



MINUTES

June 26, 2024
Board Meeting

Members Present

David Bedwell.....President
Tina Gross.....Vice President
Amy Richardson.....Secretary
Lisa Jones.....Member
Amanda Ott.....Member

Others Present:

Krista Linke..... Community Development Director

Welcome:

David Bedwell called the meeting to order at 9:00 a.m.

Approval of Minutes – April 24, 2024

Amy Richardson made a motion to approve the April 24th minutes. Amanda Ott seconded. Passed unanimously, 5-0.

Monthly Reports:

A. Awareness Committee or Monthly Update: Ms. Richardson reported that they have not met. Krista Linke added that she is trying to finalize the 2023 annual report and current project summaries. She will have them ready for review at the August 15 meeting.

1. Next Meeting Thursday, August 15th at 9:00 am

B. Finance Committee or Monthly Update:

1. April and May 2024 Financial Reports – There were more missed payments in April than usual. If these individuals do not make their May payments, Ms. Linke will call them. There is one residential loan recipient that has not made a payment since March. May’s financials are not ready due to some report anomalies. She is working with Horizon Bank to resolve. She also highlighted some report updates for both loans and grants. Total program funds available are \$645,000. Upon completion of the annual report, presentations for 2025 funds could be prepared and begin. Ms. Richardson commended Franklin Jewelers for the look of their completed project. Ms. Linke has also talked to Josh Shanafelt for his permission to use it as an FDC project example. She also quoted the building owner as being very pleased as well.
2. 2023 Audit – The new auditor hopes to begin next month. And Ms. Linke also announced that the IRS waived the 2020 tax penalty. Ms. Richardson also added about a conversation she had with Wendy Shuler expressing her deep appreciation for the FDC and their help on her property.

C. Loan and Grant Committee or Monthly Update:

1. RRLF: 862 E. Jefferson Street – Nanci Rodgers \$25,000 – This award is 25% grant and 75% loan because it is a rental property. The tenant’s income qualifies though the owner’s would possibly not. The owners want a lot of work done to this property. The current estimate is for just over \$54,000. They wanted Marissa Stout to include all exterior repairs in a full estimate presentation. Previous work has been done by FHI and FDC. The house is in disrepair. Ms. Stout has tried to convince them to use their insurance for roof repair from hail damage.

Attorney Drew Eggers entered the meeting.

There are an additional \$20,000 in repairs not included on the current estimate. One of the difficulties with houses with vinyl or hardy plank is any repair work requires painting as well. They have many original windows, foundation damage and a falling chimney. Ms. Stout just completed an interior remodel to a small additional house located in the back of the property. The owners want to know if it’s possible to ask for an additional amount of money. Their window and chimney repair would be an additional \$8-10,000. The woodwork does not include any windows. The windows cannot be restored without additional funding. Tina Gross asked if there is precedent for this type of request. Ms. Linke confirmed. Ms. Ott would like to see the insurance claim play out before making an FDC decision for increased funding. Mr. Bedwell concurred. Ms. Linke identified that the chimney and foundation repairs are not on this estimate. They still significantly owe Ms. Stout for her interior remodel on the back house, so if they do not get this paid, Ms. Stout will not personally be moving ahead with this project. FDC chose to wait until the insurance claim is completed.

2. RRLF: 236 S. Main Street – Monte & Verna Jordan - \$25,000 – A site visit was conducted. An estimate of \$25,000 from All-In-One has been received for siding, gutters and roof. They have been told that vinyl siding is not permitted. The contractor has agreed to use hardy plank siding without increasing the cost, so a revised estimate has been received. The owners were going to have to move as they couldn’t afford the repairs. They had been working with their realtor to find a new place. Their realtor reached out to Ms. Linke on their behalf, and they were approved for a 100% grant.
3. RRLF: 2024-02 Shuler, Wendy – 249 W. Madison Street – When the site visit was conducted, the siding had yet to be removed so the damage underneath was undetermined. The revised estimate from Ms. Stout has since been received, and it is for a 70% grant and 30% loan. The total is \$36,460. This is for foundation, roof, guttering replacement, exterior paint and woodwork and repair of a leaking skylight. FHI removed most of the aluminum siding and Ms. Stout’s team followed to remove the remainder, the soffit and all the window metal. Ms. Shuler has additional projects beyond this scope of work that Ms. Stout will do as well. As much of the wood siding as could be salvaged was taken of the Duane Street demolition and sourced for this renovation. A couple of windows have already been redone in poplar. A couple of windows and door have been uncovered. A possible French door will be installed on the back of the house. The current approval is for \$25,000 with the Loan and Grant Committee’s recommendation to increase to \$35,000. It would be an additional \$8,000 in grant monies. The total amount Ms. Shuler is putting in is \$36,460 for scope of work. Ms. Shuler is on the FHI board and submitted the most complete application Ms. Linke has ever received in the history of this program. Ms.

Gross made a motion for approval of \$36,460. Ms. Ott seconded. Passed unanimously, 5-0.

4. Site Visits (if needed) Tuesday, August 13th @ 3:00pm
5. Loan and Grant Committee Wednesday, August 21st @ 3:00pm
6. Previous Façade Grant Recipients – Mr. Bedwell advised moving remaining agenda items #6-10 to the next board meeting in light of several members missing today.
7. Engineering Studies
8. Commercial Roofs and Foundations
9. Second Story Residential
10. Residential Repair Program Maximum Amount

D. Development Committee or Monthly Update:

1. Property Recovery Task Force: Next Meeting Wednesday, July 17th @ 9:00am (Need to Reschedule)
2. 650 Overstreet Street Project Budget – This house had a drug bust in it and has now been sold at this past tax sale. It's been a year in the process with title. The purchaser owns thousands of properties across the nation and often does nothing with them. He might sell them as is or minimally fix them and then sell to renters. It has been vacant for two years. Dustin Royer contacted the owner and they paid \$30,000 for the property including back taxes. It is not in the TIF. An estimate of \$192,000 has been received from Ms. Stout to completely renovate the home. It could be a three-bedroom, two-bathroom. A purchase offer would need to be made to the owner. It is boarded up with a tarp over the back section. The city is mowing it and there are sewer liens. Mr. Royer would like to offer \$45,000 for purchase. Ms. Linke identified that it is possible money would be lost on this project. There is approximately \$240,000 in unrestricted funds. Ms. Stout said if the side portion is demolished, it would be a bit under a 1200-square-foot home. Mr. Royer thought \$249,000 could be the sale price. The basement, roof and original brick are in fair condition. The shed roof where the kitchen is located will need to be replaced. The front of the house is the original portion and full brick all the way up through the gable, and it is in pretty good condition. They pulled siding off all sides of the house and there is clapboard underneath. The home needs all new mechanicals. Emptying the home would require eight to 10 40-yard dumpsters. There is mold, so the house would be gutted to the studs. The window cost could be cut in half if vinyl clad are permitted instead of wood, aluminum-clad. Ms. Linke would be content with breaking even on the project. The owner told Mr. Royer to make a purchase offer. Any liens would have been cleared at the time of first purchase. Any additional liens would be paid off at the time of the next sale. Mr. Bedwell made a motion to approve a total budget of \$250,000 for acquisition and budgeted renovations of this property. Ms. Gross seconded. Passed unanimously, 5-0.

3. Hurricane Street Lot – Ms. Linke identified this lot across from a small grocery as a potential for a new build. Ms. Stout made a purchase offer that has been accepted but it has a tax deed on it. Her offer has been accepted, but the tax deed process is continuing. She is willing to sell it to FDC for what she paid if there is FDC interest to build. There was a little store and it was their parking lot. The store has been sold. There are also adjacent empty lots on Ott street. If FDC desires new builds, Ms. Stout says there are lots available to pursue around town. This property is south of the property FDC did on Hurricane. Ms. Stout added a report from the owners of 650 Hurricane Street about their appreciation for FDC and their happiness with their property and neighborhood.

Director's Report

1. 351 E. Jefferson Street Update – A buildout of the second floor requires a fire suppression system estimated at about \$75,000. And if something were to fall through with Iozzo's, this would still be required for the building to be either leasable or sellable. At Mayor Steve Barnett's suggestion, the Redevelopment Commission has been asked for the funds since it is an FDC building and Iozzo's is already investing one million dollars into the building. Attorney Dustin Huddleston is preparing an EDA for consideration at the RDC July meeting, likely a grant agreement. Iozzo's did not ask for this. The city offered. Ms. Richardson expressed full support. Attorney Drew Eggers asked if there are still up to date on their payments, and Ms. Linke assured they were. He asked what their timeline is, and they state they are approximately 90 days out, though Ms. Linke finds this to be ambitious. Attorney Eggers asked if anyone has noticed significant use of the parking lot on the north side of Jefferson since it's been redone. Rob Shilts reported that during festivals, it fills up. Ms. Gross made a motion to approve the \$75,000 request of RDC for the fire suppression system. Ms. Richardson seconded. Passed unanimously, 5-0. The RDC meeting is July 16 at 8am. FDC members are encouraged to attend. The loan is closed for Iozzo's.
2. 550 E. Jefferson Street Update – This is the Alva Neal Building. JCCF is looking at the property as part of a Lilly grant. There is a need in Johnson County for daycare and early childhood education. JCCF wants to partner with the city to purchase the property and converting the first floor to an early learning center with an early learning care coordinator and training for caretakers. Kim Minton has a meeting with Soil and Water tomorrow about purchasing the property. JCCF would purchase and gift it to Franklin. There might be the potential for the FDC to be involved with the second and third floors. The JCCF request through Lilly was \$1.5-6 million dollars to purchase the property and complete major renovations, outfitting the first floor for the early learning center. There were 90 applications with 50 making it to the second round. JCCF's application was one of the 50.

Public Comment

Rob Shilts reported the Willard engineering study should be received mid-July. A brick mason has removed all the vines that caused extensive deterioration. The Artcraft has scaffolding going up currently for the north stage wall which will complete the last of the tornado damage repairs. Mr. Shilts expressed gratitude for the matching grant for the tuck pointing. He also reiterated Wendy Shuler's project and her enthusiasm and gratitude for it.

Adjournment

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

Approved this 28th day of August, 2024:

By: _____

David Bedwell, President

Attest: _____

Amy Richardson, Secretary