



Meeting Minutes

Tuesday, September 8, 2015 ~ 7:30 P.M.

Louis J. R. Goorey Worthington Municipal Building
John P. Coleman Council Chamber
6550 North High Street
Worthington, Ohio 43085

City Council

Bonnie D. Michael, President
Robert F. Chosy, President Pro-Tempore
Rachael Dorothy
Scott Myers
David M. Norstrom
Douglas Smith
Michael C. Troper

D. Kay Thress, Clerk of Council

CALL TO ORDER – Roll Call, Pledge of Allegiance

Worthington City Council met in Regular Session on Tuesday, September 8, 2015, in the John P. Coleman Council Chambers of the Louis J.R. Goorey Worthington Municipal Building, 6550 North High Street, Worthington, Ohio. President Michael called the meeting to order at or about 7:30 P.M.

Members Present: Robert F. Chosy, Scott Myers, David Norstrom, Douglas K. Smith, Michael C. Troper, and Bonnie D. Michael

Member(s) Absent: Rachael R. Dorothy

Also present: Clerk of Council Kay Thress, City Manager Matthew Greeson, Director of Law Pamela Fox, Assistant City Manager Robyn Stewart, Director of Finance Molly Roberts, Service and Engineering Director William Watterson, Director of Building and Planning Lee Brown, Director of Parks and Recreation Darren Hurley, Chief of Police James Mosaic, and Chief of Fire Scott Highley

There were approximately twenty six visitors present.

President Michael invited all those in attendance to stand and join in the recitation of the Pledge of Allegiance.

APPROVAL OF MINUTES

- **July 20, 2015 – Regular Meeting**
- **August 3, 2015 – Special Meeting**

MOTION Mr. Troper made a motion to approve the aforementioned minutes as presented. The motion was seconded by Mr. Myers.

There being no additions or corrections, the motion to approve the minutes as presented carried unanimously by a voice vote.

VISITOR COMMENTS

Eugenia Martin, 148 E. North St.

Ms. Martin shared that she is a registered landscape architect and owns her own company. She is here to speak on the proposed referendum change to Section 1.04 to the City Charter. She opposes the change. This proposal, as written, states that all changes to the zoning code or changes to zoning for any property in the city does not go into effect for 60 days to afford the opportunity to file referendum petitions.

Ms. Martin shared that time is already in place to allow these petitions to start in the process. In order to have any type of zoning go forward, an application has to go before the Municipal Planning Commission. There is public notice for that and there is public

hearing. There is an opportunity to provide public input. At that point it is referred to City Council where there is public notification, a chance for public input and public hearings on all of these. There is plenty of time for these opportunities to be afforded for anybody who might be in opposition for any type of zoning change. It is very clairvoyant. Everything is up front. It is notified to the public. With that being said, to have a referendum to add 60 days on to make any of these things go into effect puts us above and beyond any of our adjoining peer communities within central Ohio. We have a twenty day that is in place and adjoining communities are within thirty days. She thinks that sixty days is a bit excessive. She is here tonight to ask city council to please oppose this referendum proposal so that we may keep Worthington working as we have it now.

Ms. Martin then asked if any members of the audience agreed with her to please raise their hand. Numerous individuals raised their hand.

Joe Sherman, 6603 McBurney Place

Mr. Sherman shared that he is a member of Worthington Alliance for Responsible Development (WARD) and he would like to share a thought with members this evening. He stated that WARD fully supports the Keep Worthington Beautiful (KWB) initiative, believing it will enhance good government policies in Worthington by strengthening the voice of the residents. WARD did perform some individual analysis of the KWB proposal and although sixty days may appear to be a long time for implementing zoning modifications, it is more important that the citizens of Worthington have a real opportunity to react to these legislative changes. WARD believes that the success of the KWB citizens' initiative will help to enhance and protect what is unique about Worthington to the benefit of the residents, businesses and visitors alike. WARD encourages the voters of Worthington, our city council and staff to support this effort in self-governance that is in keeping with the best traditions of Worthington. WARD remains committed to working cooperatively with city staff and council towards an agreeable outcome regarding the UMCH property and believes that the KWB initiative enhances the prospects of mutual satisfaction.

Mr. Myers stated that he thinks it is probably time that council open up the debate on this issue. He would like to see council move towards a motion to take a stand on this issue.

Mr. Myers shared that a great deal of time and effort has been expended by Council members in an attempt to compromise. Those overtures for compromise have been rejected. This is so different than every other community in the area. Mr. Myers really doesn't think this initiative is about additional time for voters. The Masonic Lodge development application took almost four months to get through the Municipal Planning Commission (MPC) process. During that period of time the density was cut almost in half, it was changed from a mix of owner occupied and rentals to all owners occupied, setbacks were changed to conform to the rest of the neighborhood and the materials were changed which greatly increased the cost of the project. All of that was because of citizen input. We went from an original application through public input to one which the public felt was much more responsive to the city of Worthington and their desires.

At the end it feel down on negotiations over a park. The people opposed to the Masonic development got everything they wanted through four months of public hearings except for a park. Council found that the purchase price of the land was 50% over the appraised value. Add to that the maintenance costs and the development costs, members didn't feel, as public stewards, that that was a good way to spend money. Some people were upset and frustrated with that decision. Mr. Myers he thinks that this ballot issue is not about time because there is sufficient time.

Mr. Myers added that the UMCH project has been going on for two years and has been nothing but citizen input. This is about a way to express frustration and anger and the proponents have picked their target well. They have picked the lifeblood of Worthington and every other community in Ohio, our tax base. If someone tells us that going to sixty days is going to be the death mill of Worthington or if going to sixty days will have no effect on Worthington, they don't know. No one knows. It hasn't been done before. Nobody has done it but he knows that as a steward of public money, not his but the residents, he must be risk adverse. He doesn't believe moving to sixty days is an acceptable risk with the public's money. Twenty years ago we were not a real developer friendly town. Five years ago it was all we could do to balance our budget. He doesn't want to return to those days. We've worked very hard to develop our tax base, to do it in a way that was responsible, and we have achieved a AAA bond rating in the process. He believes that it is time for council to go on record and oppose the ballot initiative. We have Charter Review Commission coming next year. At that point, a thoughtful, measured and responsible debate that is spread out over a year can be occasioned upon this issue. It can be done in a thoughtful and responsible manner. He believes council should take a stance tonight.

Dr. Chosy stated that he wanted to reiterate that the Charter Commission will convene next year because there was no evidence of compromise for the people who were for the charter change. In that Charter Review Commission we certainly can change from twenty to thirty days because that is the standard in the area. He thinks that is a reasonable thing to do. Council members suggested that and were rebuffed. He also agrees that this is a bad thing on the ballot in many, many ways. He agrees that council should take a position.

Mr. Troper commented that he opposes the ballot initiative. He agrees with the comments that have already been shared this evening. He would probably also agree to change the effective date from twenty to thirty days but he thinks moving it beyond thirty days could be very harmful to our development in Worthington.

Mr. Norstrom shared that he recently had a letter published in This Week that made it clear that he opposes this initiative. He thanked those who have come out tonight because most of the people he has been talking to about this issue have been telling him how wrong he is. Mr. Myers, Dr. Chosy and he all came to city council after working on Municipal Planning Commission and Architectural Review Board. They have spent years changing the view of Worthington in the minds of developers. Worthington use to be a difficult place to get things passed. Members worked hard without really changing

anything that we did to let developers and others know that they would listen to them. Things have changed. Although he just heard WARD say that they did some research, his experience tells him that if this passes, we will go back into one of those situations where inside and outside the community people who are looking at making investments may not. He noted that Tom Carter was in the audience and was someone who has made a major investment in this community. Those are the kind of investments we need going forward.

Mr. Norstrom added that he has begun to ask the question, "When did members of the community stop trusting city council"? This initiative also says that council cannot pass an emergency motion on anything dealing with development. First of all, council doesn't do that very often, if at all. We have Mrs. Fox and prior to that we had Mr. Minister, who is sitting in the back row, to make sure we didn't do things like that because our code doesn't allow us to just declare something an emergency because members want to. It has to be a true emergency. For the people who put that ballot measure together to say to council, we don't trust you, it makes him sick. They are not talking to us or they aren't listening or he has been told that council isn't listening to them on more than one occasion and that is simply because members don't necessarily agree with what they say. So he wholeheartedly is opposed to this and he will make a motion that council adopt a resolution to oppose the initiative on the ballot.

Mr. Myers stated that he will second the motion but would like to offer an amendment. He suggested eliminating the need for a resolution and just do it by motion.

MOTION

Mr. Norstrom made a motion that City Council oppose the ballot initiative to change the City Charter. The motion was seconded by Mr. Myers.

Mr. Smith shared that he wrote an open letter after doing some extensive research on the issue. It appears to him that his colleagues on Council seem to be taking this emotionally rather than objectively. He asked that they keep an objective mind about the facts of the issue. At one point or another in the last couple of months each member of Council has said that the 20 day current charter language is inappropriate and not enough time so he would just say then, what is the answer? He knows that 30 days have been brought up but that is not an issue right now. Can it be in the future? He is not sure but right now we are looking at 20 days or 60 days.

Mr. Norstrom commented that he has never said that 23 days is not appropriate. Dr. Chosy shared that same sentiment.

Mr. Norstrom went on to say that he is not doing this emotionally but factually based on his experience. He knows that Mr. Smith's research involves calling people but he is not sure that he talked to the right people. The people at CF Bank for example are not the ones that were there to make the development happen.

Mr. Smith stated that he would be happy to provide the names and the notes of everyone that he spoke to, who were all developers at the time. Mr. Norstrom replied that he looks forward to receiving the information.

Mr. Myers commented that Mr. Smith has gone on record repeatedly to say that he is opposed to developers. He doesn't like developers. He is against development categorically. When you talk about whether 30 days might be on the table in the future, it won't be. Members met for hours with Keep Worthington Beautiful to try to put 30 days on the table because members all understand that this is a divisive issue in this city. Members didn't pick this fight. We don't want this fight. We did everything we could to avoid this fight. It has now been thrown in our lap. We tried to compromise. Keep Worthington Beautiful won't do it. It is sixty or nothing. When you talk about speaking from emotion, members have tried very hard and he has certainly tried tonight. He acknowledged that members don't know what the effect of this will be. He is not out there saying that he knows what the effect is. Keep Worthington Beautiful is saying they know what the effect is. Nobody knows. He wishes this debate would come down to facts and not emotion. Members are trying to drive at facts and we are not getting facts in return. We have been called many names up here. That is not factually. That is emotionally. The meeting on the Methodist Children's Home was not factually. That is emotionally and we don't even have an application.

Dr. Chosy pointed out that when he talked about the 30 days, that is what is in the general area so why not 30. He added that 20 is apparently enough because residents were able to get enough signatures to get it on the ballot in 20 days.

Mr. Myers shared that the only successful referendum in Worthington history, in 1984, ironically opposed to a Showe development, and it was successful with a 20 day period. It works. MPC works. If it is not broken why fix it. It has nothing to do with timing. It has nothing to do with public input. It has everything to do with an emotional overreaction to a specific question.

Ms. Michael asked Mrs. Roberts (Finance Director) what percentage of the city budget is income tax. Mrs. Roberts replied that income tax revenue in the General Fund is about 75%.

Ms. Michael commented that if we were to run a risk in which our percentage of income tax became lower, we would have to either do some budget cuts, reduce services or find some other ways to afford providing our existing services. Mrs. Roberts believes that makes sense.

Mr. Myers asked that the question be called.

The motion carried by a vote of five “yea” (Troper, Norstrom, Myers, Chosy, Michael) to one “nay” (Smith).

PUBLIC HEARINGS ON LEGISLATION

President Michael declared public hearings and voting on legislation previously introduced to be in order.

Ordinance No. 31-2015

Accepting the Amounts and Rates as Determined by the Budget Commission and Authorizing the Necessary Tax Levies and Certifying Them to the County Auditor and Declaring an Emergency.

The foregoing Ordinance Title was read.

Mr. Greeson requested that this ordinance be tabled as staff doesn't have all of the information from the county auditor that is necessary to complete the document.

MOTION

Mr. Myers made a motion to table Ordinance No. 31-2015. The motion was seconded by Mr. Norstrom.

The motion to table Ordinance No. 31-2015 carried unanimously by a voice vote.

Ordinance No. 33-2015

An Ordinance Authorizing the City to Accept Title in the City to Certain Property and to Transfer Title to the Property Back to the Original Owner for Public Purposes.

The foregoing Ordinance Title was read.

Mr. Greeson shared that there are three items on tonight's agenda that relate to one topic, the redevelopment of property at 350 West Wilson Bridge Road. Staff will make a presentation that will cover Ordinance No. 33-2015, Ordinance No. 34-2015, and Ordinance No. 36-2015 that members will need to introduce tonight.

Mr. Greeson introduced and welcomed Tim Spencer, who is with Trivium Development. He shared that they plan to purchase and redevelop 350 West Wilson Bridge Road, which is one of the primary areas for redevelopment in our community.

Mr. Greeson commented that Mr. Harris will be making what may be his last presentation before council. Members will hear a great example of how a local government, in this case the city, has partnered with the private sector. With Mr. Harris, Mr. Spencer and Mrs. Fox's creativity they were able to use several tools from our economic development toolbox to facilitate the redevelopment of this 55,000 square foot building that has been vacant for a number of years. Staff is excited to present this to members this evening. He invited Mr. Harris to present the information.

Mr. Harris told members that he is thrilled to present this project. He sees this as about as involved a public/private partnership as you will see in Worthington. There are many

partners helping in this project and with good reason. This building has been vacant since early 2000.

Mr. Harris shared the following information:

History:

- **Long-standing interest by City in redevelopment**
 - Early 2000s - Mettler-Toledo moved its HQ to Polaris
 - Left behind large single-use tenant space
- **2011 – 2014: Substantial redevelopment & investment within walking distance**
 - City has publicly sought to partner financially with private development interests
 - 2012: property purchased by Canadian buyers as part of portfolio of commercial office space
- **2015 activity:**
 - Local real estate broker placed property For Sale (\$1.95M asking price)
 - Trivium: purchase agreement to acquire & fully renovate 53,200 sq ft of interior space & exterior parking facilities
 - Close on the purchase within next couple weeks

Mr. Harris shared that Mr. Spencer is probably the single most expert person on that building. He has been in that building at least a dozen times if not more with numerous experts who are all trying to figure out what to do with this building.

Scope of Work:

- Selective demolition – take interior *down to studs*
- Energy efficiency improvements
 - New windows & lighting
 - New HVAC systems
- Re-grade entire exterior parking lot to allow at-grade access to building entrance
- Medical office-grade tenant improvements (at least the first two floors)
- ADA access upgrades within & without building

Project commencing fall 2015; done year-end 2016

Mr. Greeson shared that the main, first floor tenant will be the Central Ohio Urology Group, which is one of the largest medical practices in central Ohio. So we are not only seeing the improvement of this important building in an important corridor for our community but access to medical services will be increased for our residents.

Mr. Harris added that it has even reached the point that Mr. Spencer's team has shared with the city marketing collateral to help push the remaining space on that building pad for other uses. So there is a very active and engaged marketing process at this time to get this entire building leased.

Uses of Funds:

- \$1.95M – acquisition costs
- + 3.85M – construction costs
- \$5.8M total investment

Mr. Harris shared that the investment numbers may be lower than what we have seen in some media reports but that is a number that staff feels is a valid number for purposes of estimating TIF revenue. He added that \$1.6M of that total investment is estimated to come from city and local government funds. The first two (mentioned below) are the ones that he will overview tonight with members.

Source - Public Partnership Funds:

- \$222K - Worthington Venture Grant
- 830K - Worthington TIF
- 60K - Franklin County Land Bank
- 500K* - Columbus-Franklin County Fin. Authority PACE

Mr. Harris shared that the Franklin County Land Bank has committed \$60,000 to demolition work within the building. We are in early discussions with Columbus-Franklin County Finance Authority, which is why the \$500,000 has an "" behind it for PACE (Property Accessed Clean Energy) financing.*

Dr. Chosy asked if those two amounts are through loans or are they money up front. Mr. Harris replied that the Franklin County Land Bank is grant money. He doesn't know how it is reimbursed.

Mr. Spencer shared that he understands that it is paid up front at the time of construction and demolition. The Franklin County Finance Authority (PACE) program is an assessment on the property that they get back via property taxes. He further explained that when they originally assembled the team they thought that they were going to scrap the building to the ground and probably flip a building up towards West Wilson Bridge Road or build some sort of view corridor along I-270. About 20 seconds into the tour of the building he asked the architect if they were dealing with poured concrete and he replied yes. So essentially the building is a bomb shelter. It is a solid structure so they immediately regrouped and decided the costs and the time to demo that building would be astronomical. They currently plan to take it down to its studs. One of the things that he has not shared with Mr. Harris is when you look at our total investment of \$5.8M that is an ultra-conservative number. He explained that there is a dichotomy in the business world today between wages and availability of subs. He wished the project could get down for \$5.8M but it will probably come closer to \$9 - \$9.5M. So it is good for TIF and analysis numbers but he thinks the \$5.8M will get the first floor upgrades. They have to renovate all of the mechanicals, the electrical, the ADA compliances, elevators, stair shafts, etc. All of those things have to be done for our tenant, which is taking the first floor and have them ready, willing and able for any other tenants that come to the market

on the second and third floor. One of the things that Central Ohio Urology that Mr. Greeson shared is that they are a group of about thirty eight physicians around central Ohio. We will be working with fewer physicians and consolidating offices from Riverside and Chatham Lane and initially putting in eleven doctors with room for them to expand and grow their practice to twelve or thirteen. That number may fluctuate as physicians retire.

Dr. Chosy asked where Trivium is located. Mr. Spencer replied 210 N. Lazelle St. in downtown Columbus.

Mr. Harris then showed a slide of the building in its current condition and a second one of a depiction of the renovated building.



Mr. Harris stated that he would like to spend time to comment on the Venture Grant and the TIF.

Mr. Harris told members that it is staff's recommendation that council vote to approve the ordinance that authorizes City Manager Matt Greeson to take title to the property in fee simple and then immediately turn back and grant fee simple back to Mr. Spencer's development firm.

Dr. Chosy asked what is the point of that transaction. Mr. Harris replied that there are three types of TIF in state law for municipalities. We have used all three types in Worthington. This is a type of TIF that was used with Mr. Carter's mall redevelopment. It is called an Urban Redevelopment TIF. With that form of tax increment financing, if the city is shown to be in the chain of title prior to approving the TIF and its ordinance, the Urban Redevelopment TIF can be used to invest the TIF moneys inside or outside of that building on really anything that needs to be done with some sort of public focus.

Dr. Chosy asked what the plausible advantage is for the city to own the property for five minutes and then turn around and give it back. He understands that it allows us to use this particular TIF but in the overall thought, what does that do? Mr. Harris shared statute information from the Ohio Revised Code Section in an effort to explain the rationale for the transaction.

Mr. Norstrom offered that it allows, especially larger cities, to buy these properties and then seek developers to develop them. Dr. Chosy thought that made sense.

Mr. Harris thanked Mr. Norstrom for the explained. He added that it was intended for those kind of large ways for cities to get involved. Well, we are doing it too. So tonight's action on that title transfer ordinance allows us to move to the next step, which we have asked for a public hearing of the TIF that members will soon introduce for an October 5th public hearing so we can go through the approval process for the TIF with the anticipation that Mr. Spencer and Mr. Greeson will have done a title transfer in very early October if not even late September. That is item 1.

Mr. Harris in addressing the "so what" question stated that if this council were to act that way with both the title transfer and the TIF approval, you would be looking at a 75% tax increment financing structure for a ten year term. That would allow for reimbursements to Mr. Spencer's development group of what staff estimates to be approximately \$830,000 across the ten years. As TIF revenues come in, instead of taxes being paid they will be deposited in the TIF fund with Mrs. Roberts's oversight. We will withdraw from that fund twice a year and reimburse Mr. Spencer an amount based on costs that were born and paid by Mr. Spencer for the following things:

1. ADA access, both inside and outside
2. Enlarging stairways, corridors, restrooms, elevators
3. Re-grading
4. Potentially even some of the storm sewer relocation that may have to occur out in the parking lot

Ms. Michael understands that will be a reimbursement. Mr. Harris agreed.

Ms. Michael stated that if Mr. Spencer doesn't incur all of those costs then all of it isn't paid to him. Mr. Harris added conversely if for whatever reason the TIF revenue doesn't show up because the value doesn't increase, then likewise. There will be no payments to Mr. Spencer so we will dispense the funds as TIF revenues come in.

Mr. Norstrom commented that the same effort was made on the mall and we missed the financial information substantially. He asked Mr. Harris to talk about the difference, if there is any. Mr. Harris explained that what happened with the mall TIF, and to Mr. Myers point earlier we really don't know what is going to happen so the city staff team with really good estimates and hard work have figured out that the mall would grow by "x" amount across a certain time and certain value "bands" would be hit. Well at the end of the day the Auditor never saw any of that value and so those "bands" and the creative thinking that went into them was for naught, at least for this current valuation period. There is the argument that the mall will eventually grow in value over time. He thinks that is a fairly safe assessment. Will it grow to the "bands" of value that staff had estimated back in 2010, no, not in the foreseeable future. When members have seen him come to the Shops at Worthington Mall TIF discussion it has been, we got our numbers off. That is because all of those numbers were also based on how much do the schools get paid. This TIF is different because there is no mechanical arithmetic to go through to figure out who gets paid by whom and how much. This is just, as the property grows in value, taxes that would otherwise be paid go into the TIF fund and it will be swept twice

a year. There are no special payments to the schools. There is no special algorithm that we have to use to figure out who is paying what. It goes to Mr. Spencer. We intentionally went for a ten year term because it is a short, elegant solution to Mr. Spencer's problem, which is let's get in, we don't need it any longer than ten years because we knew exactly how much money he needed and this is a way to get in and briefly get invested and then get out of the deal.

Dr. Chosy commented that why we are talking about estimated numbers, there is something in here that bothers him a great deal and that is that Trivium is saying that within three years they will be paying \$6M in annual payroll to people working in that renovated building. He questioned those numbers.

Mr. Spencer reported that the payroll that he is bringing day one is \$5.2M. These are physicians making an enormous amount of money that want to be in Worthington. He added that the payroll numbers have been audited and they are actual.

Dr. Chosy stated the \$5M is only for the first floor. Mr. Spencer shared that when all is said and done he expects the payroll to exceed \$8 to \$9M a year (although he didn't want to go on record with those numbers).

Mr. Norstrom commented that at the moment you are estimating \$6M. Mr. Spencer shared that he was told to be conservative.

Mr. Harris stated that he has been walking members through the TIF, which is all property tax based. They are valuation by the County Auditor as to what that building is worth, then determines what goes into the TIF fund. Dr. Chosy was asking about the Venture Grant element, which is the second element.

Mr. Harris reported that tonight staff is asking two things, approval of Mr. Greeson going into a title transfer that will then trigger a future TIF, which is the property tax side. Now we will talk about the Venture Grant. That is something that staff recommends that council adopt tonight.

Mr. Harris stated that entering into a Venture Grant Agreement with Mr. Spencer and his development firm that will pay \$78,800 a year, across three years. Mr. Spencer is the developer and property owner, he is not the employer. So he is causing that building to fill up with employers who collectively will payout at least \$6M in payroll.

Dr. Chosy asked how much of that will be in the city's income tax revenue? Mr. Harris replied that our Worthington Venture Grant payout would be 33% of the total amount of income tax we would expect to receive across five years.

Mr. Harris added that was in direct response to Mr. Spencer identifying where he needed help. He shared that he needed some cash infusion of a certain amount and we went through our Venture Grant analysis and we were able to come up with \$222,000 but he has to cause that building to create \$6m in payroll per year for five years.

Mr. Myers asked if the Venture Grant will come out of our current appropriated Venture Grant money or will we make an additional appropriation based upon tax revenue from this development. Mr. Harris replied that this will be the latter. Staff has change our approach in several deals that we want performance based Venture Grants that don't pay out all at once. We offer commitment of support with the idea that the employer report to us each year whether they were able to hit their payroll targets or not. If they are successful we will cut them a check.

To answer the question, there is no appropriation in 2015 for this project. He suggested that Mrs. Roberts and Mrs. Stewart consider accounting for \$78, 800 it in the 2016 budget because he is fairly confident that Mr. Spencer will be able to get his certificate of occupancy next year.

Mr. Myers commented that that will essentially just be a rebate of taxes we collect. Mr. Greeson pointed out that Venture Grant dollars come from non-tax revenues. When we provide economic development assistance we are using non-tax revenues. He told members to think community center fees and other charges and fees that the city collects.

Mr. Myers stated that we will be able to replace that money with income tax dollars that we collect off of this project. Mr. Greeson agreed. He added that is why we do incentives. We are trying to grow the income tax base.

Mr. Norstrom concluded that the bottom line is that the first three years are basically more or less, we are going to pay back to them about what we are collecting. After those first three years the city will have a nice payroll tax coming in from this building.

Dr. Chosy commented that he is just a little bit antsy because we had these kind of numbers with the shopping center. Mr. Greeson replied that the shopping center was different in that it was a retail operation. Mr. Carter sold off the bank and the back parcel and it was a more speculative venture. In this case, there is a single office building with an anchor tenant and well-studied renovation expenses. With the mall, they didn't know all of the things they were going to do when we entered into the grant.

Mr. Norstrom commented that the big miss on the mall was not on employment taxes. Mr. Greeson noted that the city doesn't typically offer venture grants around retail operations. He thinks staff structured a responsible TIF deal in that case as we have in this case which is what is known as a pay as you go TIF. The city does not us public debt financing backed by TIFed to accomplish the improvements. So fortunately, both in Mr. Carter's case and in Mr. Spencer's case we have developers who are willing to finance the improvements up front with the anticipation that they will be re-paid some of those by TIF. So they are baring that risk rather than the public which is a responsible approach for stewards of public funds both in the case of the Shops at Worthington Place and in this case.

Mr. Spencer reiterated that they feel their numbers are ultra-conservative on the TIF, and they were comfortable with taking a conservative approach because right after they put the property in contract, as part of their due diligence they found out the Canadian group had actually filed with the Board of Revision Appeal and the value had been further depressed. That building, on the current tax rolls, is worth \$1.2M. When the building gets stabilized and the renovations are completed, it could have value upwards of \$10M. Their budgets are over \$200 a square foot for medical office. So \$53,000 times 200, we are at \$10M.

Mr. Norstrom interjected that speaking on behalf of the school district, we thank you.

Mr. Spencer shared that is one of the reasons they purposely went with the non-school TIF. They weren't interested in opening that can of worms and they weren't interested in trying to accelerate the repayment structure. The building is what the building is. If anyone appreciates architecture and construction they stairwells and the elevator shafts were done in drywall. The building was started in 1973 so it is kind of exciting to have these partnerships and have these relationships and look creatively to get these tools out of the toolbox to do these renovations and we are prepared to come back to Mr. Brown's department and get in front of the Planning Commission in the next 45 days. The beauty of it is that we will meet our fall timeframe because we have a shell and don't have to worry about winter conditions or worry about Mother Nature or a rainy day. We have a place to work right now so we are excited about the project.

Ms. Michael shared that she is excited to have this long time mothballed building come back to life and become a state of the art building. She is also excited that we will have a Urology team in this building to provide for the residents of Worthington and those in the area.

Mr. Spencer added that they hired Andrews Architects who actually did our surgical center on the east side. They are very well known in the medical community and for LEAD certification for their buildings. We couldn't get LEAD certified with a building like this. We would have to knock it down and start over. So the PACE program from the county, the items were incorporating what our team is calling LEAD light. We are going to do our best to keep the expenses down because when this building is ready for occupancy next year, we want to respond to proposals the same groups that are looking in Dublin, Polaris, Westerville and New Albany for Class "A" office space. We have freeway frontage although it is tough to see the building at this time but we hope that we can work with ODOT to get a little of a view corridor in one spot or another. We really expect this building to be brand new, fully up to date, fully ADA compliant, and energy efficient. We actually hope that this kind of sets the bar for the building because all of these buildings are identical.

Ms. Michael commented that they are breathing new life not only to the building but for the entire Wilson Bridge Road corridor.

Mr. Myers commented that this project will go through the MPC process and during that process there would be an opportunity for public input. Mr. Harris agreed.

Mr. Brown shared that the applicant would need to go before the Board for an amendment for development plan. Council will see that later in the year.

Mr. Myers commented that as an amendment to development plan it might be subject to the 60 day ballot initiative. Mr. Brown disagreed because it is not a rezoning.

Mr. Greeson added that the property is currently zoned for the use that is being proposed.

Mr. Spencer shared that his group worked with Mr. Brown's department earlier just to really understand what needed done to keep it in the box and still be able to renovate the building. They would welcome public input as it relates to comments but they are not doing a significant amount. They have been conscientious about that so they will work with landscaping, lighting, etc. but they are treating this like it is a brand new building so they are treating it as such.

Mr. Myers stated that staff is asking for two ordinances from members tonight. The first is for authorization to transfer the property and the second is for the venture grant. This project will come back later because the transfer has to occur before we can actually do the TIF. Mr. Harris agreed. He added that October 5, 2015 would be the proposed Public Hearing for the TIF ordinance that will be introduced later tonight. Then members will look at fall or winter for introduction of a PACE ordinance that City Council would work with the Columbus-Franklin County Finance Authority on that would allow Mr. Spencer to access PACE finance.

Mr. Troper said he wanted to make sure he understands that the second and third installments of the Venture Grant \$78,800 is contingent upon \$6M in payroll in the first and second years otherwise that amount will not be paid. Mr. Harris confirmed that as accurate. He explained the payroll submittal process in greater detail.

Mr. Myers shared that five years ago when he ran for election it was pretty loud and clear that the city needed to make hiring an economic development director its number one priority. Hats off to Mr. Greeson and his search team. He doesn't know that we could have found a better one. He thanked Mr. Harris for all of his efforts for Worthington. The city is light years ahead of where it was five years ago. Members couldn't have gotten our arms around something like this let alone put it together without his help. On behalf of Worthington, everyone here and he personally he thanked Mr. Harris for his efforts. He has been a delight to work with.

Other members echoed that sentiment.

Mr. Harris thanked council and said that it has been an honor.

There being no additional comments, the Clerk called the roll on the passage of Ordinance No. 33-2015. The motion carried by the following vote:

Yes 6 Troper, Norstrom, Smith, Myers, Chosy, Michael

No 0

Ordinance No. 33-2015 was thereupon declared duly passed and is recorded in full in the appropriate record book.

Ordinance No. 34-2015 Approving a Grant as Part of the City's Economic Development Venture Program and Authorizing the City Manager to Enter into an Economic Development Grant Agreement for the Same.

The foregoing Ordinance Title was read.

Ms. Michael noted that Mr. Harris has already presented this information. She asked if there were additional questions or comments regarding this ordinance.

There being none, the Clerk called the roll on the passage of Ordinance No. 34-2015. The motion carried by the following vote:

Yes 6 Norstrom, Smith, Myers, Chosy, Troper, Michael

No 0

Ordinance No. 34-2015 was thereupon declared duly passed and is recorded in full in the appropriate record book.

NEW LEGISLATION TO BE INTRODUCED

Resolution No. 40-2015 A Resolution in Support of Participation in the Franklin County Police Chiefs' Association Regional Shared Services System Local Government Innovation Fund Application with Respect to the Justice Education Pathway.

Introduced by Dr. Chosy.

MOTION Mr. Smith made a motion to adopt Resolution No. 40-2015. The motion was seconded by Mr. Norstrom.

Chief Mosaic shared that this is an opportunity for the Division of Police to partner with other police entities in Franklin County as well as with Franklin University and Columbus State University to provide some top of the line training to our officers. They

are seeking a grant through the Governor's office to put together a collaborative effort so that we can tap into the expertise of Franklin University and Columbus State University so that our officers can collaborate and share resources. If this effort is successful, they hope to scale it throughout the entire state of Ohio.

Dr. Chosy shared that he likes that it doesn't cost the city any money.

There being no additional comments, the motion to adopt Resolution No. 40-2015 carried unanimously by a voice vote.

Resolution No. 41-2015 Adjusting the Annual Budget by Providing for a Transfer of Previously Appropriated Funds.

Introduced by Mr. Troper.

MOTION Mr. Myers made a motion to adopt Resolution No. 41-2015. The motion was seconded by Dr. Chosy.

Mr. Greeson commented that this is one of our normal but periodic transfer resolutions where we evaluate the budget for those accounts that are projected to need some additional funding and those that have sufficient funding and make transfers. This does not increase the total annual appropriation.

There being no additional comments, the motion to adopt Resolution No. 41-2015 carried unanimously by a voice vote.

Resolution No. 42-2015 Approving an Agreement and Permit for between XO Communications Services, LLC, a Delaware Limited Liability Company, to Operate and Maintain a Telecommunications System Within the City of Worthington Pursuant to and Subject to the Provisions of Chapter 949 of the Codified Ordinances of the City of Worthington.

Introduced by Mr. Smith.

MOTION Mr. Norstrom made a motion to adopt Resolution No. 42-2015. The motion was seconded by Mr. Troper.

Mr. Greeson reported this being a standard right-of-way permit with XO Communications.

Mrs. Stewart agreed that it is a standard agreement with XO Communications. They have had a permit since 1996 and this is the renewal of the three year permit.

There being no additional comments, the motion to adopt Resolution No. 42-2015 carried unanimously by a voice vote.

Resolution No. 43-2015

Authorizing the City Manager to Execute a Contract with Medicount Management, Inc. as the Billing Agent for the Division of Fire's EMS Services.

Introduced by Mr. Myers.

MOTION

Dr. Chosy made a motion to adopt Resolution No. 43-2015. The motion was seconded by Mr. Smith.

Chief Highley shared that our previous medical billing company, MBI was purchased by Medicount. Primarily this is a bit of a clean up to transfer the contractual responsibilities to them for a two year period. Staff also managed to negotiate a lower rate as well. For those of you that are familiar with the health care industry and some of the volatility right now, a two year period is pretty appropriate because the medicare service offices are changing away from the fee for service to more of a managed distribution type system that the department will be looking at by the year 2020 so this builds a bridge to that point and maintains our billing services.

There being no additional comments, the motion to adopt Resolution No. 43-2015 carried unanimously by a voice vote.

Ordinance No. 35-2015

Amending Ordinance No. 40-2014 (As Amended) to Adjust the Annual Budget by Providing for An Appropriation from the General Fund Unappropriated Balance.

Introduced Mr. Troper.

The Clerk was instructed to give notice of a public hearing on said ordinance(s) in accordance with the provisions of the City Charter unless otherwise directed.

Ordinance No. 36-2015

An Ordinance Declaring Improvements to a Parcel of Real Property to be a Public Purpose; Declaring Such Property to be Exempt from Real Property Taxation; Requiring the Owner of that Parcel to Make Service Payments In Lieu of Taxes; Establishing an Urban Redevelopment Tax Increment Equivalent Fund; Authorizing the Execution of a Development Agreement; Authorizing the Execution of a Compensation Agreement; Authorizing Use of Service Payments for Costs of Certain Designated Improvements; and

Providing Related Authorizations Pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43.

Introduced Mr. Myers.

MOTION Dr. Chosy made a motion to set the public hearing for Monday, October 5, 2015 at 7:30 p.m. The motion was seconded by Mr. Smith.

The motion carried unanimously by a voice vote.

REPORTS OF CITY OFFICIALS

REPORTS OF COUNCIL MEMBERS

Mr. Myers shared that he has passed on to Mrs. Fox some information that he received from a resident apparently concerned over fire pits here in Worthington. He just wants to make it public record the fact that we are taking her concerns seriously and we will be taking a look at it.

Mr. Norstrom shared that last week he spent an afternoon with the training officer as he was putting some of the Police officers through scenario training. It was fun, exciting and this is a relatively new project. Chief Mosaic agreed. He added that the officer has been in the position for about a year.

Mr. Norstrom added that the trainer is excited about it and he is glad to see staff doing it.

Chief Mosaic shared that he had a school bus delivered and some of the officers were apprised about working around and on the school bus.

Mr. Norstrom shared additional information on the scenario training as requested by Dr. Chosy.

OTHER

Mrs. Stewart shared that she distributed several documents for members. One is a letter from Curtis Stitt with COTA that talks about consideration around the renewal of their sales tax. There is also a copy of a presentation that Paul Feldman provided. Members may recall that Mr. Feldman represents Worthington on the COTA advisory group. He shared a presentation that was shown to that group regarding the next GEN initiative that summarizes what has been accomplished so far by COTA in that effort and the next steps. If members want additional information they can let her know.

EXECUTIVE SESSION

MOTION Mr. Norstrom made a motion to meet in Executive Session to discuss economic development. The motion was seconded by Mr. Smith.

The motion carried by the following voice vote:

Yes 5 Myers, Chosy, Troper, Smith, Michael
No 1 Norstrom

Council recessed at 8:43 p.m. from the Regular meeting session.

MOTION Mr. Norstrom made a motion to return to open session at 9:19 p.m. The motion was seconded by Mr. Smith.

The motion carried unanimously by a voice vote.

Ordinance No. 37-2015 Authorizing the Worthington Community Improvement Corporation to Execute a Lease Agreement Between the WCIC and Sweet Carrot Worthington, LLC for a Portion of the Kilbourne Building.

Introduced by Mr. Norstrom.

Ms. Michael requested the public hearing on Ordinance No. 37-2015 be set for the September 21, 2015 meeting.

ADJOURNMENT

MOTION Mr. Myers made a motion to adjourn. The motion was seconded by Mr. Norstrom.

The motion carried unanimously by a voice vote.

President Michael declared the meeting adjourned at 9:21 p.m.

/s/ D. Kay Thress
Clerk of Council

*APPROVED by the City Council, this
19th day of October, 2015.*

/s/ Bonnie D. Michael
Council President