed valuation will be lost at some point. Mr. Bedwell asked if any commercial requests are received outside of the TIF district and Ms. Linke suggested a few but not as many as residential. Mr. Woods offered the need for a deeper discussion in a retreat or working lunch type setting for this topic. Mr. Schafstall would meet with Ms. Linke and Rhoni Oliver to prepare for such a meeting. Mr. Mercer suggested a board retreat for August or September. Rob Shilts with Franklin Heritage presented a project they are currently working on just two doors north of the TIF district. He suggested as an example that if Martin Place was included in some kind of incentive program the entire street could be redone. They give out Preservation Week awards every year and almost all are outside of the district. In 1985 Indiana Landmarks did a study of Franklin and Johnson County and set up different historic districts throughout Franklin. This could provide a framework for consideration. Mr. Mercer and Ms. Linke will work together on establishing a date to meet.

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

1. Tax Certificate Properties Update –
  - a. Real Estate Transfer Agreement with the Board of Works – Ms. Minton and Ms. Oliver have been updating offering sheets with property addresses and suggested offering prices to give to Mr. Schafstall. They will be presented at next month's meeting for approval. They will be sent out to the public and proposal acceptance to begin in September. Mr. Schafstall added that approval of the real estate transfer agreement already approved by the Board of Works is ready for FDC consideration. Once approved, the mayor is authorized to sign the quit claim deeds. The process is that the Board of Work is transferring to FDC in order to rehabilitate as necessary and dispose of in order to return them to the tax rolls and/or otherwise best benefit the community. Ms. Oliver asked permission if properties are transferred to the FDC to secure someone with construction knowledge to inspect properties with her to insure buildings are safe for people to enter and look at before bidding. Mr. Schafstall added the need for them to be secured and insured as well. Mr. Bedwell offered Mike Denny and if he's not available FDC gave support for Ms. Oliver to choose as she sees fit. The motion to approve was made by Ms. Minton and seconded by Ms. Jones. The motion passed.
2. Co-working Committee – Ms. Jones reported moving forward on choosing the working management committee to include a mayoral designee, an FDC designee, two entrepreneurs and two at-large. Appointments are being set up to discuss the involvement to various individuals. The committee will be involved with helping develop a marketing plan, create marketing and advertising materials to solicit sponsorships, develop fund request presentation for the RDC and targeting a space. Mr. Schafstall added another round of funding is in the process of being approved. The Economic Development Commission is recommending to City Council that this year's approximately \$25,000 be put toward the co-working project.

#### **May 2017 Financial Report:**

Ms. Linke highlighted two MSRP's, \$8,130 for the awnings and \$57,197 for the Artcraft. The reimbursement check was received yesterday, so it will be reflected on the June statement. The \$500,000 was deposited on May 31<sup>st</sup> into the mutual account and \$200,000 transferred to the Horizon account. The statement reflects the initial deposit but not the transfer to Horizon, so it will be corrected in June. The \$27,019 for Franklin co-working will be added to with the \$24,000 from the county. Mr. Mercer asked if the operation account balance reflected the economic development fees, and Ms. Linke confirmed it does. Ms. Linke updated the Emry loan from \$50,000 to \$100,000. She added the loan from

Chris Dowty but should actually be on the June report as his financials didn't come in in time. The \$799,000 programming funds is reflective of the \$500,000 received from RDC for 2017. \$700,000 of the \$1 million for 2017 is committed. Mr. Mercer identified that at this time FDC is out of commercial loan funds.

**Director Report:**

- a. Aisin Holdings Dock Improvement Project through the RDC – Ms. Linke identified that RDC has approved no more than \$50,000 for a truck dock expansion.
- b. Shale Creek Business Incentive through the RDC -- \$13,000 business incentive for construction and expansion.
- c. Powder Metal Tech Business Incentive through the RDC – New business from Marion County moving to Franklin, \$40,000 business incentive approved.
- d. Request for use of the RRLF for a currently vacant property. It is in the current area and a rental property. They are only eligible for \$20,000 with giving \$10,000 back. Perhaps an affidavit could be prepared and signed by the owner to income restrict the renters. Ms. Jones asked what would happen if they didn't comply and Ms. Linke confirmed they would then have to repay all of the loan. Mr. Schafstall reported that there is a way to secure a commitment from the landlord for tenant income eligibility. Mr. Bedwell described that it isn't the intention of FDC to monitor the renter income so would be putting good faith in the property owner.

Next Regular Board Meeting – July 27th, 2017 at 8:00 a.m.

**Adjourn:**

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

**Approved this 22nd day of June, 2017:**

By: \_\_\_\_\_  
Jeffrey Mercer, President

Attest: \_\_\_\_\_  
Kim Minton, Secretary