



# City of Gahanna

## Meeting Minutes

### Finance Committee

200 South Hamilton Road  
Gahanna, Ohio 43230

*Jamie Leeseberg, Chair*  
*Brian Metzbower, President*  
*Stephen A. Renner, Vice President*  
*Karen J. Angelou*  
*Brian D. Larick*  
*Nancy R. McGregor*  
*Michael Schnetzer*

*April Beggerow, CMC, Clerk of Council*

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Monday, October 28, 2019

Council Committee Room

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#### \*Immediately Following Committee of the Whole

#### A. CALL TO ORDER

Chairman Leeseberg called the Finance Committee meeting to order at 7:50 p.m.

#### B. DISCUSSION ITEMS

[2019-0126](#)

Mill Street Development Project; Gahanna Mill Street Investors, LLC

Mr. Leeseberg asked if there were any questions on the agreement.

Mrs. Angelou said that more information was received today from the Administration and in speaking with the Mayor she feels that we are far from putting this forward as legislation. She wanted to know from Mr. Blackford how the normal process is handled.

Mr. Blackford replied that the concern from the Administration would be that this is a complex project and the proposal hasn't been through the staff review process and hasn't been vetted by Planning Commission. It may end up looking like a different project after it goes through staff review. There are a lot of variables that have a high likelihood of altering the character of the development. Staff's recommendation would be that complete the Planning Commission process.

Mrs. Angelou pointed out the downtown report that was done by Pete DiSalvo. She said that there is more information out now and that there is a lot to be looked into.

Mr. Leeseberg asked how we want to proceed.

Mr. Renner said that under section 5a. Contingencies to Perform, there is a question that I'd like the attorney to answer.

Mr. Ewald replied that part of the language was struck but he needs to have further discussion with them on the remaining language. He said he was not comfortable with the language left in there.

Mr. Renner asked for clarification- that Mr. Ewald was not comfortable with section 5a.

Mr. Ewald affirmed. He said that we've had this in other agreements, they would like us to be reasonable in the period of time that we're moving the project through the process whether it be Planning Commission or Council, and he just feels that the language appears to go further than that.

Mr. Renner replied that he totally understands but he would like that language to be changed. He continued, that we still are not talking about Exhibit E, the vacation of North Street. He said he asked before what is the dollar value that assigns dollar values to everything, there's a lot of the contract that doesn't that is Planning Commission related, but on the North Street, he asked what does his colleagues want to do. This is a public asset that has a value.

Mrs. McGregor said she doesn't see a point in vacating North Street. It seems like this is an existing right of way, it's 50 feet of right of way, side to side. Carpenter is only 40 feet. If they could build over it and leave 20 feet of clearance and build across the top... she didn't see closing the road, but parking on one side. If they could build over North Street, they wouldn't have to reroute utilities that way, but the more she looks at it, she doesn't see a benefit to the city to close North Street. People would have to use the alleys which are much narrower. She asks that the city does a traffic study. She said there isn't a way to add a turn lane to Carpenter, there isn't room and the building comes right up to the edge which the building itself is in the sight triangle at the corner of Carpenter and Mill Street which we cannot have. Especially because the road curves right there. It would make it more of an acute angle.

Mrs. Angelou has concerns about the fire and emergency getting into and around the area.

Mr. Renner said he thinks it's good we are talking about all of this, but Council is structured to handle legal business agreements and not technical Planning Commission related items. He really does want to know how to rectify this. He added that we have had feedback, but we

have a lot of things we want to ferret out and maybe he should ask the Administration for help.

Mr. Leeseberg said he would argue that the original agreement had parking in Rock Park. Some Council members had concerns with that and it was removed. The original had a portion of the CIC, which was problematic, it was removed. As we bring these things up, this is the give and take in negotiation. This is not ready to be voted on, but again, this is how this process works, it just wasn't coming forward from the Administration. It is a financial agreement so that is our purview, the money is us, and so that's why it belongs here. If they're asking too much, then tell them it's too much.

Mayor Kneeland said he thinks that the Developer's agreement is in a place that, until the project has been vetted by the Planning Commission, the Developer's agreement is not going to be valid once it goes through Planning Commission because there is going to be changes and the changes are going to have an impact on the Developer's agreement. He said that was his opinion.

Mr. Schnetzer asked the Mayor if it is his opinion that this list of asks could potentially change based upon going through Planning Commission.

Mayor Kneeland said he didn't specifically reference that list, but the overall project, the technical aspects of the project. The things that Planning Commission have statutory responsibility for. The highlighted areas are things that we felt we wanted to make sure you knew had been typically a private sector cost not a public cost.

Mr. Schnetzer said what he was trying to find was an intersection between the agreement and the project and he thought that was where this thing has fallen flat in general. He said it was wholly appropriate to discuss a financial agreement in Finance Committee.

Mayor Kneeland replied that typically it would have been but it would have been an Administrative recommendation based upon the discussions between the Administration and the Developer.

Mrs. McGregor said she would like to have more discussion with the City Engineer, what he feels regarding the easements and vacation of right of way, sight triangle, and things like that. The other thing was in Section 4, there were a lot of time tables that seem to be pushing the City into doing things outside of the normal course of business.

Mr. Moorehead asked if this was in regards to Exhibit C.

Mrs. McGregor replied yes.

Mr. Moorehead said that the costs that are described in the agreement as being reimbursable as public improvements are directed to exhibit C. Some of these items on here, toward the bottom of the list for example, demolition of buildings, environmental mitigation, I believe those are on private property now and would be private work performed by the Developer. The question arises if it's a private reimbursement, is it public work that we are reimbursing the Developer for. That was the purpose of some of these and there is even a bit of complication on the gas line relocation. It would be relocated into public right of way, which would be public perhaps, but the need for the relocation is driven by the vacation of North Street's right of way and in Ohio, if you vacate right of way, and there is a utility that operates in that right of way, they are granted a permanent easement over the \*\*\* of the utility. Even though we would vacate the right of way on North Street, Columbia Gas is still there and they would be reserved and easement to continue operating on North Street and therefore relocating them out of there would come at a cost to somebody, and that cost would be at the time we vacate, comes to the Development, but then it's being relocated into the public roadway. So I felt that was an item that needed to be more technical and legal review to be included in what is reimbursable.

Mrs. McGregor asked about the easement that was swapped that is behind the buildings on the west side. We swapped easements for the easement along the southern edge of Lintner Park. They're asking us to give up that easement, but for nothing in return. The parking along the backside of the west side, there are business people that have said that Hoover releases, the back edge of that parking lot is 3 feet under water. How are those places going to be counted as parking spaces?

Mr. Vekasy replied that we're bringing them out of the flood plain. We're going to get a permit to do that. We're working with our engineer right now.

Mrs. McGregor added that why should we fill the floodplain which floods people down.. If you fill the flood way, it just pushes the water downstream to somebody else's property.

Mr. Vekasy said our engineers said we can get it done, so we're listening to what they're telling us. We're just coming up out of the 10 year, we won't be out of the 100 year. Just that back area.

Mr. Schnetzer said that we're sitting here talking about these things as if we're micromanaging the project and really what is in front of us is a financial agreement and whether or not the finances make sense. It's not about the color of the brick. The project itself has a lot of virtues. Don't quote me but didn't 55% of the people responded to the land use plan said more apartments. 2/3 of the residents said redevelopment and infill was something that they wanted to see more of. Again, it checks a lot of boxes from that stand point, but that's not what we're debating. We're debating whether the financial request is one that is reasonable. Mr. Daniels came in and discussed some of that. I'm still at a loss whether or not we're going to receive a follow up, I don't know if that is part of your prepared comments, some numbers to kind of back up the necessity for it or some kind of return on investment, this pro-forma. I don't know. I would like a little bit more clarity on some hurdles. What's the next step and where do we go as opposed to sitting here and talking about is it good, is it bad.

Mr. Larick said his impression of the room is heightened tension. At the same time he hears that the project is good. That is not how the presentation is good and how the discussion feels. If that is believed to be your and the Administration's opinion, that is a foundation to have this conversation.

Mayor Kneeland replied like I said earlier, our recommendation is that Planning Commission needs to really weigh in on this before the final financial Developer's agreement because it's going to change, I almost guarantee it. Just based on what we're seeing. He said I don't think we've gotten to the point where we agree financially what the project needs to look like, who's paying what portion of the whole project and there are pieces in that one document that have the highlighting in it that we believe are really private sector costs. If Council wants to go into this with eyes wide open and say we're going to pay for that, that's fine, but we want to make sure we're doing our diligence with what is public and what is private.

Mr. Schnetzer asked Mr. Blackford asked what kind of things could be changed based upon Planning Commission input.

Mr. Blackford replied based off of right of way reservations, the sight triangles, lack of parking, I would anticipate that the unit totals would drop substantially. What they have submitted for review for staff at this point doesn't even have unit counts on there, doesn't have the amount of parking spaces identified, the level of variances, not the amount of variances, but the severity of the variances. It would be a first in my 15 years plus of experience to see a project like that get approved. The

concern isn't whether or not it's a good or bad project, it's that it's being presented as 128 unit project, that might get approved as 128 units, it also has a likelihood at being approved at maybe a 60 unit project. Would that change fundamentally how you all look at the incentives for a project of that magnitude?

Mr. Renner asked about Exhibit D.

Mr. Lemmon replied that it is about the infrastructure that has already been earmarked by the City. What has currently been permitted?

Mr. Schnetzer asked about the Planning Commission process. How is this outline different than the workshop?

Mr. Blackford said the workshop was focused on colors of bricks, things like that, high level overview of some general concerns. It was not submitted documents. There are going to be at least 3 applications, a final development plan, design review and variance. At this point they've filed the final development plan application which is basically parking, building, and things of that nature. This is not saying it's a good or bad project, we don't have enough information, and there are so many variables. Just trying to make sure that Council is aware that there is a possibility, maybe even a likelihood that the project parameters change from what you guys are seeing. Just the parking issue alone is a severe one to overcome with the amount of density that are being proposed. If the right of way is not being vacated, I understand that's a Council decision, that's obviously going to change the amount of building or how the buildings are laid out, so all of these would change the character of the development to a certain degree.

Mrs. McGregor said she was not opposed to apartments, it was the other things around it.

Mr. Schnetzer said that if in fact we do approve the financial arrangement based on a certain outcome, and ultimately the outcome changes as it moves through the system, that is a little unsettling. Is it unreasonable to have Planning Commission formally look at it beyond a simple workshop?

Mr. Blackford said there are 2 paths, Council for financials and Planning Commission for entitlements. Those can move at different rates of speed. There is nothing stopping this development from going forward with their Planning Commission. We don't even have a couple of the applications so it's not ready for Planning Commission and it's not going to be ready probably couple months maybe based upon the level of information we've received. It's a great team here, but it would probably be early 2020.

Mr. Schnetzer asked if it were possible that the two could run in parallel.

Mr. Blackford said absolutely.

Mr. Schnetzer said that he'd like to know what ultimately he's getting if the

financial agreement is signed. It would seem logical that they move in tandem with each other or Planning Commission before the financial agreement. Not meaning that this be tabled and never brought up again, but more of a place holder that this doesn't get passed until there is some sort of a final project.

Mr. Ewald said that Michael was correct and it could go down 2 paths at the same time. The problem that is inherently going to continue is that based upon what Planning Commission puts forward whether there are variances or things that occur, ultimately, that's going to affect the bottom line of the financials. So it's going to have to be a living process between both bodies in dealing with this issue and addressing things that occur. For instance a variance on parking, ultimately it affects how many units they can have, that affects the bottom line, the financials. There are technical aspects that the Mayor discussed earlier which only the developer can address. There are additional information that are not attached in the exhibits that could affect the bottom line as well. This process is going to go between the two bodies addressing that scope which each is responsible for.

Mr. Lemmon passed out 2 financial documents (attached). He said the documents presented revenue streams. Income tax and property tax revenue.

Mr. Schnetzer asked if this was the ask (pro forma).

Mr. Renner replied that this was excellent.

Mr. Blackford said they just needed some time to digest it and to send to Financial Counsel.

[ORD-0101-2019](#) AN ORDINANCE TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF GAHANNA, OHIO DURING THE FISCAL YEAR 2020.

Mr. Leeseberg asked the Director of Finance if there is anything to add to the budget.

Mr. Schnetzer asked about the special revenue funds, Public Service, Public Safety and Parks and Recreation. Some of the services charge fees. Some of the fees that have historically been collected in the General Fund have been moved over to some of the special revenue funds to correspond with specific line item projects.

Mrs. Bury said that those charges and fees are collected specifically for those activities.

Mr. Schnetzer said that some of the tax revenue flows to those three

funds that distribution is currently not 1/3, 1/3, 1/3 as currently being requested. It is tied to specific programs that have costs associated with them. He asked if that is how Council wanted to move forward or did they feel that 1/3, 1/3, 1/3, was more appropriate. He feels that if you allocate more than just an equal share, you're implying a value (of importance) and his personal preference would be 1/3, 1/3, 1/3.

Mrs. McGregor said that it seems like it implied that it should be equal.

Mr. Leeseberg replied that the legislation didn't say 1/3, 1/3, 1/3, but that it would be used for those three things.

Mrs. McGregor said she knows it didn't say that but it implied.

Mr. Larick said that legislatively, the simple logic was that a fund would be dedicated to the operational needs of that area, those three segments. The objective was to make sure there was revenue there to fund operational activities that are important to the community. The rest of this is just the functional how to make it happen effectively.

Mr. Schnetzer asked if it was a byproduct of the software that you have to tie out a particular payroll to an account or a fund.

Mrs. Bury said yes we do position for salary and benefits, behind every salary and benefit number is an actual person or position. That is how we project for it. Determine who the positions are and forecast them for that year, and then for 5 years out.

Mr. Schnetzer replied, then you can't just throw 1/3 of these dollars at Parks & Rec, you have to identify a specific staffing person or program, that program may have associated revenue, fee, income, which lowers the net number that's where this becomes somewhat muddled up.

Mrs. McGregor asked if there was something that says, that you can't, if you put in 3 buckets, one bucket can't accumulate money for a future project. So if you put 1/3, 1/3, 1/3, then maybe this bucket uses all this year, but these don't, but the money stays in that bucket...

Mr. Schnetzer said you can accrue revenue in a specific fund, for say three years if you had some project or thing you wanted to fund. The intent was that this was operational. So I would strip out things like trails or improvements to the pool, or even playground equipment. That can all be paid out of the Capital Improvement fund. This is operational stuff. The challenge lies in you have to identify specifically what you are going to pay to get it to match up with the accounting software. My impression



is that is ultimately what is driving the challenge in divvying it up. You have to point to something within the software.

Mrs. Bury replied that it's more than just that. In order to spend the money, we have to appropriate it and we have to know what we're appropriating for, staff needs to know that this is being appropriated for contract services. That's why when we look at the rationale, what we were recommending be appropriated from these funds, it was programs, because it's much easier to identify Public Safety for 2020, as we did in 2019, we recommend a School Resource Officer program. Doing it as 1/3, 1/3, 1/3, I don't think is going to hurt anything that we are recommended, but yes we do need to know what we're appropriating for, who are the positions and people and what type of other supporting operational activities are being included. That's what we recommended to Council.

Mr. Schnetzer said that his statement is not meant to be a critique of the Administration's approach, it's a rational, logical approach, his concern isn't this year or even next year, but 10 years down the road, does it become a vehicle to short change one department vs. another in the concept of fairness would 1/3, 1/3, 1/3, make it fair to everybody.

Mrs. McGregor said that she feels that in the spirit of the legislation it should be equally funded.

Mr. Leeseberg said he found interesting that public safety, the starting point was 500,000, going to 650, public service started around 650 and went to 1 million and parks and rec started at 1.3 million, and going up to 1.9 million. So it's starting big and going even bigger which was one of the conversations we had last budget cycle. That it was the largest and fastest growing.