

MINUTES

March 16, 2023

Board Meeting

EXECUTIVE SESSION

Members Present

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

Others Present:

Krista Linke.....Community Development Director
Drew Eggers..... Legal Counsel

Welcome and Call to Order:

David Bedwell called the meeting to order at 8:02 a.m. He thanked Kim Kasting for her past leadership as president. He also introduced new board member Amy Haacker and had each board member introduce themselves to Ms. Haacker.

Discussion of FDC-owned Property: 351 E. Jefferson Street

Mr. Bedwell explained that he along with Dustin Royer and Krista Linke have met with two of the three proposed parties. One interested party is Roux-ga-Roux with Thomas Moore and Corey O’Sullivan. The second group was Iozzo’s Italian Restaurant. Thirdly, Mr. Bedwell entertained a phone call from Kyle Kasting with Midwest Communication Group for an office use downstairs and videographer space upstairs. No terms have been discussed with any of the three prospective tenants. All three desire to purchase.

Ms. Linke identified that proposals have not been solicited at this point. If the board were to elect to go that route, FDC would likely work with a professional such as Teresa Harwood. With the rental income providing funds for operating funds, the consensus at this time is to not sell. If it were to be sold, the \$350,000 RDC gave FDC should go back in to the pool of restricted monies. Any overage could go in to operating or interest income or unrestricted account for residential projects outside the TIF.

Mr. Royer presented a pro forma study for 15 years on the rental income. Over a 15-year period, the net income was approximately \$840,000 and a remaining \$900,000 asset. As rental income increases, a 15-year period would result in over \$1,000,000 with a property value over \$1,000,000.

If Kyle Kasting were to be in the building, he would want minimal upstairs buildout. For the short-term Mr. Royer did not advise doing any upstairs buildout. He thought buildout made sense for the long-term. Mr. Kasting's initial offer was a purchase price of \$400,000. Ms. Linke maintained that if FDC was interested in selling there would potentially be a much higher increase of the number of buyers and at a much higher price point. Mr. Kasting did state that if FDC was not willing to sell at this time, he would be interested in leasing. A thorough discussion of rent vs. sale followed.

Mr. Bedwell proceeded with a summary of the feedback from Mr. Royer, Ms. Linke and himself on each of the potential tenants. He also identified the goal for this meeting being to identify first choice of a tenant of the three but without official vote. Their focus was not only financial but what was best for the city of Franklin. Their consensus was a recommendation to proceed with Iozzo's. Italian food was a draw as there is not a large selection in Franklin. Iozzo's specifically stated they would not offer pizza as that market is well covered in Franklin. They have investors behind them such as Greek Isles and Giorgio's. Ms. Linke highlighted their initial pro forma submitted and their plan for a buildout of approximately \$500,000-600,000 for kitchen and bar. They did not ask for money from FDC, but would prefer a 10-year lease, but would entertain a five-year lease with first right to purchase. They are interested in purchase in the future. Many details were discussed with them such as parking, liquor licenses, utilities, dumpster enclosure, the neighboring property owner, employee count, interior design, and they are very professional and experienced in all aspects. They are not interested in the upstairs at this time. They have also purchased a liquor license for Bargersville. Discussion continued covering many aspects and details, highlighting a number of parking comments. Iozzo's timeline would lead to an early 2024 launch. FDC expenses would be a parking lot and electrical upgrade.

Mr. Bedwell reported on his phone call with Kyle Kasting. Mr. Kasting did not provide a proposal for review. He would require an option to purchase be built in to the contract. Mr. Bedwell communicated to him that he did not think FDC was willing to do that. Sale was a non-negotiable for both parties.

Thirdly, there was the proposal from Thomas Moore and Corey O'Sullivan who currently run Roux-ga-Roux and The Mint. They desire expansion into 351 E. Jefferson. It would be a jazz environment with live music certain days of the week. It was considered a viable option with a lot of positives in their proposal. They are interested in the full building, upstairs included. They want FDC to do the buildout and offer assistance on other portions of the building. They need a secondary egress on the upstairs. Mr. Royer approximated an upfront investment of \$150,000 with this option. They projected being operational in approximately 90 days. Further discussion followed. They desire an option to purchase as well. The Mint would be incorporated as well, and they have a party interested in subletting. They already have a liquor license that would transfer.

Financials and guarantees would be good to secure from applicants and Mr. Eggers also contributed that anything can be put in the contract. He offered other legal details and his legal opinions. Programming funds could be used for signage on all locations. There was unanimous consensus to pursue Iozzo's and for Ms. Linke, Mr. Bedwell and Mr. Royer to continue the negotiations. For the time being, all is to be


kept anonymous. Mr. Royer suggested a letter of intent. Discussion was held on how to proceed with future meetings and votes and timing of communication to applicants and JP Parker.

Adjournment

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

Approved this 20th day of April, 2023:

By: 
David Bedwell, President

Attest: 
Amy Richardson, Secretary