Finance & Judiciary Committee
MINUTES
May 12, 2009
6:00 p.m.

Members: Robyn Jones, Chairwoman; Mark Masser, Jeff McClelland

Roll Call: All present.

Others Present: Mayor Brennan, Lou Chodosh, Bill Harvey, Beecher Hale, Larry Heiser, Bruce Langner, Mike Price, Kathy Rose, Chief Rinehart.

Review of Minutes: April 28th, 2009- **Approved.**

Presentation and/or Special Guests: None.

Ordinances & Resolutions –

> **Ordinance 103-08** for the issuance and sale of bonds in the maximum principal amount of $3,000,000 for the purpose of paying the costs of improving municipal streets by resurfacing and otherwise improving the same as designated in the plans approved or to be approved by the City Council, together with all necessary appurtenances; introduced by Ms. Jones (Introduced on October 28, 2008)

Ms. Jones made a motion to remove Ordinance 103-08 from the table to read and discuss. Motion was seconded by Mr. McClelland. Voice vote 3-0 to remove tabled Ordinance.

Mr. Harvey said this Ordinance would provide additional funds for the sidewalks. The cost will be close to one million for the sidewalks. The need requires us to go to beyond the $848,000 currently in the sidewalk fund in order to do the project. The cost is $65,000 per million to borrow the funds. It would total $195,000 per year in payments and the City could leave the sidewalk money in the fund.

Mr. Heiser stated that borrowing money takes a certain amount of cash. There are several variables involved that could be considered for the sidewalks. He said perhaps we decide not to use bond money if the estate fund is higher than usual, we could use that money. Mr. Harvey stated that the City currently has the police station for a million. Mr. Heiser stated that if Council decides to do this, we would borrow funds from the sidewalk fund.

President Lampke stated that he thinks we are taking the backwards approach to the situation. He suggested getting all of the bids and then deciding how to finance the project. Mr. Weber stated that Council had committed to the residents to repair the sidewalks and one million may be the total funds needed above the sidewalk funds. Mr.

Masser stated it comes down to what Council is comfortable with to decide what amount to spend. He stated that Council needs to let the administration decide how to spend the funds. Mr. Weber agreed. Mr. Harvey stated that the City is close to being able to do all of the projects in the 4 million range. Those numbers will not be changing. Mr. Masser asked the Auditor, Larry Heiser if he was comfortable with the amount. Mr. Heiser answered that he was comfortable with the amount.

Mr. Kessler expressed concern about future plans and funding. Mr. Heiser stated that the City could afford it since there is a revenue stream. Mr. Morison added that he thinks it would be a good time to start this project and the rates won't be going much lower in the future. Ms. Jones asked Mr. Heiser if this needs to be done immediately or whether we could change it. Mr. Heiser said yes it could be changed. President Lampke reminded Council that when the 7 million was spent on the pool, no cash was used. Mr. Harvey stated that contractors are calling and ready to start in weeks. He is unable to announce which contractor gets the bid until Council decides which projects will be funded. Mr. Masser asked Mr. Harvey what would happen if this Ordinance is not passed. Mr. Harvey answered that no sidewalks or streets will be repaired other than Sheridan and Francis.

The Mayor explained that that stimulus funds the City received for streets and sidewalks applies only to handicap ramps and curbs. In order to repair Parkview, the City would need at least $150,000 to add to the Federal stimulus funds. Mr. Harvey said the fund received from the government to assist with Parkview is $110,000 and the City needs to spend $240,000 in order to use the $150,000. Mr. Harvey added that the City will be putting in approximately 200 new handicap ramps and repairing around 100 handicap ramps. Mr. McClelland stated that he is not in favor of dipping into the estate fund. Mayor Brennan stated by bonding for only one million dollars, the cost is much greater than bonding for a larger amount.

Ms. Jones made a motion to pass Ordinance 103-08. It was seconded by Mr. McClelland. Vote was 6-1. President Lampke was the no vote. Ordinance Passed.

Third Readings.
None.

Second Readings.

Ordinance 25-09 to fill the position of Auto Mechanic 1, introduced by Ms. Jones, (Introduced on April 28, 2009) **No Action**

Ordinance 27-09 to approve and authorize the Mayor and the City Auditor to sign the Amendment to the Agreement between the City of Bexley and Bexley Gateway Plaza Ltd. to provide incentives available for project development in the Main Street Redevelopment community reinvestment area and declaring an emergency, introduced by Ms. Jones (Introduced on April 28, 2009) **No Action**

Mr. Larry Ruben addressed City Council. He wanted to thank everyone for taking the time to consider the amendment for Gateway. He stated that the office space is lacking but is 30% filled. He stated that they had failed on the residential side. The results that his company had perceived seven years ago are greatly affected by the economy. The Gateway has 36 units built to keep empty nesters' or retirees from having to leave Bexley. It is also a very important matter for future projects and developers. It would be short sided to look at this subject as being the developer's gain. It should be passed for the City of Bexley's gain and it will make the difference between success and failure for the City.

Mr. Morison asked if the abatement applies only to the building and not to the land.

Mr. Leonard Carlson, 50 N. Stanwood Road, Bexley, OH addressed the Council. He said that the abatement would apply to the building or improvements – not the land. The land is still taxable. Prior to the Gateway, there was a funeral home and it was valued at $18,000 a year. Now land values are $210,000 per year which means a ten fold increase for the City.

Mr. Weber stated the reason for the three readings is to receive input from the residents. He had received a few calls and the main objection is the unfairness of this abatement for the Gateway property only. He said he would suggest a compromise. Mr. Weber stated that his first reaction as a fellow realtor was every incentive (even one less than 100%) is a positive thing. He stated that if the 100% could be compromised, perhaps it would satisfy some of the objections concerning the "unfairness".

Mr. Masser stated that you can never please everyone. Whether the number is 60% or 80%, what are you going to accomplish if someone considers it a "bail out". This pertains to the future of Bexley developers and others never stepped forward to take a risk. He said in this economy, it is a tool to help make this a success. The majority of resident would agree that in the long run, all benefit goes to the City and we should give a guy another chance. He said he didn't know what the future held. He said he has not personally heard a good enough argument for the 100% abatement.

Mr. Weber stated that he is very much in favor of the tax abatement to help give an incentive to buyers but not at 100%.

Mr. Ruben stated that he does not want Council split over this decision. He stated this is definitely not a "bail out". If you look at the developments in downtown Columbus, they are receiving a 100% tax abatement. The number of years he is requesting is not forever. He stated the average price for Bexley is approximately $169 per square feet. He can't reduce the price anymore than he already has.

Mr. Morison asked if the tax abatement helps the person who purchases the property. Mr. Langner stated that it does help the buyer in hopes of encouraging more people to purchase.

Mr. Morison stated that there are three factors that could be considered in this matter:

1. Risk – The developer took the risk and enhanced the City.
2. Property taxes generating ten times than they were previous to the project.
3. Capability of increasing the resident population which would include income tax and estate taxes.

Ordinance 28-09 to amend Ordinance 68-02, subsequently amended by Ordinances 60-04 and 73-04, which designated the Main Street Redevelopment community reinvestment area, hereby permitting tax exemptions for newly constructed residential projects, introduced by Ms. Jones, (Introduced on April 28, 2009) **No Action.**

Ordinance 29-09 to authorize the Mayor and Auditor of the City of Bexley, Ohio to enter into an agreement with the Ohio Department of Transportation (ODOT), introduced by Ms. Jones, (Introduced on April 28, 2009) **No Action**

Ordinance 30-09 to create the position of Service Worker effective May 15, 2009, introduced by Ms. Jones, (Introduced on April 28, 2009) **No Action**

First Readings.

Ordinance 31-09 regarding positions in the Building Department, introduced by Ms. Jones, (Introduced on May 12, 2009) **No Action**

Resolutions –
None.

New Business: None

Old Business: None

Adjourned – 6:58 p.m.