

MINUTES

September 24, 2015
Board Meeting
City Hall – Council Chambers

Members Present:

Steven Woods President
Lisa Jones Vice-President
Jeff Mercer Secretary
Angela Coy Treasurer
Mike Denney Member
John Ditmars Member
Kim Minton Member

Others Present:

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

Call to Order:

Steve Woods called the meeting to order at 8:00 a.m.

Approval of Minutes:

Jeff Mercer made a motion to approve the August 27, 2015 minutes as presented. Lisa Jones seconded the motion. The motion carried.

Public Comment:

Rob Shilts expressed gratitude for the \$50,000 matching grant used for the new Madison Street salvage yard. The ribbon cutting was Friday with over 100 people in attendance.

Committee Reports:

- A. Communication Committee:** Steve Woods (Meets as needed):
1. Website: www.FranklinDevelopmentCorporation.org – There is nothing new to report at this time. The committee will reconvene to discuss updates and maintenance.
 2. Schedule Communication Committee Meeting
- B. Finance Committee:** Jeff Mercer and Angela Coy (Meets as needed):
1. 2012, 2013 & 2014 Audit – The audit is moving forward.
 2. 2014 Form 990 – There should be a draft by the next board meeting. The deadline is November 15.
 3. Request made to the RDC (9/21/15 meeting) for 2016 Program Funding – Steve Woods and Mr. Mercer presented to the RDC Monday to complete an ask for additional dollars. The monies given several years ago have just about been expended. RDC seemed to receive the presentation well, but it may take them a month or two to determine their funding stream and if the FDC ask of \$500,000 for each of the next three years was doable for them. They indicated they would have an answer for FDC in November. FDC was asked to present to City Council as well on October 5.

4. 2016 Budget – Mr. Mercer worked closely with Krista Linke and Angela Coy to include a projected three-year budget in the RDC presentation which was stagnant at \$27,750 in each of the three years. It is prepared and ready for approval at next month's meeting.

Mr. Woods encouraged everyone to attend the October 5th City Council meeting as a show of solidarity. John Ditmars thanked Mr. Woods and Mr. Mercer on their presentation to the RDC and how it was a good example of how those kinds of presentations should be made.

C. Abandoned/Tax Certificate Properties: Kim Minton and Mike Denney (Next Meeting TBD):

1. Tax Certificate Properties Update: Rob Schafstall & Rhoni Oliver – Rhoni Oliver reported that the tax sale is Oct. 1st at 10am. Ms. Oliver will bring the remaining properties to FDC after that time. Mr. Woods asked if what's available could be cross-referenced with what's top on Ms. Oliver's priority list. Ms. Oliver assured that she will bring recommendations to the commission after communication with the police and fire departments along with Dave Walters in code compliance. Mr. Schafstall reviewed that there are a total of seven abandoned tax certificate properties. Four came out of the flood, and those are completed. Three others did not sell at last fall's tax sale. They are 544 W Jefferson, 420 W Jefferson and a vacant lot on Johnson. The auditor transferred the tax certificates to the Johnson County Commissioners in September of 2014. In February of 2015 the Commissioners assigned those properties to the City of Franklin. Mr. Schafstall anticipates this will not be a smooth, quick process as originally thought. Ms. Oliver will speak with Lynn Gray to see if auditor Pam Burton should be there as well. Ms. Oliver does feel that the properties will be able to be secured, but not according to the originally projected timeline. Mr. Jones added that there are other properties as well. Ms. Oliver thinks those additional properties can be gotten as well, it is just a matter of timing.

D. Loan and Grant Committee: Lisa Jones, Mike Denney & David Bedwell (Next Meeting:

October 21st, @ 3:00pm): There are no new applications to present today. Three new applications are in process, but their information is not complete yet to be able to present.

1. Loan and grant policy for project changes during construction and how those requests are processed – Ms. Jones reported that currently the loans are able to be approved by the committee and the grants must come before the board. The committee is wondering if the board wants to discuss streamlining the grant process at all. Ms. Jones explained that the guidelines have been fine tuned to the point of being pretty cut and dry. Mr. Woods asked if Ms. Jones should go ahead and make a motion for that change and then open it up for discussion. Ms. Jones didn't want to make a motion if the board is not comfortable with the potential change unless it is required to get the discussion started. Mr. Woods asked the board what everyone thought, opening it up for discussion. Mr. Ditmars thinks the committee is in place to function within guidelines as set by the board. But the board has been put in to an approving role instead of a board who receives a report on the committee's activity. Thus, he feels the committee should be empowered to do their job, and the board should only be required to deal with exceptions. Ms. Jones highlighted it would be smoother for Ms. Linke to manage the projects and offer a more user-friendly process to applicants. Give input to Ms. Jones and it can be voted on next month. Mr. Woods explained that this used to be policy but due to a previous board member who was not comfortable with it, an exception was made. Mr. Woods is comfortable with moving forward on a decision for this today to

allow the committee to go back to how they had done it previously. Mr. Mercer favored this as well and clarified that exceptions would all be brought back to the board along with monthly reporting. Ms. Jones confirmed. Mr. Woods reminded that recipients could still be summoned to present before the board. Ms. Jones reminded the three members of the committee are Dave Bedwell, Mike Denney and herself. Mr. Ditmars is supportive but doesn't want to be overly concerned about being overly accommodating to the applicants since they are receiving such an attractive benefit. Ms. Linke says this won't change as much with the original application but more about unique things that arise during construction that need a more timely response. Mr. Woods summarized that there are two pieces to the discussion. Ms. Jones is looking to restore the power to the Loan and Grant Committee to make decisions without any board approval and separately the power to handle additional requests that arise during construction. Ms. Coy thinks we need to wait a month to vote to make sure there is clear understanding. Mr. Ditmars thinks the two pieces could be interrelated and thinks as long as the changes that come up are within the prescribed guidelines, they also could be handled by committee. Mr. Woods asked Ms. Jones to e-mail a recommendation draft. Ms. Minton asked for a comparison of current policy vs. proposed changes. Ms. Jones agreed to. Mr. Woods thinks they are separate issues and agrees with Ms. Coy to allow for further discussion.

2. ArtsGarden Open House on Saturday, October 3rd from 4-7pm – An invitation was received for this event and Ms. Jones thinks a show of support by FDC attendance would be good.

Strategic Plan Update: Kim Minton

There is no update. It is fairly complete. Ms. Minton has sent it out to the board and suggests that now the board starts to work the plan. Mr. Woods thanked Ms. Minton for her leadership in this process. Ms. Linke asked if the board wants this on the October agenda for a full board vote of approval. Ms. Minton agreed.

Agreement for Administrative Services by and between the Board of Public Works and Safety of the City of Franklin, Indiana and the Franklin Development Corporation:

Ms. Linke said this agreement came before Board of Public Works Monday evening. It is with regards to a façade grant project for which the city was awarded \$250,000 through the state Office of Community and Rural Affairs and the FDC provided a \$200,000 match. It's closed out through the state with a few remaining items to complete. The agreement would be between the BOW and FDC. BOW has asked that FDC administer the remainder of these funds through the rest of the project. Ms. Linke supports this request. Mr. Mercer is supportive of the FDC involvement in this way. Mr. Mercer highlighted that the FDC scored far lower on their direct investment score due to it beginning to be initiated by other groups and not the FDC. This is part of the ever-changing role of the FDC. Mr. Schafstall wants to know the scope of services for this agreement and clarify the administrative fees expected is perhaps \$200 at best and not \$1500 as cited in the agreement. Ms. Linke highlighted Scope of Services & Terms.

“All work shall be in accordance with FDC Overlay requirements and in accordance with FDC approval of kind, quality and colors to enhance the Façade.

All work will be done in accordance with the City of Franklin Ordinance and Code requirements. Any required permits will be obtained and the responsibility of the property owners.

No awning shall be affixed, attached or supported by City sidewalks and/or public right-of-ways.

The allocated funding will be divided as follows:

- a. Total available \$67,822.35
- b. Artcraft available funding \$52,500.00
- c. Total funding for awnings is \$15,000.00 apportioned as follows:
Large share for awning \$3,300.00 (3 large shares at 22% each)
Small share for awning \$1,650.00 (3 small shares at 11% each)
Administration fees to FDC \$322.35

Ms. Jones made a motion to approve the administrative services agreement. Mr. Mercer seconded. The motion passed.

Term Limits: Mr. Woods reviewed that the board needs to vote to extend terms for Mr. Denney and Mr. Mercer and update from Ms. Jones and Mr. Ditmars. And the officer slate also needs to be discussed and voted on either in October or at this meeting.

Mr. Woods made a motion to renew Mr. Mercer and Mr. Denney's terms for another year, Mr. Denney through Oct. 2016 and Mr. Mercer through Sept. 2016. Motion was seconded by Ms. Coy. The motion passed.

Ms. Jones is on City Council agenda for discussion at Oct. 5 mtg. Mr. Ditmars is on agenda for discussion at the next EDC meeting.

Ms. Coy nominated Mr. Mercer as president. Ms. Jones seconded the motion. The motion passed. Mr. Ditmars nominated Mr. Woods as vice-president. Ms. Coy seconded the motion. The motion passed.

Mr. Ditmars nominated Ms. Minton as secretary. Ms. Coy seconded the motion. The motion passed. Mr. Mercer nominated Ms. Coy as treasurer. The motion was seconded by Ms. Jones. The motion passed.

These appointments take effect next month.

August Financial Report:

- a) Balance Sheet – Ms. Linke reported that much work has been done on this through the audit process to bring things up to current standards.
- b) Budget vs. Actual – The local government grants is money received for B2S Labs. The Program Service Fee are the loan closing fees. Ms. Coy advised putting that into the income statement and set up a grant payable account. Mr. Schafstall identified that the RFP program is also overstating the expenses. Ms. Coy supported that they are not operational expenses. Ms. Linke would like to see operational expenses separate from program expenses.
- c) Residential Revolving Loan Fund (RRLF) – A couple of loans had missed payments. Ms. Linke sent the two loans for Walter and Helene Roach to Horizon and they did not make the first payment, so Ms. Linke will contact them.
- d) Commercial Revolving Loan Fund (CRLF) – This is fairly similar to last month.
- e) Downtown Façade Matching Grant (DFMG) -- A couple of loans were closed out.
- f) Requests for Proposals (RFP) and Direct Investments (DI) – Fred Paris is nearing completion and B2S has started making draws on their grant. That property closed on 8/28 and \$75,000 was

deposited in operating. Mr. Schafstall asked if B2S has made draws on the façade grant or on the RDC \$250,000 grant? Ms. Linke reported that they have made draws on the RDC \$250,000 grant, but not on the loan or the \$50,000 façade grant. Mr. Ditmars asked when activity can be expected on this project. Ms. Linke has met with the architect but does not have the final design approval. Ms. Coy asked for an update on Julie Stewart in that her 60 days is about up. Ms. Linke confirmed that her payments should begin again next month and if not she may request again for additional time. Ms. Coy followed up in asking about the other two. Ms. Linke reminded that the Roaches are the two she mentioned previously and the Schmidt loan was the bankruptcy previously discussed. Ms. Jones asked about the process for payments that are behind? Ms. Linke assured we do, that a letter is sent. Mr. Woods asked that a letter be sent to Julie Stewart.

Director Report:

- a) **CFMG: 97 E. Monroe Street – B2S Labs** – They are not through their final façade approvals yet.
- b) **CFMG: 102 W. Jefferson Street – Brian L. Pence** – A new application was received.
- c) **CFMG: 55 E. Court Street – Ryan Wadsworth** – A new applications was received.
- d) **CFMG: 40 ½ E. Jefferson Street – Jim Admire** – A new application was received.
Ms. Linke reported that the Discover Downtown Design Committee met with each of these three property owners. They don't have final design approvals or contractor estimates yet, but it is hoped that the committee will have them by their October meeting so the soonest they would come before FDC would be the October meeting. Mr. Schafstall disclosed a personal and professional relationship with Jim Admire. Mr. Schafstall and Mr. Admire together operate a title insurance company at that site, but Mr. Schafstall is not an owner of that building.
- e) **Economic Development Fee:** The proposal made at the last meeting was finalized Monday night at City Council. Due to the withdrawal of Johnson County Development Corporation, five organizations were approved to receive equal disbursements of \$4,706.08 that FDC specifically would use toward the purchase of a tax sale property.
- f) **Indiana Main Street Community Exchange:** This event was hosted yesterday through Discover Downtown Franklin. Main Street directors and board members from 15 different communities all over the state were in attendance. Ms. Linke was a panel presenter discussing what the FDC does, providing them copies of programs, applications and design guidelines. The session was very informational and well received. Ms. Linke thanked Mr. Woods, Mayor McGuinness and Mr. Heuchan, a fellow presenter.

Additional Items:

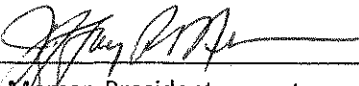
- Next Regular Board Meeting-October 22nd, 2015 at 8:00 a.m.

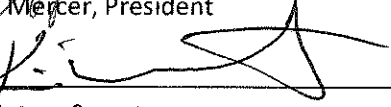
Mr. Woods congratulated the new officers and expressed his pleasure to have served as the president and that he looks forward to Mr. Mercer's leadership and all that 2016 will bring.

Adjourn:

No further business came before the Directors. A motion to adjourn the meeting at 8:53 a.m. was made by Mr. Mercer. A second was made by Ms. Coy. The motion passed.

Approved this 22nd day of October, 2015:

By: 
Jeffrey Mercer, President

Attest: 
Kim Minton, Secretary