



City of Gahanna

Meeting Minutes

Committee of the Whole

Office of the Clerk of Council
200 South Hamilton Road
Gahanna, Ohio 43230

Stephen A. Renner, Chair

Beryl D. Anderson

Karen J. Angelou

Ryan P. Jolley

Brian D. Larick

David L. Samuel

Brandon Wright

Monday, August 27, 2012

7:00 PM

Council Committee Rooms

Present 7 - Stephen A. Renner, Brandon Wright, Beryl Anderson, Karen J. Angelou, Ryan P. Jolley, Brian D. Larick, and David L. Samuel

Additional Attendees:

Mayor Stinchcomb, Shane Ewald, Dottie Franey, Sue Wadley, Mike Andrako, Karl Wetherholt, Deputy Chief Bell, General Williams, Jennifer Teal, Joann Bury, Tony Collins, Anthony Jones, Donna Jernigan, Brian Hoyt; Andy Taylor from MORPC, Brian Hess and Derieth Sutton from Niagara Bottling, Press.

PRESENTATION by MORPC:

Resolution of Support/Big Walnut Watershed Balance Growth Plan

Renner called the meeting for Monday, August 27, 2012, to order; first up is a request for a Resolution of Support by MORPC on the Big Walnut Watershed Balanced Growth Plan; introduced Andy Taylor, Planning Coordinator for MORPC, who provided a power point presentation; a copy is available in the Council Office. questions and comments;

Larick asked, on the map, the area of Gahanna has no color; it is white; what does that general color represent. Taylor said not all areas are designated; there are priority areas; if it is not designated as one of 3 types it is not a priority area; the whole map is not covered in the process.

Samuel said I have 3 or 4 questions; first what does this plan cost taxpayers; I understand MORPC is managing it. Taylor said our initial funding to facilitate this work came through the state; we applied for money from the Ohio Water Resources Council; able to take that and match money we had with federal dollars for regional planning; that allowed us to take it to a wider area than the state grant would allow. Samuel said 2nd question; we have many other layers of government that handle this type of work; how does this benefit us when we have the Ohio EPA, the Federal EPA, the Franklin County Soil and Water Conservation District; is this something we need given we have these other things. Taylor said these other groups have their areas of focus; we included a lot of them in our process as stakeholders or members; we had a different concern; other plans look at water quality and water pollution sources; this looks at how we develop and how that will affect water quality; this looks at a big area; bigger than these organizations which usually go by counties; ours is a voluntary group, the Watershed Partnership came together to make this plan; they

may meet on an ongoing basis; it is up to the Partnership; it is not a separate unit of government that is ongoing; was not the plan to exist in that fashion; it is a group that comes together maybe annually; up to the Partnership members; it is not something MORPC will have a direct role in on an ongoing basis; it was a temporary planning process that we facilitated that the local jurisdictions can now take and use as a tool; we are not replacing any of those organizations. Samuel said my last question is are elected officials part of the group that designates priority conservation areas; who is involved in that. Taylor said most of the communities were responsible for appointing who participated; there were staff members from the communities in the Partnership, but there were also townships due to smaller size where it was some of the elected officials; it was up to the communities how they involved staff and officials; there was also a public review process of the results.

Angelou said to Samuel we received some information in our packets that answers a lot of your questions; says there are no unfunded mandates in this; the balanced growth is an attempt to save tax dollars for communities; it is up to each community how much they want to participate in any programs that come out of it. Samuel said I was aware of that; I was pulling it out for the record. Angelou said I just wanted to make sure everyone realized we have that information; also in 2010 we passed a similar resolution that Jernigan has provided you a copy of. Taylor said in 2010 we went around and asked communities to join and they did that through this resolution; what we are asking Council to consider now is to pass a Resolution of Support if there is acceptance of this Plan; the language is not adopting the plan; it is adopting continued support of the concepts in here as they fit your community.

Angelou said I saw we had 269 local communities that have joined in; how many were actually in our area. Taylor said I think 31. Angelou said are there any that did not participate. Taylor said there were several; areas of the watershed considered does not exactly match up with the communities; there are several in grey that did not participate; we are still working with some other of the communities that may not pass a resolution; we have participation from Morrow County down through Delaware County, and quite a bit in Franklin County.

Samuel said this has been in existence for awhile; what is the return on investment; has there been some great things that have happened like developers coming in; do you have examples of where this benefited a community financially. Taylor said we have talked to some of the pilot programs that were part of the initial group to find out how this has affected their communities; City of Delaware is a good example; they looked at the list of incentives and saw they could get percentage points off on a loan for a water utility; so in this incentive list there was a direct return where they could get reduced rate on a loan; for them it made a real difference to their bottom line; there are many competitive grants available; we have been told from our State contacts that even though you still have to put forth a good application, there is some additional consideration being given; of 100 points on a grant application maybe 5 points here or there; maybe some state funding available; also there has been good dialogue between the communities; the goal of the whole process is to improve water quality; as we work with agricultural runoff and urban and suburban sources, this will help in the long run with the quality of the water; these are sources of drinking water for large parts of the region; so looking at the long run, we feel it is something you will benefit from.

Renner asked if everyone was in agreement to support the resolution; all were ok with it.

Recommendation: Resolution of Support, Consent Agenda.

ISSUES - From Director of Development:

Office & Industrial Incentive/Niagara Bottling

Jones said he and Franey would be joined by guest Brian Hess from Niagara Bottling, LLC; we have 3 items before Council; one from Development, and two from Service with regard to our effort to attract a corporate user to our community, Niagara Bottling, LLC; Hess is Executive Vice President of Operations and Legal Affairs; working together since May; we have been actively trying to find a way for Gahanna to be their number one choice for their midwestern production facilities; we have been working closely with the administration; the Mayor's Office, Council Members, Department of Planning and Development, Service and Engineering and Building and Zoning; everyone that we could bring to bear to the process; Hess told us from the beginning the project would be guided by 3 principals; 1 is community fit; 2 is up front costs; 3 is operational expenses; we have inched our way forward toward being number one throughout the process; initially we were not the most competitive cost wise; we were competing with Michigan, Kentucky, and other Ohio cities; we recognized that Niagara is a corporate citizen we really wanted to have in our community; they value corporate principals and philosophies quite well; the company started back in 1963; they are headquartered in Ontario, California; the owner's son Andy Peykoff II is the CEO and President; Andy Peykoff Sr. is the original founder; he is still involved; the property they considered is at 1600 Eastgate Parkway; it's the old Amerigraph property that has been vacant for more than 5 years; a 308,000 square foot facility; Niagara is considering opening up a 2 line facility on this site; can go up to 4 to 6 as well; produce 1300 bottles per minute. Hess said each bottling line is 1200 bottles per minute although we just came up with a new design that will be coming out next year that is about 150% faster. Jones said that is a lot of water; we have 2 other components on for discussion tonight; in order for us to secure the location, they went to the State Department of Development today and they were awarded some job creation tax credits; our local match component would be an Office & Industrial Rebate Incentive; the Incentive Advisory Board met earlier this evening and gave their favorable opinion of a 5 year 50% income tax rebate; this equates to approximately \$112,000 over the 5 year term; Niagara is a big water user; they will be the largest user in the City of Gahanna; we have been trying to find ways for us to be more competitive; we fit really well with the company and our philosophy of being community minded, but the ongoing operational costs were very challenging for us; we were not as competitive as other communities around the midwest; the Service Department and the Development Department worked together to find out how we could set up a step rate for a municipal water user above 9 million gallons a quarter as well as waiving 50% of the tap fees that are associated with the capacity they will be using on this site; those are the 3 primary incentives we are offering to lure Niagara to our community; it is important to note the step rate will be available for every business that would use 9 million gallons per quarter; before we go into more detail on these incentives I want to give Hess the opportunity to introduce himself and let everyone know about Niagara and what the project means for them and why they are a good fit for the City.

Hess said we take a personal approach to this process; this will be my 13th plant that I have worked on; met with 300 communities over the last 12 years; honored to get the opportunity and that the company has this trust in me; what I am charged with is creating an experience for our employees; to help you understand, I have many stories about the Peykoffs, tell one so you know what they mean to me; my first year with Niagara, my Dad lost his property to foreclosure due to an accident; Mrs. Peykoff could see my stress; she said she would loan me the money; I was to go buy my Dad's house back; they would figure a way for me to pay them back; so this family means everything to me; when I started at the company we had 25 employees; today we have 1500; my charge is how do I create a similar experience for the employees coming after me; how do they feel the love of being in a family owned company, a company that treats you right and is very involved in it's community; the site selection process is an exhausting process; I started with 30 sites across 3 states, the first thing we do is chop the ones that have the zoning wrong, or the utilities aren't there;

so we get rid of the properties that clearly won't work; there are no amount of incentives that are going to make a bad site a good site; but they will take a good site and push it over the top and make it a winner; when we have a group of sites where operational costs are in the realm, we then pick our top community fit site; we give them the first opportunity and that is what happened in this case; our first meeting had the Mayor, 2 City Council Members, Jones, Fultz, and Franey in attendance; we left saying that is how economic development is supposed to be done; we felt that fit; we don't see that in all communities; some communities welcome you but they do not understand that we want to meet everybody; we want to know what type of situation we are getting into; we don't rent a building and plan to be out in 2 years; we are putting 50 to 100 million dollars into a building so we are going to be there for quite some time; big, big commitment to us; and I am trying to create an experience for our employees; I love the Peykoff's and this company; we want employees to be active in the community; they need to build themselves as a team; we have the same equipment as Coke and Pepsi and Nestle; the difference is who is running the machinery; when we create great teams, that is our competitive advantage; we are more productive; our employees are proud of the plant; we get our employees out in the community; we met with the Mayor of Ontario last week; we are refurbishing an historic landmark baseball field; doing an extreme make over; we have also run the mobile medical unit for years and provided free services to the indigent; these are the types of things we do in every community; these are team building events; we take it personally; the fact we had a warm welcome, we felt we could work through problems to make it the best fit; we had a pro forma; here are annual operating costs, here is net profit, water and sewer costs, labor costs, property taxes; we put it all out there; then at the end I have to explain why I am choosing a community that maybe isn't in first place in all those categories; of course they can't be in 10th place either; so this is what we had to overcome; I explain to the group I work with that first place is not a necessity, but it is competitive; ultimately we will give our best fit community the first shot; if they can overcome the disadvantages, that is where we are going; so at the end of this we felt Gahanna had put the best foot forward that they could and that they got close enough; and the fit was number one by quite a distance; we had our district representative attend the meeting; you understood how important that was to us; having all the right people at the table, the fit was number one in the 3 state area out of about 28 sites; you should all be very proud of that; I love this place; think it is because it's a smaller community; my last 4 or 5 choices have all been smaller; they are the places we feel we can really fit in and they want us and feel we are a good project; we feel the same way about the community and want to give back; when you have 2 groups that feel like partners, there is nothing we can't overcome; there are a thousand and one issues as you start a business; if you are working together there are no obstacles that can't be worked out; the fit element means everything; we feel that fit in Gahanna and couldn't be more thrilled to be here; we thank you all for the time you have put in; even the Mayor; every time I have been here, you have been here; that is not lost on us; thank you for the welcome you have shown; I get to go back to the owners and executives and tell them this is home; this is where it is going to be and it is great. Angelou said so you are moving here. Hess said I am back a lot; I didn't say a lot about the company; just want everyone to understand the people in this room made this happen; it is not by luck or chance; and not just because of the incentives; we make this a very competitive process; you guys hit a grand slam here in terms of the effort put in; can't thank you enough.

Anderson said could you flush out what it was about the first meeting when you felt this is how a Development Department meeting should be; was it the people at the table. Hess said it is bringing the right people; but there is another part as well; we go to meetings where we lift confidentiality so you can know who we are, what we do, what our core values are; we get people in the room who say "love to have you" and we say "who are you" again; we know that is not real; there is just one development

person and the Mayor and Council have not been involved; we look to see if the community has done their homework; are they actually being selective as well; you shouldn't invite just any company in; so having the right people in the room is the first thing we look at; was City leadership there; did they care; were they informed; that is where we started here; everybody questioned us a little bit; the relationship grew as we tried to problem solve; when we came back everyone is here again; we felt the support; we felt the love; we make good friends; that is the real experience; we have proud groups; this makes it better for recruiting; trying to build good solid teams; that happens when you have community support behind you; we are trying to be competitive; we sold more water than Pepsi and Coke combined last year; that is no accident; it is through a lot of hard work; I am not saying the operational and start up costs aren't important; fit is our number one category we go back to. Anderson said will they say bottled in Gahanna Ohio. Hess said they all say bottled in Ontario, California which is headquarters; then we can ship labels from one plant to another; so no; most of our brands don't even say bottled by Niagara; we are bottling for private labels; we are the biggest private labeler in the US; this is what we do; you go to Costco and see the Kirkland brand; we do Kroger; at Walmart it is the Great Valu brand; any major grocery store it is their label on our bottle; we used to do anybody that would buy a pallet of water; we would make them a private label but we have grown since then.

Samuel said I have 2 things; if you go to the grocery store and see a wave on the bottle that means it is bottled by Niagara; how important was the location when you chose Gahanna. Hess said I was given a region and could pick within that region; could not go outside the region; had some as small as 100 square miles; and then from Hagarstown, Maryland to Atlanta which was basically the eastern US; that is how location is important to us; we chose to look South of Louisville all the way to Toronto for this region; what we are trying to do is optimize freight and create a strategic location for sales; we want to be close to our customers; physical presence gets more customers; always better to go into a customer and say we have a plant only 150 miles from here; trying to optimize freight; used to build mega plants on the coast, then we would ship; we do disaster relief like for Katrina; then fuel went through the roof; so now instead of mega plants, we build regionally closer to our customers; ultimately it is freight and plastic that are the 2 biggest costs in our business; nothing else gets close; to the extent we can optimize our supply chain and minimize freight, that is a very good thing; the Michigan location gave us a portal into Toronto and has our Costco business; so it is a little apples and oranges; had to pick a location that would service both Costco and Toronto and do Kroger, Walmart and Save A Lot; I had free reign to pick either location; ultimately we would supply the whole region from this plant; it came back to fit; we went from 30 to 8 before we really focused in on fit; so we laid all this out; go to our top fit location and say here is the challenge; here is where you rate on operating costs and fixed costs; can we get over that; if so, this is where we want to be; fortunately for our top fit sites we have been able to do that; that is because everyone is working to try to overcome problems at that point; very little they can't do when they have same goals; felt this group wanted to solve the problems from the beginning to end for the groups we represent; it is something special when it all becomes the same side.

Angelou said what are the processes that will happen at the plant and are there any environmental issues. Hess said one reason we show a video is we want to show that there is no big smoke stacks or anything like that; it is very quiet and self contained in the building because it is a food manufacturing plant; environmentally there are no air emissions; the only environmental issue you have is we have a discharge from reverse osmosis; we take in city water, out one stream 80% of that gets purified and goes in a bottle; the other 20% comes out as wastewater; it is clean and has no biological oxygen demand; it has no chemical oxygen demand; no suspended solids; nothing gnarly; what it does have is a higher content of dissolved

solids; one of our first things is to make sure the sewer and sewer treatment plant can handle our discharge; specifically the higher salt loads in that discharge; 90% of communities have no problem with dissolved solids; the real problems are with pH; that reeks havoc in a treatment plant where you have bacteria and their processes going on; you throw a load of low pH water in that sewer and you will reek havoc; most communities are concerned with biological oxygen demand, chemical oxygen demand, suspended solids and pH; those are things we don't have any problems with; our issue is we are condensing the salt; if you have 100 ppm of dissolved solid coming in from city water; take that times 5 because you are condensing it in 1/5 of the water and that is what is going out; you could drink it; it is mineral water, or hard water; so we make sure the sewer system can handle it. Angelou said and you have done that process here. Hess said absolutely; what happens in the plant; in addition to processing the water, one of our big competitive advantages is we are vertically integrated; that means we are making these bottles and caps; we are as much a plastics plant as we are a beverage manufacturing facility; the reason that is relevant, that is how we obtain the cost structure; that is one of the reasons we are a low cost producer; there is not a lower cost producer in the US than us because we are vertically integrated; we also have zero advertising costs because we are putting private labels on them; that is why it is 60% of the price of Coke or Pepsi; what we are doing on the inside is bringing in little pellets of resin; it is polyethylene terephthalate and high density polyethylene which is the opaque plastic you see here; it comes in little pellets and they go in a silo; from those silos they go into injection molding machines; we are injection molding the caps in preforms; before it is a bottle it looks more like a test tube; that test tube goes into a blow molding process; the reason this is so relevant is it has changed the type of jobs you see in manufacturing; instead of people working on fillers, we have blow mold technicians, injection mold technicians, preventative maintenance technicians; it increases the training and educational requirements of our employees; working with plastic is an art; trying to get it in the right places and it is really a high tech field; so it is not just beverages, it is also plastic manufacturing; that is where a lot of the jobs are; and that is where we need a lot of technical expertise; the equipment all comes from France, Germany and Canada; we are hiring people in different jobs historically; we are sending them for training before we open the plant; we are hiring in October and November because we send them out to be trained; you have to make these kind of technicians; they are not out there; this is a little different than other beverage companies; from there we are processing the water through ultra filtration, carbon filtration, micro filtration, reverse osmosis, ozonation; we are taking the residual disinfectants out of the city water, then putting it in a bottle; sometimes adding minerals back in if there is a special mineral formula; then we package it in cases and put them on pallets for shipping, sometimes they go to direct store delivery; what you see coming out of our plant is 15 to 20 pallets with about 80 cases of water per pallet on a truck; we are wholesalers; we do nothing retail. Angelou asked will you be using rail. Hess said no.

Anderson said you said you need people with expertise and they are not around, but also you mention the importance of hiring locally, does that mean Franklin County or Gahanna, and what kind of backgrounds and skill sets are you looking for to send to training. Hess said we always do our job fair in town; at the last plant, more than 50% live within 3 to 5 miles; that reduced commute is great for morale; for training, there are mechanics that we can convert; you don't take someone who has never turned a wrench and make them a preventative maintenance mechanic; use people from the auto industry; find other injection and blow molding in the area; it is not our type but can be trained; we have an extremely robust management internship and manufacturing development program; bring in people right out of school and put them through a plant rotation; this is how we build leaders from within; we had about 60 people do it this year; pretty good percentage for a company of 1500 people; we know we have to build talent from within; these are not jobs you put in the paper and get 10 blow mold mechanics show up; we have to skill convert; we leverage our

vendors to do that; we send people to these countries for training specific to our machinery; they also train at our other facilities which means they leave home for a period of time; it is a great process. Anderson said so you would use people with a supply chain background, mechanics and industrial engineering. Hess said we need industrial engineers absolutely; also other engineers; quality assurance, supervisors, production managers, plant managers, line supervisors, equipment operators, who need PLC and Programming in training to operate this equipment; people stationed as fillers and working on machines; used to be manual; now it's high tech; we use others as well, guard shack personnel, security, HR; we can provide the complete list.

Anderson said we also place an emphasis on good corporate citizenship; key to us to get our citizens employed and to have the businesses involved in our many activities. Angelou said we would encourage people to live here. Hess said I am not pandering when I say we like having our people involved; like what I do; our people are proud of their work, more productive and we profit from it; not a bad point about it.

Wright said I am excited about your eagerness to come to Gahanna; I do have a few concerns; since you do the plastic manufacturing, I would like more information on the environmental effects the plastics will have; have not heard of this being worked with where there are no toxic wastes. Hess said for the bottles, the worst thing that can happen with them is they end up in a landfill; that is the biggest negative with these bottles; there was a report some years ago that some dioxin is released; this type of plastic is used with almost every type of food product; the environmental impact is they end up in a landfill; this is one of the most recyclable materials on earth; what we have done is make the lightest weight bottle in the market, and in the world; did this before it was even cool; we went light weight because of our 2 biggest costs; freight and plastic; we went light weight to make money, not really for the environment; about 6 years ago, we came together with the environmentalists and focused on the impact; recently we came out with the nested pack; it is no longer square and there is no cardboard; so we have invented the lightest bottle with the lightest cap in the lightest package with zero cardboard; they are cockeyed to create structural stability in the nesting case so it can travel over long distances without the cardboard; it is a brilliant engineered solution; so we have the most environmentally friendly package; from a recycling standpoint, we absolutely support it; we do it in our own plants and do not waste a single bottle; when I see bottles in landfills, I see money; our industry hopes to soon finalize a full closed loop; we would get our bottles back and do in house recycling; it is now possible but the key is getting it to a reusable form again; it is possible now and as long as plastic remains valuable, you will see us clamoring to get our bottles back as it will reduce costs; big changes are coming over the next few years; with light weighting, we have a new product in R & D to make it stronger; in about 4 months we will introduce the newest, lightest weight bottle in the world; pretty exciting and adds to the health of our company; hope I answered the question; environmentalism is a big part of our company. Wright said that answers to a point; I am more concerned with the plastic manufacturing inside; how do you not have any left over environmental contamination at the plant. Hess said I can promise you there is none; this is polyethylene terephthalate; we are melting it down to a molten lava in a closed system; then punching it through a screw; there are no emissions; I am responsible to OSHA for environmental health and safety issues making sure our employees are safe; we have one of the lowest incident rates in our industry; our accident rate is 4 times lower; we have done every environmental test known to man in our plants and there is no negative health discharges of any kind. Wright said thank you.

Jolley said do you do anything in the community to encourage and inform about recycling and how they can have a better use; we have curbside recycling in Gahanna, but plenty of people throw these out; also is your facility ever open for tours. Hess said we have not done a community initiative on recycling; Costco and some of the buyers are very environmentally conscious; they push us to have this in

our buildings; like signs and containers in our buildings so we lead by example; not to say that we wouldn't if it is what the local community needs; no we don't give tours except during our ribbon cutting, and that is golf cart tours to our VIPs; these are great fun days; but we do have security concerns and make sure we check ID's. Jolley said this was more about showing the community the process to encourage recycling. Hess said we work in 6 states now that have Bottle Bills for recyclers; in the others there is curb side recycling; there is a lot of recycling we all should be doing; ours is easy and needs to be improved.

Anderson said one more question; you will use a high volume of water; we will possibly be changing our code so other businesses can become high volume users; what impact does the pull of that high usage of water have on the community; can we even have another business that would use your same amount of water. Franey said one of the things that Niagara did was to contact us and tell us the type of usage; we wanted to verify we could sustain it; we modeled it and contacted the City of Columbus; it is possible that it will reduce the pressure for some businesses in that area; that simply means we will have to install a booster pump to keep the pressures up; our model shows it is sustainable and Columbus feels that way also. Hess said good question and one of the first we ask when we go into a community; if we are straining the utilities it would not be a good fit; it is a basic qualifying question; we don't want to strain the system to the point where you can't add other businesses. Angelou asked has any other businesses using this same amount of water had pressure problems. Franey said we are not aware of any.

Samuel said with this amount of water usage, it might benefit the residents as far as stabilizing costs and maybe even decreasing them. Franey said that is absolutely our belief.

Jones said what we have before you is one of the most exciting projects we have ever had in Gahanna; it is a game changer in our ability to grow our base; projects where the company will make an investment like they are doing don't come along often; for them to consider us is a good day indeed; we have before you 3 pieces of legislation; the first is an income tax rebate of 50% for 5 years.

Wright asked do you need emergency on any of this. Jones said they want their operation up and running by February 1; that date is set in stone so we want to work to make that possibility; Emergency would be helpful to that situation.

Mayor said we don't need a waiver, only emergency.

Jernigan said that would have it approved on the 17th of September.

Recommendation; 1st Reading, no need to come back; 2nd Reading, Consent Agenda; Emergency Language.

ISSUES - From Director of Public Service:

Code Change/Business Incentive - Water Rate Modification

Franey said for the next point, most communities have some degree of step water rates to encourage high volume users; in Gahanna this has previously not been a viable option; this is an opportunity to bring in high volume users; we would like to have one step introduced that will not jeopardize any revenue we currently produce; but it would encourage high volume users to come into Gahanna; we are proposing that after 9 million gallons are purchased per quarter by one user, the remaining water would only be charged the supply costs; this would be good for any user of that much water; so how does this help our current user; with a customer using this 9 million gallons every quarter, we would end up making over \$124,000 in the year; that

is additional money into our water fund; when we set yearly rates, we take our cash balance; we pull out our emergency reserve; we pull out the amount reserved for future planned capital projects; we deduct anticipated expenses for the coming year; the result of that is what we use to set our rates; so the higher the cash balance when you start out, the more positive the end will be when you set rates; we feel encouraging high volume water users can only help our current customers; so our first piece of legislation is a request for modification of our Code Section 929.12 (a) to reflect that change; and this is for any user of that volume of water.

Renner asked if this needed emergency. Franey said no.

Angelou asked if this needed a Public Hearing; Franey said she did not believe so.

Recommendation: 1st Reading, no need to come back; 2nd Reading, Consent Agenda.

Niagara Business Incentive/Waive 50% of Water/Sewer Capacity Charges

Franey said the next incentive is specific to Niagara; we charge capacity fees when a new customer comes online that expands their use; those fees are designed to give a cash infusion to the capital account supporting it in case additional infrastructure is required; normally they are not this high a volume user; so the cash infusion is helpful and necessary because it would take a long time to earn enough revenue to pay any significant portion of the necessary capital improvement; in Niagara's case, their fees would be in the \$351,000 range; we would owe the City of Columbus \$101,000; what we are asking for tonight is to waive 50% of those fees; if that is done, Gahanna will still net over \$74,000 for our capital fund; we will be able to pay Columbus what we owe them; and because of the high volume of use, we will gain revenue much quicker than we would with a normal user; that is why we feel this incentive is appropriate for a customer like Niagara.

Mayor said isn't there also a point about this being an existing building. Franey said it is an existing building and the fees involved are due to up sizing what it currently is.

Larick said as we sat around the table and spoke about this, there was a great deal of discussion about the fit and the relationship between the business and the community; we wanted to do something to put Gahanna in a competitive position, so what was critical to me in order for that to happen was any incentives we put in place had to be mutually beneficial; it couldn't be something that was a negative to the City; I think Development and Service have done a good job of putting this together to make us competitive while still allowing the City to gain benefits. Hess said that was important to us too; it is not a good fit if it is not a win/win scenario; that is what we always wanted as well.

Wright said regarding the Code change and rate modification, down the road, if we are seeing a high return for what we are doing, maybe we could consider lower fees for the citizens; we could justify more water is being used, here is how that lowers rates. Franey said the rate structure that I talked about is designed to do exactly what you are saying; we don't want to be a savings and loan; we simply want to have in reserve what we need and give everything else back to the customer.

Angelou said this typically could mean not raising rates and putting forward increases from Columbus.

Mayor said at some point we may have to do a rate study; we have done them every 5 years or so; that would take a look at our ongoing rates; as Angelou said, we will see increases from Columbus; that is not going away; we work hard to maintain healthy balances so we can keep rates low for Gahanna users and cover costs; as a Master Meter water city, we maintain our lines; this was a negotiation; there was a lot

of back and forth; we have taken the task to customize our incentives; they were understanding that we can't waive all fees which made these negotiations successful.

Angelou said it is important to note that Niagara is purchasing this building; it is not a rental situation; that makes a huge difference in terms of incentives; they are saying they want to be a part of the community for a long time; shows a commitment to Gahanna. Jolley said and also the facility upgrades to the location. Angelou said and it is part of the TIF.

Renner said he has worked on water deals for the County and he is very pleased that Niagara is coming to Gahanna.

Recommendation; 1st Reading, no need to come back; 2nd Reading, Consent Agenda.

ISSUES - From Council Meeting:

Noise Ordinance

Ewald said this is a follow up from a prior Council meeting; I handed out a noise ordinance comparison chart; this is the information I provided to Council last time; added 2 cities at the bottom; Galion, which is the city I took a lot of information from with regard to the noise ordinance, and Shaker Heights; you can see on here that every community looked at has significant differences; could be a vague or broad ordinance or down to the detail of using dual purpose; or containing the ordinance within boundaries established for certain periods of time like overnight or reasonable standards applied during the day; a real hodgepodge of ordinances; 3 things, 1 is do we have a consistent process; yes, I have worked with the Police Department to come up with a process that works; most of it already existed; 2nd we adjusted it from a 3 minute interval for testing purposes to a 2 minute process that is being enforced now; 3rd we changed from measuring at the source of the complaint, which did not allow for an anonymous report, to the source of the noise; as you look through the chart, I provided code section, contact information, the standard, the method of measurement that is used, the type of property which follow zoning classifications, time and whether it is using DBA or DBC which is the A wave or C wave you have heard about; most communities use an A wave; if they use the C wave the levels are significantly higher; it is basic; look at the time of day; during mid day they are higher; then at night when sleeping they are lower; Gahanna is on here; we currently use an A weighting and I personally believe that is sufficient for our purpose as long as it is consistent; there was a discussion on whether or not we were enforcing it on more than a daily basis; a gentleman came forward and said you can't enforce it more than one time per day; said at our last meeting; when you look at the Code provided, that is typically what they do; the fine is for failure to follow the law of the City; so those are the issues and I am open to questions at this time; it is really up to Council from here.

Larick asked on the sound levels, which are A and which are C. Ewald said the last column on the chart is C; the problem with modifying the Code more is every City is different; Council has to make a decision; how do we want to modify the Code to fit the needs of this community; you will never find another City exactly like Gahanna; we can use the same process used by the majority in Central Ohio, but they don't have the same kind of establishments; or adjacent zoning; so you have to make the decision based on what you think is the best interest of the community; I think if we have a good standard, applied consistently over each day and each week, and it is enforced and prosecuted vigorously, then the residents will be happy with that; my concern with removing the requirement that you can fine more than once a day is

what if you have 7 different people in 7 different locations who all call about the same noise; how does an officer differentiate between the other calls that came in; if one comes in at 10 minutes and a 2nd at 30 minutes, do you go out and cite them again; my preference is to increase the level of the fine; but that is a Council decision.

Anderson said have thought about this as well, realize in the example you gave the fining can be precarious; over an interval of time, more spread out than your example, would warrant multiple fines; people should be fined multiple times if it is over a longer period of time; have been on the flip side and have not been able to sleep due to people partying; the noise is unfair to those people so I think multiple fining is warranted; my question would be at what intervals would that be; 2 or 3 hour period; something so the businesses take it seriously; as a resident said, what is to prevent an establishment after they have been fined from turning the music up again; I am in favor of multiple fining and I would be willing to work with you to figure out an interval if that would help. Ewald said I would ask you leave it to the discretion of the Police Department to do that; if you start putting rigid guidelines in the Code you are going to limit the effectiveness of the Police; there are so many variables, but if that is the direction Council wants to go, I would again say you should leave the enforcement up to the Police; they need the flexibility to make the judgement call. Anderson said as a Council Person I understand that, I am just thinking about the resident testimony we heard where they said they call the Police and the Police do not come. Ewald said that is a separate issue; you can go back and track it; the phone calls are recorded and there are log sheets; there are ways to correct that issue. Anderson said I have to give that more thought; I did want to say I am in favor of multiple fines.

Jolley said I am not necessarily opposed to multiple fines; we do have to be careful not to get into the situation where we are micro managing by saying the enforcement of this is where the Police have to go every hour or hour and half; this is not to minimize the impact this has on people's lives; at the same time there are functions that our law enforcement are dealing with at any given time; public safety issues might be more pressing; if we legislate time intervals, when they have another situation, the Police have to be able to prioritize on their own; we need to be cognizant of the scope of our law enforcement officers responsibilities throughout the City as opposed to just citing what is a nuisance; so I want us to leave the discretion to the Police and not micro manage.

Anderson said I agree with that; but I still would say multiple fines; how it is done I haven't figured out; I just would like the Code to reflect it can be multiple; from there it is a balancing act; want to say for the record that I am in favor of multiple fines and the Code reflecting that. Jolley said in terms of increasing fines for each incident, in Galion that extends over 3 years; so even if you could only get cited once per day that is a very long time to have subsequent fines increasing; that might be an alternative to look at; that time period would be a significant deterrent.

Larick said when you put this together, what was the thought about making all subsequent 4th degree vs continuing up through misdemeanor. Ewald said that penalty was already in place; we just changed a reference to another part of the Code. Larick said my question is 2nd and all subsequent are listed as 4th degree. Ewald said Galion uses a measured step process; so each fine that follows increases in severity. Larick said so we didn't touch that at this time. Ewald said we left it at that level; then as we review it, we could tweak it as necessary; one gentleman brought forward that this does restrict our officers on a daily basis right now; there are a couple of ways to get around that; create and adjust the severity of fines; or remove the daily basis language; strike that line in the penalty section then they cite at their discretion.

Larick said for a summary, there are a multitude of things we can look at; it breaks down to level, repetition, escalation; then comes to terms with what the appropriate answer is.

Ewald said I went all over the board with this; we need to boil it down; what are the appropriate levels that Council believes are fair given the time of day; 2nd is the penalty section; is it appropriate for the situation; this has to be a very broad application of penalties; you can't pick and choose; has to be generic; finally I want to make sure the Police Department has the discretion to enforce it consistently; I did review this with the Court magistrate last Thursday.

Wright asked for how many years prior was the old ordinance in force. Ewald said I would have to get that information and get it to you. Wright said are there any other infractions that we cite multiple times in the same day; could I get 5 parking tickets in the same day. Ewald said I am sure. Wright said I just want to make sure it makes sense and look at some other ordinances. Ewald said for parking you are dealing with one vehicle; in this case, you may deal with 10 residents that call in about one noise; we need to make sure the process is fair to the business and the residents. Mayor said the zoning code may have examples of this. Ewald said yes; multiple residents could call about high grass or dog barking.

Larick said from my perspective, seems like what we may want to do is look at the information Ewald put together and the modified Code or existing Code; and we send what ever adjustments we would like to Ewald to consolidate the language and put them together; then see what next step we want to take at next committee. Ewald said the current Code is enforceable. Larick said the alternative is to sit with the current Code and see where it goes; we can't continue to dialogue continuously.

Anderson said we need to be proactive and look at these 3 or 4 different things discussed and then at least dialogue again about them; I would like to question why Shaker Heights. Ewald said it is one that had the standards and was used originally; I updated it; explained it and said it was picked because it had a complex structure; we have a lot of officers who are not noise experts and I am not an expert; want the Code to be consistent; training to be easy; easy to read and enforceable. Anderson said so this is a model example. Ewald said no; it is because it is an A weighting, has a complex structure, and it is under 10 minutes. Angelou said it has a different time than most; it is 7 to 9 rather than 7 to 10. Ewald said most go to 10 at night. Jolley said Galion on the weekends has a 2 hour period where it is louder. Ewald said they have a very thorough Code as well as Hilliard.

Ewald said there are 2 items to add to Larick's criteria; I received a call from a resident today; concerned about the noise from generators during an emergency; I would think the Police Department wouldn't apply the noise standards here during an emergency. Jolley said the DB levels on replacement air conditioners is in the 70's but it doesn't travel; complex issue.

Anderson said this comes up outside of condos; so this might be something we want to include. Ewald said just wanted to bring it to your attention for your consideration; other questions please email me; the only concern I have right now is with the penalty section; does Council want to remove the requirement of daily fines or do you want more time. Larick said if we are bringing it back in 2 weeks my preference would be to wait and do it all then; next question is when do you need our input for this to make the next committee meeting. Ewald said by next Wednesday after Labor Day.

Recommendation; Return to Committee of Whole in 2 Weeks.

ISSUES - From Council:

Resolution/Honor Cal & Barbara Berkey

Renner said the next issue is a Resolution to honor Cal and Barbara Berkey. Samuel said I will bring forward a Resolution to honor Cal and Barbara Berkey who were the owners of the Marathon Station at Morrison and Hamilton Roads; they were in Gahanna 38 years or more; they helped a lot of young families who were down and out by providing gas when they needed it; I have a personal story where they actually helped me spread payments on some needed auto repair when I was young with a family; they did a lot for our community; I will bring that forward and have it for next committee meeting.

Recommendation: Resolution, Back to Committee.

ISSUES - From Last Meeting:

Ward Boundaries

Renner said next item is Ward boundaries; would you like to start, Angelou. Angelou said no; I said all we have on this issue last time; I appreciated Schnetzer bringing in his ideas; if others have something to say on this, please go ahead; I have no problem with that.

Jolley said I called Schnetzer after the meeting and spoke with him; he wanted me to make it clear that, despite some of the comments made during the Council meeting, he was not trying to imply that anything nefarious was done; having run for Council himself, he recognized that there might be some implications there; his biggest concern was he thought that Ward 2F and Olde Gahanna were one and the same; I asked him if we were moving him out of his district based on where he lives; he said no, he would not be changing, but he thought those 2 neighborhoods were one and the same; I personally do not agree with that; he just wanted to have his voice heard; he appreciated being able to speak with us. Angelou said that is what we have this process for. Jolley said exactly; I do not want to put words in his mouth, but I wanted you to know I talked to him for about 15 minutes and he appreciated having the opportunity to speak as he wants to continue to be involved and put forward some ideas.

Angelou said it would be wonderful to take large lines like Styler Road, Hamilton Road, and Granville Street, and use those to cut Gahanna into 4 districts; but the bottom line is we are all one Council; the people that have been elected by citizens of Gahanna should be able to serve out their terms; I am talking about those in partisan political parties that have Ward Committeemen which are 2 from the Democrats and 4 Republican; we studied it; we came to a consensus; I appreciate his input, but what we brought forward met the criteria of 6153 through 4 Wards; bottom line is that is the only thing that matters; they have to be contiguous and they have to be close to that or as equal as can be and 6153 was the number. Jolley said I also explained to him that with the configuration we are looking at, Ward 2 is a little lower, but it includes future growth we know is going to take place at Creekside as the apartments and condos get built out and people move in and register to vote; we know that Ward 2 is going to increase in registration; we can't say that for certain about any other Ward; what we came up with makes 4 changes, 2 of which are very small; it keeps it consistent and eliminates 80% of the disparity we have now. Angelou said with this being a Presidential election year, we may have a higher voter turnout; we can see what that does; we may have more that register; I think we are ready to move ahead and do the survey work if no one else has a problem.

Anderson said over the last 2 weeks, I had a chance to look at the map; I do not have a problem with it; would like to thank the committee for their work; I would like to underscore that I think he was talking about not just the bold lines, but the spirit of it; I am surprised he did not come back. Jolley said speaking of the bold lines, we have a lot of triangular areas caused by Johnstown Road and the Creeks; does not lend itself to be laid out in a grid; the west side a little bit but it is difficult to do that.

Renner asked if everyone was ok with going ahead; all agreed.

RECOMMENDATION, Motion Resolution, Consent Agenda.

PENDING LEGISLATION:

ORD-0173-2012 SUPPLEMENTAL APPROPRIATION - Council, Legal Expenses

See discussion on Ward Boundaries.

Jernigan clarified with Renner that all were in agreement to support the Resolution for the Big Walnut Watershed.

Meeting Adjourned.

Della Brandenberger, Reporting