



City of Franklin

109 3rd Ave S
Franklin, TN 37064
(615) 791-3217

Meeting Minutes

Work Session

Tuesday, May 23, 2023

5:00 PM

Board Room

CALL TO ORDER

Mayor Moore called the meeting to order at 05:00 PM

Board Members Present: Brandy Blanton, Clyde Barnhill, Ann Petersen, Patrick Baggett, Matt Brown, Beverly Burger, Gabrielle Hanson

Jason Potts arrived at 5:12 PM

Board Members Absent: None

Staff Present: Eric Stuckey, Shauna Billingsley, Vernon Gerth, Mark Hilty, Angie Johnson

CITIZEN COMMENTS

Comments on agenda items may be made in person at City Hall or by emailing recorder@franklinton.gov before noon on the day of the meeting. Comments will be submitted for the record.

Tom Bell, 177 Lancaster Drive, wants to thank the Board for their due diligence with the Middle Eight Project, but he is opposed to its approval.

Lori Hennen-Bell, 177 Lancaster Drive, is also opposed to the approval of the Middle Eight Project.

WORK SESSION DISCUSSION ITEMS

1. **Consideration Of Special Event Permit For Franklin On The Fourth Sponsored By The Franklin Lions Club In Downtown Franklin On July 4, 2023**

Sponsors: Milissa Reiersen, Monique McCullough

The item was acknowledged and is expected on the June 13, 2023 Board of Mayor and Aldermen Meeting for consideration.

2. **Consideration Of Special Event Permit For Franklin Classic Sponsored By Mercy Community Healthcare In Downtown Franklin On September 4, 2023**

Sponsors: Milissa Reiersen, Monique McCullough

The item was acknowledged and is expected on the June 13, 2023 Board of Mayor and Aldermen Meeting for consideration.

3. ***Consideration Of Resolution 2023-31, A Resolution Approving The City Administrator As The City Representative Of The Largest Municipally Owned Utility To The Coordinating Committee For The Williamson County Growth Plan And Franklin Urban Growth Plan**

Sponsors: Mayor Ken Moore

The item was acknowledged and is expected on the May 23, 2023 Board of Mayor and Aldermen Meeting for consideration.

4. ***Consideration Of Resolution 2023-45, A Resolution To Ratify Tennessee Private Acts, Chapter 16 Of The Tennessee General Assembly, Modifying The City Of Franklin Charter Relative To Allowing The Vice Mayor Or Alderman Serving As Mayor Pro Tempore, When Serving As Mayor To Vote**

Sponsors: Eric Stuckey, Shauna Billingsley

The Charter of the City of Franklin, Tennessee is incorporated by Chapter 126 of the Private Acts of Tennessee of 1967. The Board of Mayor and Alderman (BOMA) approved Resolution 2022-80, a Resolution to amend the Charter to allow the Vice Mayor or Mayor Pro Tempore to vote when serving as Mayor. The Tennessee Legislature considered and approved Resolution 2022- 80, subsequently assigning it to Private Acts, Chapter 16 (2023-2024 Tenn. Priv. Acts 16). BOMA must approve the private act by a 2/3 vote of the entire membership for Chapter 16 to become effective.

The item was acknowledged and is expected on the May 23, 2023 Board of Mayor and Aldermen Meeting for consideration.

5. **Consideration Of Resolution 2023-01, A Resolution To Approve A PILOT (Payment In Lieu Of Taxes) Program For In-N-Out Burger**

Sponsors: Eric Stuckey, Shauna Billingsley

In January, In-N-Out Burger announced the selection of Franklin as the location of their eastern territory office. This project will be the first expansion of this iconic restaurant east of Texas and will serve as a base operations for the In-N-Out Burger's expansion to the eastern half of the United States. In-N-Out Burger plans to construct an office building and a restaurant on its site in Franklin, representing a total investment of \$125.5 million. In-N-Out plans will create at least 277 jobs in Franklin with an average salary of over \$91,000. In-N-Out Burger plans to begin construction of a 100,000 square foot office building in Franklin by late 2024 with completion expected in 2026. The company will also construct a retail presence on the site that is expected to open in 2025.

To help facilitate this investment and job creation in Franklin, the State of Tennessee, Williamson County and City of Franklin are providing support for this project. The State of Tennessee is providing a \$2.75 million Fastrack Economic Development Grant. Both Williamson County and the City of Franklin are providing a 10-year property tax abatement on a portion of their property tax (40.5% of the total property tax rate). The County portion would be to not exceed a total of \$1,612,450 over a ten-year period. The City of Franklin portion would be to not exceed a total of \$287,780 over a ten-year period. The Tennessee Valley Authority is also providing economic development support to this project.

The Industrial Development Board Williamson County, Tennessee (the "IDB") is authorized under the provisions of Chapter 53, Title 7, of Tennessee Code Annotated, as amended from time to time (the "Act"), to issue, sell, and deliver revenue bonds and revenue notes, and to use the proceeds therefrom for, among other things, the purpose of financing, acquiring, improving, constructing, equipping, owning, leasing, and disposing of properties in order to promote industry, trade, commerce, tourism and recreation, and thereby maintain and increase employment opportunities and further the use of natural resources in the State of Tennessee, by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, and recreational enterprises to locate in or remain in the State of Tennessee. In order to implement the public purposes enumerated in the Act and in furtherance thereof to induce In-N-Out Burger, or its designee(s) (the "Company"), to relocate and expand its office facilities (the "Project") in the City of Franklin (the "City") and Williamson County, Tennessee (the "County"), the acquisition, construction, owning and leasing of which by the IDB is expected to maintain or increase employment in the City and the County, the IDB has offered to issue one or more revenue notes (the "Note") in a principal amount not to exceed TWO HUNDRED EIGHTY-SEVEN THOUSAND SEVEN HUNDRED EIGHTY AND NO/100 (\$287,780.00), for a ten (10) year terms

beginning in 2026 that includes a 40.5% abatement, under and pursuant to the provisions of the Act, if the Company decides to utilize the Note, and to use the proceeds therefrom to provide for the payment of the costs of acquiring, improving and/or constructing all or a portion of the Project, and to enter into an agreement with the Company to accept payments in lieu of ad valorem taxes with respect to the Project. A draft of the Project Inducement Agreement expressing formally and in writing the understanding heretofore and formerly agreed upon by the IDB and the Company, and the Intergovernmental Agreement setting forth the City, County, and IDB obligations and duties (the "Agreements"), is attached hereto and incorporated herein by this reference. At the request of the IDB, the Board of Mayor and Aldermen of the City of Franklin, Tennessee desires to confirm its approval of the Agreement and the economic incentives therein set forth.

There is a proposed tax abatement totaling an amount not to exceed \$287,780 over a ten-year period.

Board Comments:

Alderman Baggett wants to note for the public that the Board does not make a habit of offering PILOT programs.

Mr. Stuckey makes it clear that in the 15 years that he has worked for the City, they have offered only four PILOT programs. The City offers it when there will be a significant positive impact on the community.

Alderman Petersen emphasizes how competitive the decision-making process was for In-N-Out and how fortunate the City is to have been selected.

Alderman Burger says that her constituents have asked how the City chooses who gets this type of tax abatement. She is pro-business but wants to acknowledge that her voters are uncomfortable with the "roll-of-the-dice" mentality for which big corporations moving to Franklin get the PILOT program and which do not. She is impressed that the Eastern Headquarters will bring 277 corporate jobs to the local economy.

Mayor Moore thinks it would be beneficial to consult the In-N-Out team on their strategy for major corporate relocation based on what the City has already seen.

Mr. Stuckey wants to clarify that the City does not tackle this program alone. The City will work with the County, State, and TVA to move this project across the finish line.

6. Consideration Of Ordinance 2023-12, An Ordinance To Amend Title 8, Chapter 2, Section 219 Of The Franklin Municipal Code Relative To Background Checks For Beer Permit Applicants

Sponsors: Bill Squires, Jessica Davey

Currently, the City of Franklin Municipal Code provides that business owners that have been convicted of certain crimes within the past ten years shall not be eligible for a beer permit. Further, the Code states that owners or managers having been convicted of driving under the influence (DUI) may be denied a beer permit, specifying no time frame limitation. Adding a ten year lookback period for all background checks relative to beer permit applications is reasonable, sufficient, and consistent.

Alderman Blanton thinks that the City should look at being consistent with the TABC rules on background checks.

The item is expected on the June 13, 2023 Board of Mayor and Aldermen Meeting for consideration on First Reading.

7. Consideration Of Ordinance 2023-14, An Ordinance To Amend Title 25 - Parks, Chapter 4, Section 25-403, Section 25-405, And Appendix A Of The City Of Franklin Municipal Code, To Establish Exemptions To The Parkland Impact Fees, Maximum Dwelling Units For Payment In Full, And Comprehensive Fees And Penalties Offsets, For Private And Public Parkland Amenities

Sponsors: Lisa Clayton, Heather Eusebio

The City of Franklin's intention is that new growth in residential development should pay its proportionate share to maintain the existing resident to parkland ratio so as not to impose on existing City of Franklin taxpayers. Parkland Impact Fees and Parkland Dedication requirements are based on the mathematical formulas and allocations set forth in this ordinance. Ordinance 2023-14 establishes the following:

1. Exemptions: charitable organizations, state licensed beds, group homes/temporary houses, development of existing structures and commercial properties
2. Dwelling units that require payments in full: 12 dwelling units or fewer & detached accessory dwelling units
3. Comprehensive fees & offsets (Private & Public): 25% to City, 25% eligible for private, 50% eligible for public (eligibility status for developments requesting both private & public offsets in the same development)

Board Comments:

Alderman Petersen thinks that parks should still be considered that are 5-acres or less.

Ms. Clayton reassures Alderman Petersen that developers of new neighborhoods have been good about including open spaces and parks on their private properties.

Vice Mayor Barnhill thinks that neighborhood parks are amenities that improve development and maybe should be required based on the size of the development. Are they required currently?

Answer: Developments are encouraged to put in parks at the early stages before residents have moved in and can get reimbursement for their parks if they go through the Parkland process.

The item is expected on the June 13, 2023 Board of Mayor and Aldermen Meeting for consideration on First Reading.

8. Consideration Of COF Contract No. 2023-0033, With Axon Enterprise For Additional Axon Fleet 2 Equipment For New 2020 Police Patrol Units

Sponsors: Deb Faulkner

This new 60-month contract with Axon will provide the Franklin Police Department with the necessary hardware, software, storage, and support for our body-worn and fleet camera programs as well as our interview room recording capabilities in the Department's Criminal Investigation Division.

Axon is the current provider for the Franklin Police Department's operations related camera/video systems. Three separate contracts, however, are in place for (1) body-worn, (2) fleet, and (3) interview room cameras, due to the tiered expansion of those services that the City has relied on Axon to incrementally provide.

The City's three contracts (00057455, 00046869, and 00055360 are terminating and Axon is refunding the City \$4,989.00 for undelivered contract services and replacing three contracts with one beginning on 07/01/2023.

The item is expected on the June 13, 2023 Board of Mayor and Aldermen Meeting for consideration.

9. Consideration Of Procurement Award To BlueCross BlueShield Of Tennessee In The Total Estimated Amount Of \$622,292.40 For The Year Beginning July 1, 2023 For Stop-Loss Insurance For Group Health And Prescription Drug Programs For Employees And Retirees For A Term Of Award, For The Human Resources Department (Purchasing Office Procurement Solicitation No. 2023-017; Contract No. 2023-0126).

Sponsors: Kevin Townsel, Sara Sylvis

The purpose of this procurement is to purchase stop-loss insurance for group health and prescription drug programs for employees and retirees for a term of award of one (1) year, starting with the policy year beginning July 1, 2023, with four (4) options to extend, each time for up to one (1) additional year.

The item is expected on the June 27, 2023 Board of Mayor and Aldermen Meeting for consideration.

10. The Hill Housing Development - Review Of Proposed Housing Mix, Price Points, Estimated Development Costs, And Consideration Of A Funding Request

Sponsors: Eric Stuckey, Vernon Gerth, Tom Marsh

Pursuant to Resolution 2020-29, the Board of Mayor and Aldermen (BOMA) declared The Hill Property to be surplus property and established that the public purpose for the property shall be the creation of affordable and workforce housing. In that same resolution, the BOMA declared the property abandoned and established the process by which a new owner would be selected to implement the public purpose of creating affordable and workforce housing. On May 24, 2022, the BOMA selected The Hill, LLC, now known as The Franklin Hill Project, LLC, to implement the development of affordable and workforce housing on the Hill Property and are preparing to submit a Development Plan that includes 23 workforce and 10 affordable deed-restricted housing units.

The Franklin Hill Project, LLC has prepared a rough pro forma for The Hill Housing Development. The projected sales price of the 33 units of \$13,525,000 falls short of the estimated development costs by approximately \$5,051,975 - \$6,149,556 which includes a factor for inflation. Williamson County has offered \$1,000,000 in ARPA Funds and the City of Franklin has offered \$600,000 in future CDBG funding to offset infrastructure costs. The Franklin Hill Project, LLC has requested the Franklin Board of Mayor and Aldermen also consider covering the cost of City and County Development Fees estimated at \$899,329, the cost of the land which includes the Water Management Departments portion of \$479,700, and the remaining portion of the infrastructure estimated at \$1,582,802 for a total request for funding of an estimate of \$ 2,961,831.

Board Comments:

Alderman Baggett asks: how many acres is The Hill Property?

Answer: 5 acres.

Alderman Baggett concludes that in Franklin even if a developer was given free land and \$1.6M in funding, the City cannot provide affordable housing to our community. He thinks the City needs to get creative with solutions to increase the total number of units. Also, he recognizes that this is a big departure from the original budget. Hence, he needs to look at the larger plan again because it has raised bigger issues.

Alderman Blanton feels like the longer the Board waits to get something done, the bigger the hurdles will become. It will only get more expensive the longer the Board waits too. She supports the project because she wants it to come to fruition.

Alderman Hanson agrees with Alderman Blanton that this project needs to move forward.

Alderman Brown asks what the development fees line item consists of?

Answer: It will be determined over time.

He follows up what the funding source is?

Answer: Mr. Stuckey states that it is budgeted as part of the City's General Fund over time.

Finally, Alderman Brown thinks that Staff and the development team need to have a clear understanding of what it will take to get the project completed.

Mayor Moore is wondering how the team determined the split in affordable versus workforce housing for this project? He thinks the real need is workforce housing in our community.

Answer: The RFP called for a mix of affordable and workforce housing. If the project moves forward with more

workforce housing that will sell at a lower price, the funding gap will grow.

Vice Mayor Barnhill asks what happens to the budget funds allocated to this project if they are not all used?
Answer: It will be distributed to the fund balance and can be reappropriated into the next fiscal year's budget.

Alderman Burger is curious why the design is not conducive to the maximum number of units. She agrees with Alderman Baggett in that the Board should really workshop how to incorporate more units into the plan.

11. **Presentation Of The 50% Schematic Design Plans For The New City Hall On The Historic Public Square**

Sponsors: Vernon Gerth, Anna Ruth Kimbrough

Following the presentation from Ms. Kimbrough and Mr. Gerth, Mayor Moore asks for the Board's input on the proposed retail programming at the existing the City Hall site. Board opinions are as follows:

Supports Retail Programming at the Existing City Hall Site	
Vice Mayor Barnhill	No Response; see below
Alderman Petersen	No Response; see below
Alderman Potts	Yay
Alderman Hanson	Yay
Alderman Burger	Yay
Alderman Baggett	Yay
Alderman Brown	Nay
Alderman Blanton	Yay

Alderman Petersen did not think this site was a done deal, so is confused by the discussion about retail programming.

Vice Mayor Barnhill agrees with Alderman Petersen. He still feels that the Board did not vet other properties properly.

Mayor Moore is hesitant on retail because the main business is to service citizens. However, he does not want the continuous delay with this project. He asks what more does the Board needs to make a decision?

Alderman Burger brings up that Mr. Stuckey wanted direction at the last meeting, and she thinks that the majority of the Board wants to continue on this site. She believes if the Board wants to thoroughly vet other sites, it will be another two years of analysis. She is not willing to take that long. If City Hall moves off site, the Board has to determine what goes here on the Square instead, and that process could take a while too. The Board does not want this site to be empty. Also, if the Board does not approve underground parking, it would be very shortsighted of us.

12. **Presentation Of City Of Franklin 2023 Employee Engagement Survey**

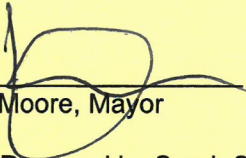
Sponsors: Eric Stuckey, Jaime Ewald

The item will be on the June 13, 2023 Work Session for discussion.

OTHER BUSINESS

ADJOURN

Work Session Adjourned @ 6:53 PM



Dr. Ken Moore, Mayor

Minutes Prepared by Sarah Schilling, Assistant Deputy City Recorder, City Administrator's Office - 6/6/2023, 12:19 PM

