

MINUTES

January 28, 2021

Board Meeting

Members Present

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

Others Present:

Krista Linke.....Community Development Director

Welcome:

Kim Kasting called the meeting to order at 8:00 a.m. She welcomed RDC's appointment of Amanda Ott to FDC.

Approval of Minutes – December 17, 2020

Amy Richardson made a motion for approval of the minutes. Tina Gross seconded. Passed unanimously, 6-0.

Election of Officers

- a. President – Ms. Richardson nominated Ms. Kasting. Dustin Royer seconded. Passed unanimously, 6-0.
- b. Vice-President – Lisa Jones nominated Ms. Gross. Ms. Richardson seconded. Passed unanimously, 6-0.
- c. Treasurer – Ms. Richardson nominated Lisa Jones. Amanda Ott seconded. Passed unanimously, 6-0.
- d. Secretary – Ms. Jones nominated Ms. Richardson. Ms. Gross seconded. Passed unanimously, 6-0.

Monthly Reports:

A. Awareness Committee or Monthly Update: Ms. Richardson had no report. The committee has not met. Dana Monson is covering communication efforts currently and Ms. Richardson thanked her and Krista Linke for that. Ms. Kasting reminded that communication needs to take place soon for the upcoming grant session. Ms. Richardson will review committee members.

B. Finance Committee or Monthly Update:

1. 2019 Audit – Alerding reports being almost complete. They have a different view on restricted and unrestricted funds. Angela Coy's firm does not do audits. Other recommendations, preferably within Johnson County, are welcome. 1099's were not done last year, so that will be noted on the audit. This year they have been completed and sent out.
2. December Financial Reports – Yearend balance for the commercial façade matching grant account at First Merchants was \$284,000. At Horizon are the commercial and residential

revolving loan funds with a yearend balance of \$466,000. There is a CD at First Merchants earning some interest at \$250,000 that could eventually go in to the façade grants. Operating ended the year just over \$107,000. Along with operating the RFP and direct investments checking is at Mutual and right at \$63,000. The total is \$1,171,000. Accounts receivable (loans in repayment) total still coming back to RDC is \$593,940 over the next seven years.

3. 2021 Budget – Ms. Linke highlighted the local government grant of \$300,000 awarded by RDC in 2019 but not deposited until January of 2020. Rental income ended with Crossroad and O’Mara having two contracts in town, so their field office is half of the first floor. They pay \$2,400/month. JP Parker pays \$600/month for the other side, using it as warehouse space. Program service fees are for closing fees, \$150/closing. There is interest income and general expenses. Net income for the year was \$123,000. The residential program still has three projects in process. Ms. Linke also went through the status of commercial loans. There are several façade grants still in process, some from 2017. Yearend program funds total \$519,000. Ms. Jones asked if there is a time limit on loans. Ms. Linke said it is to be nine months. Some extensions have been approved. Additionally, Ms. Linke admitted she is probably too lenient. She will begin work on closing out the older loans.

She continued with the 2021 budget information, including 2019 and 2020 budgets and actuals. She went over the rationale for projected all account budget figures for 2021.

Ms. Gross advised that the reinvestment of the \$30,000 tax sale property profit should be reflected in the report. Ms. Gross made a motion to approve the budget. Ms. Ott seconded. Passed unanimously, 6-0.

C. Loan and Grant Committee or Monthly Update:

1. First round of funding in 2021 – Applications due February 26 – There is \$75,000 in programming funds and the next round of applications are due February 26. No applications have been received at this time. Ms. Jones inquired about a notice in the Daily Journal. Ms. Kasting will write a press release. Ms. Linke suggested David Bedwell for committee chair to fill the vacancy from Steve Woods.

D. Development Committee or Monthly Update:

1. 280 Circle Drive – The complete transfer is 30-60 days out. Mr. Royer met with a group of contractors there last week and have very approximate, high end repair estimates. Contractor and house flipper Marissa Stout was met with and provided a “do not exceed” cost plus 15% bid numbers. Her rough high end rehab quote totaled \$82,500 plus 15% so roughly \$95,000. It is an all-encompassing quote without driveway. Mr. Royer identified the scope of work and believes the total will actually be significantly lower than the quote. He thinks it can sell for \$125-140,000. Mr. Royer offered to be the liaison between the FDC and contractor. Ms. Jones asked if the city’s requirement of three bids over a certain amount applies to FDC as well. Rob Schafstall said it is not a requirement for FDC. Ms. Jones believes additional bids advisable. Mr. Schafstall asked if other options for the property are still being considered apart from remodel and resale such as selling as is or demo and sell an empty lot. Ms. Kasting explained the main goal to get it back on tax rolls, owner occupied and to a standard matching the neighborhood. Mayor Steve Barnett sees the profit margin feeding into a plan of fixing up one or two houses a year, contributing to the goal of getting the FDC self-sufficient in addition to upgrading city

neighborhoods. Ms. Ott expressed the price point of this home being a challenge for Johnson County and supported making such available. Mr. Royer doesn't feel the lot to be very valuable for sale and selling the house as is gives up FDC quality control. Ms. Richardson sought confirmation that Mr. Royer was able to project manage as many as potentially two homes a year. Mr. Royer assured he is both available and able with the right general contractor as his one point person. Ms. Linke added that Franklin Heritage wants to be involved as well.

Rob Shilts brought comments on behalf of FHI, giving an overview of their history and changes in focus, expressing their desire to get back in to neighborhood revitalization. Ms. Jones asked what Ms. Stout's projected timeline would be, and Mr. Royer believed it to be six to eight weeks. Ms. Kasting supports getting another one or two quotes.

2. 650 Hurricane Street – Bob White has agreed to extend for 30 days the offer to purchase this property. The HOME grant is one possibility for this property along with a couple of others. Ms. Jones asked if the HOME grant is an option for Circle Drive as well, and Ms. Kasting responded no. Ms. Ott and Dana Monson have done all the research on this grant.

Director's Report

1. Trevor Moorman, Intern – Project Summaries, tax certificate properties presentation – Mr. Moorman gave a PowerPoint presentation on all properties showing the assessed valuation since FDC's securement of each property.

2021 City Projects Update (Mayor Barnett)

1. 2021 Redevelopment Commission Cash Flow Analysis Worksheet (Krista Linke) – Mayor Barnett reviewed an extensive list of city projects for 2021. He reported that last year in Franklin assessed values rose 6.01%. RDC should be able to grant FDC \$100,000 this year. Ms. Kasting expressed appreciation for the mayor's time and presentation.

Public Comment

Mr. Shilts gave a year-end report on the Artcraft. February 6 is the annual sponsorship party, this year virtually.

Adjournment

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

Approved this 25th day of March, 2021:

By: _____
Kim Kasting, President

Attest: _____
Amy Richardson, Secretary