



**CITY OF WORTHINGTON**  
**Worthington City Council Minutes**  
September 4, 2018

6550 N. High Street  
Worthington, Ohio 43085

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**CALL TO ORDER – Roll Call, Pledge of Allegiance**

Worthington City Council met in Regular Session on Tuesday, September 4, 2018, in the John P. Coleman Council Chambers of the Louis J.R. Goorey Municipal Building, 6550 North High Street, Worthington, Ohio. President Michael called the meeting to order at or about 7:30 p.m.

**ROLL CALL**

**Members Present:** Rachael R. Dorothy, Douglas Foust, Beth Kowalczyk, Scott Myers, David Robinson, and Bonnie D. Michael

**Member(s) Absent:** Douglas K. Smith

**Also present:** City Manager Matt Greeson, Assistant City Manager Robyn Stewart, Director of Law Tom Lindsey, Director of Finance Scott Bartter, Director of Service & Engineering Dan Whited, Director of Planning & Building Lee Brown, Director of Parks & Recreation Darren Hurley, Chief of Police Jerry Strait, Clerk of Council D. Kay Thress, Assistant City Clerk Ethan Barnhardt

There were 5 visitors present.

**PLEDGE OF ALLEGIANCE**

*President Michael invited all to stand and join in reciting the Pledge of Allegiance to the flag.*

**VISITOR COMMENTS**

There were no Visitor Comments

**APPROVAL OF THE MINUTES**

- Regular Meeting – July 16, 2018

**MOTION**

Mr. Robinson moved, Mr. Foust seconded a motion to approve the aforementioned meeting minutes as presented.

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

**NEW LEGISLATION TO BE INTRODUCED**

**Resolution No. 47-2018** Adjusting the Annual Budget by Providing for a Transfer of Previously Appropriated Funds.

**Introduced by Mr. Myers.**

**MOTION** Ms. Dorothy made a motion to adopt Resolution No. 47-2018. The motion was seconded by Ms. Kowalczyk.

*Mr. Greeson explained that transfer resolutions are when funds are transferred from one account that is underspent to another account needing additional funding. These transfers do not increase the total operating budget and are only a movement of dollars between lines.*

*Mr. Bartter described the first transfer as being from the Communications Technician Salary Line to overtime since there is a shortage of Communication Technicians causing the current Communication Technicians to work overtime. The other transfers are in the Parks and Recreation department to properly account for expenses in the appropriate line.*

**There being no additional comments, the motion to adopt Resolution No. 47-2018 passed unanimously by a voice vote.**

**Resolution No. 48-2018** Accepting the Recommendations of the 2018 Worthington Tax Incentive Review Council Concerning Parcels of Commercial Real Property in the City of Worthington Receiving Tax Exemptions for Purposes of Economic Development.

**Introduced by Mr. Robinson.**

**MOTION** Mr. Foust made a motion to adopt Resolution No. 48-2018. The motion was seconded by Mr. Myers.

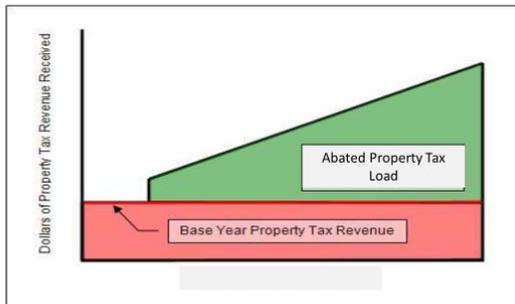
*Mr. McCorkle stated that this presentation is to go over the recommendations that the Tax Incentive Review Council (TIRC) gave in their July 24<sup>th</sup>, 2018 meeting. The TIRC meets annually to overview the City's Community Reinvestment Area (CRA) and Tax Increment Financing (TIF) programs. They can make recommendations to the City Council for these*

 **Tax Incentive Review Council**

- **TIRC meets annually pursuant to ORC 5709.85**
  - Community Reinvestment Area (CRA)
  - Tax Increment Financing (TIF)
- **TIRC recommends continuing, discontinuing, or continue with modifications to City Council**
  - TIRC met on July 24, 2018
- **9 member Council**
  - 1 county auditor representative
  - 3 county commissioner representatives
  - 2 city representatives
  - 1 school representative
  - 2 township representatives

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 **CRA Program – cont.**



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*programs to either be continued, discontinued, or continued with modifications. This body is a nine-member council made up of a variety of community stakeholders.*

*He described how Community Reinvestment Area abatements work as a tax incentive by exempting a percentage of real property on the assessed value of the improvements. The Auditor does a base valuation for a property and when a project creates improvements, the increased valuation of the property is then abated. Whatever taxes were being paid when the project was approved continues to be paid in the same manner. The duration and the percentage of the abatement can change based upon the project.*

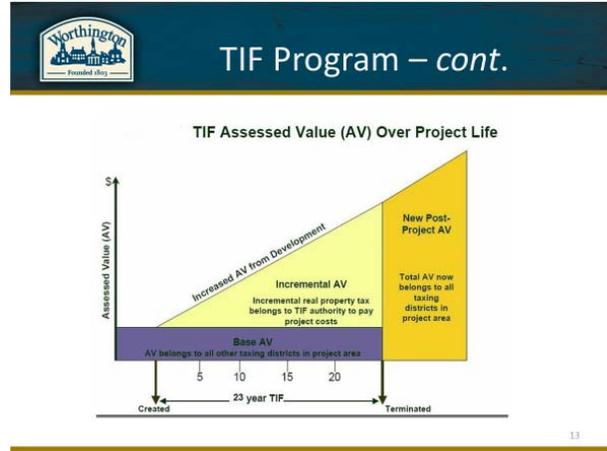
*CRAs were originally created in the 1960s for the purpose of alleviating blight with communities choosing the eligible properties that are either commercial or industrial. CRAs for more*

*than 50% or over 10 years require school board approval and less than 50% or under 10 years still require notice to the schools. The City must also submit an annual report to the Ohio Development Services Agency by the end of each March.*

*Mr. Robinson inquired if school board approval was needed for 50% or 10 years or both. Mr. McCorkle replied that it was for either. If it is more than 50% or longer than 10 years it requires school board approval.*

*Mr. McCorkle explained that Worthington’s CRAs are focused on our commercial and industrial corridors: Huntley, Wilson Bridge, and High Street. Some communities look at residential for CRAs, however Worthington’s criteria focuses on commercial and industrial with a minimum of \$1 million in investment, 25 new jobs created, and \$1 million in annual payroll.*

He detailed how the TIF program works by exempting the increased valuation above a baseline value, and instead of property taxes, payments in lieu of taxes (PILOTs) go into a separate fund that funds public infrastructure improvements in support of the project. After a TIF burns off, the full amount of taxes will then go to the appropriate jurisdictions. A TIF can go up to 100% for up to 30 years versus 15 years for a CRA. Greater than 75% or more than 10 years requires school board approval. For a TIF there is also an annual report required.



Mr. McCorkle explained that there are 4 active CRAs and 7 active TIFs in Worthington that the TIRC reviewed. Ms. Dorothy asked if he would go over when these were started and when they would burn off. Mr. McCorkle replied that he would. Ms. Dorothy stated that the City previously did more CRAs, but mostly does TIFs now. Mr. McCorkle replied that was correct.

**Annual Inspection  
Worthington Station**

2017 Reporting Year -- Project Performance:

	Amended Agreement Terms	As of Dec. 31, 2017
Investment Time Frame	01.31.2011	05.2010
Retained Jobs	-	-
Retained Payroll	-	-
New Jobs	44 FT	45 FT
New Annual Payroll	\$2,599,936	\$4,178,633

The Tax Incentive Review Council (TIRC) recommended no action. BCR parcel will be the only abated parcel moving forward.

Mr. McCorkle noted that the Worthington Station CRA at the former Worthington Foods site on the corner of Proprietors and 161 is a 75%, 10-year CRA that is in its final year. This particular site is unique because it combined the CRA with a 25% TIF. There are eight abated parcels and all but one, BCR Worthington, burns off in 2017 and will not be seen next year.

Ms. Dorothy asked if the businesses in this CRA would see their property taxes go up this year. Mr. McCorkle said that is correct, they will see a 100% tax bill, except for BCR which began construction in 2013.

Mr. McCorkle described how this CRA was supposed to meet 44 fulltime jobs and \$2.6 million in payroll. They created 45 fulltime jobs and far exceeded the payroll requirement with almost \$4.1 million in payroll. The TIRC recommended no action because the CRA is concluding with the exception of BCR.

Road Runner is a 75%, 10-year CRA and 2018 is the final year of this abatement ending on December 31, 2018. The TIRC could take punitive action next year if they chose to do so. Ms. Kowalczyk asked if it was correct that Roadrunner is leaving Worthington. Mr.

McCorkle said that is correct. He reported that Roadrunner relocated to Hilliard at the end of August. He has been in communication with the property owner and they are actively trying to fill the space. Ms. Dorothy asked if this is a reason why CRAs are not being utilized as much. Mr. McCorkle replied that is a contributing factor because an abatement is a competitive advantage. You will see business tend to relocate after the end of the abatement.

Mr. Myers asked if Roadrunner was given incentives by Hilliard and if Hilliard is part of the anti-poaching agreement. Mr. McCorkle said he was unsure if incentives were given and that the anti-poaching agreement was never fully executed, existing more as a gentleman's agreement. Overall it is going well, but there are some projects where not all municipalities are as forthright as desired. Worthington is very transparent about how we do business and if we are talking to another municipality's business, we are on the phone with that municipality letting them know that communication is happening.



2017 Reporting Year -- Project Performance:

	Amended Agreement Terms	As of Dec. 31, 2017
Investment Time Frame	11.01.2009	10.2008
Retained Jobs	-	-
Retained Payroll	-	-
New Jobs	50	40
New Annual Payroll	\$1,395,000	\$1,537,001

The Tax Incentive Review Council (TIRC) recommended continuing with the CRA abatement as-is for 2018.

Mr. McCorkle stated that Roadrunner's commitment was to be 50 jobs and they met 40 jobs. The employment number was calculated based upon 34 fulltime employees and an additional 29 part-time employees. The TIRC did recommend continuing throughout the end of the year based upon their payroll which was 110% of their commitment.

President Michael inquired about what happens if they do not come up with the 50 jobs. Mr. McCorkle replied that punitive action could be taken against the property owner, not Roadrunner. He explained that there was discussion in the TIRC if it should be terminated now or if keeping the CRA in place could go towards recruiting a new tenant.

Mr. Myers clarified that the benefit is going to the property owner who is paying the property taxes, which the benefits can then be passed on to the tenant in the form of lower lease rates. Mr. McCorkle responded that is a possibility. If it is a Triple Net Lease, meaning the property owner charges utilities, taxes, and insurance after the fact, the benefits would be passed through as savings to the tenant. If it is a Gross Lease with a final amount charged with the taxes, insurance, and utilities baked into the rate, then the savings may be lost.

Mr. Robinson asked if Roadrunner was Triple Net or not. Mr. McCorkle replied he was unsure, however he guesses they are Triple Net. Usually when working with spaces this large, they are Triple Net leases because the expenses fluctuate so much. Mr. Robinson then inquired if the CRA was a factor before Roadrunner moved. Mr. McCorkle said that the CRA did not come up in those discussions.



## Annual Inspection Worthington Professional Park

2017 Reporting Year -- Project Performance:

	Amended Agreement Terms	As of Dec. 31, 2017
Investment Time Frame	12.31.2009	11.2008
Retained Jobs	-	-
Retained Payroll	-	-
New Jobs	35 FT	54 FT
New Annual Payroll	\$1,886,345	\$3,173,740

The Tax Incentive Review Council (TIRC) recommended no action. 2017 was the final year for this abatement.

Mr. McCorkle reported that the third CRA is for the Worthington Professional Park. This was approved in 2007 as a 75%, 10-year for six parcels with all of them burning off at the end of last year. He noted that Healthy Children Holdings at this location is now moving above the Porch Growler on High Street, next to the CVS Pharmacy. This is a possible example of an abatement burning off and the business opening up their options. There is not an abatement on their new property. This project did very well and greatly exceeded the commitment of fulltime jobs and total payroll.

The last CRA to be discussed is for FC Bank which is in their first-year reporting, it is a 50%, 10-year abatement. They are slightly below on their job commitment; however, their payroll is over 100% of their commitments. The TIRC recommended that they are in compliance.



## Annual Inspection FC Bank

2017 Reporting Year -- Project Performance:

	Agreement Terms	As of Dec. 31, 2017
Investment Time Frame	12.31.2016	11.16.2016
Retained Jobs	4	4
Retained Payroll	\$292,900	\$292,900
New Jobs	32	11
New Annual Payroll	\$1,025,100	\$1,350,326

The Tax Incentive Review Council (TIRC) recommended continuing with the CRA abatement as-is.



## Annual Inspection TIF Projects

Project	Address	Approval Year	Rate	Term	2017 Deposits	Cumulative TIF Profits Through July 2018	School TIF?
Worthington Station	766-930 Proprietors Rd.	2007	25%	10	\$ 27,314.82	\$ 201,317.75	No
Worthington Square Venture	150 W. Wilson Bridge Rd.	2010	100%	30	\$ -	\$ 13,936.52	No -- Compensation Agreement Terminated in 2015
The Heights	160 W. Wilson Bridge Rd.	2012	100%	30	\$ 172,256.06	\$ 281,528.66	No
Linworth Crossing	2233-2299 W. Dublin-Granville Rd.	2013	75%	10	\$ -	\$ 48,545.50	Yes -- schools share income tax revenue
Fresh Thyme	933 High Street	2014	75%	10	\$ 57,173.97	\$ 40,713.66	No
Downtown TIF District	Multiple	2014	100%	30	\$ -	\$ 76,541.96	Yes -- School paid their portion first.
Trivium Development	350 W. Wilson Bridge Rd.	2015	75%	10	\$ -	\$ -	Schools made whole after \$5.8M valuation reached.

The Tax Incentive Review Council (TIRC) recommended continuing with all TIFs as-is.

The TIFs were all deemed to be in compliance and continued as is by the TIRC. It is the final year of reporting for Worthington Station approved in 2007. That TIF was for the sound wall associated with that development which cost \$150,000 and the TIF generated \$201,000. As of December 31, 2017, three of the TIFs were generating revenue and as of July 2018, six of the seven are generating revenue.

Mr. Myers asked what the reappraisal cycle for commercial properties was, specifically noting Worthington Square's Auditor appraised value. Mr. McCorkle said that when a

*project is completed they will come out and reappraise that property and after that it follows a three-year cycle.*

*Ms. Kowalczyk noted that there were three delinquent properties downtown and she inquired about the process to follow-up on those delinquencies. Mr. McCorkle stated that the Country Treasurer sends letters to them, however the TIRC recommended the City send letters as an extra measure to try and get those businesses to pay their delinquent taxes. There are slightly more than 100 parcels in the downtown TIF, so the TIRC's thinking was that four or five delinquent parcels should not stop this TIF from moving forward.*

*Mr. Myers asked when the 350 Wilson Bridge Road property would be appraised. Mr. McCorkle said that he imagines it would be picked up next year. After the announcement of the new group going into that location there will be another \$1 to \$1.5 million in renovations going into that space. Somehow the valuation decreased from the baseline value according to the Auditor. The developer was comfortable with the devaluation when he had 17,000 square feet of empty space in the building because those are costs he would have to pass along to the tenants. This makes it difficult to market the building when the expenses are that high.*

**There being no additional comments, the motion to adopt Resolution No. 48-2018 passed unanimously by a voice vote.**

**Ordinance No. 42-2018**

Authorizing the Final Plan to the Wilson Bridge Corridor for 181 East Wilson Bridge Road and Authorizing Variances.

**Introduced by Ms. Dorothy.**

**Ordinance No. 43-2018**

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

**Introduced by Ms. Kowalczyk.**

**Ordinance No. 44-2018**

To Amend Various Sections of Chapter 765 "Tobacco Sales" of the Codified Ordinances of the City of Worthington.

**Introduced by Mr. Robinson.**

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.

## REPORTS OF CITY OFFICIALS

### Policy Item(s)

- Designation of Public Records Representative

*Mr. Greeson detailed under state law, local elected officials have to attend 3 hours of training for public records law. However, state law does allow the designation of a representative to attend that training on behalf of the elected officials. It has been the City of Worthington's practice to appoint the Clerk of Council to attend that training. It is also being recommended that the Assistant City Clerk be appointed as the alternate designee of the City Council.*

### **MOTION**

Mr. Foust moved, Mr. Myers seconded a motion to designate the Clerk of Council to attend Ohio Public Records Law on behalf of each member of City Council and appoint the Assistant City Clerk as the alternate designee.

**There being no additional comments, the motion carried unanimously by a voice vote.**

- Update on City Initiatives and Activities

*Mr. Greeson updated City Council on what community outreach efforts have been made by City Staff during the August Recess to enhance the quality of life and add value for Worthington citizens.*

*For many years we have had a partnership with the American Legion where they would recognize both the Fire Fighter of the Year and Police Officer of the Year. In addition to the American Legion Ceremony, we partnered with the Worthington Area Relators, Police Academy Alumni Association and City departments to fund a bench and paver patio in front of the police station that has bricks engraved with the names of past Police Officers of the Year. In partnership with the Worthington Schools, Sean Ord was selected as the Thomas Worthington School Resource Officer and he is doing a great job, adding value to the high school. Also, both divisions provided safety training before the beginning of school with teachers and school personnel.*

*Mr. Greeson highlighted the collaboration of the Worthington International Friendship Association, Worthington Interfaith Neighbors and Community Relations Commission to sponsor the International Picnic at Selby Park.*

*He mentioned that the Concerts on the Green were extremely successful, presenting fourteen concerts with over twelve thousand attendees. Two shows in particular headlined the OSU Alumni Band and the Motown Sounds of Touch drawing over 2700 to the Village Green. This year the Concerts had a title sponsor in FC bank. There was also a Griswold Senior Center Alumni tailgate, the Presbyterian Church had an ice cream social, and FC Bank awarded ten Fantastic Charity donations to local charities.*

*The Parks and Recreation department has served 12,500 children this summer with a variety of camp programs. There has also been engagement in community meetings and stakeholder outreach for the Bicycle and Pedestrian Master Plan. The Division of Police and other community organizations participated in the National Night Out. There was also a public forum held regarding Electric Aggregation that was attended by 30-40 Worthington residents with additional presentations scheduled later this year.*

*Ms. Kowalczyk asked if there was a commitment from FC bank for next year. Mr. Hurley replied that other than positive verbal comments from them regarding their experience this year, there is nothing in writing yet. Ms. Kowalczyk inquired how long people have to submit information for the Bicycle and Pedestrian Master Plan. Mr. Hurley said that they are trying to keep things open for another couple of weeks. Comments can be emailed to him or the Geo-Wiki Maps website page can be used for feedback and ideas.*

## **REPORT OF COUNCIL MEMBERS**

*Ms. Dorothy stated that she appreciates Mr. Greeson sending out a brief overview of anti-trafficking ordinances that we may be reviewing in light of the massage parlor that was recently shut down in the City. She explained that Colonial Hills always has water issues and she looks forward to appropriating funding to go towards upgrading waterlines. WIFA is working hard to have a great plan outlined for the delegation that is coming, and she looks forward to receiving our visitors from Japan.*

*Ms. Kowalczyk seconded Ms. Dorothy's comments regarding the waterlines and she hopes that we can invest more in waterline replacement next year. She has had several exchanges with residents about what was going on and she appreciates the City's quick response back to her and for posting information online. She mentioned that the Community Relations Commission is holding their public meeting on age friendly communities and that there was a strong turnout. She looks forward to working with the Commission on this project. One thing they are looking at doing for Market Day is having a board where people could identify what things are important to them to have a livable or age-friendly community.*

## **EXECUTIVE SESSION**

### **MOTION**

Mr. Robinson moved, Mr. Foust seconded a motion to meet in Executive Session to discuss Appointments to Boards and Commissions, Collective Bargaining Negotiations, and Negotiations Related to Economic Development Assistance.

**The clerk called the roll on Executive Session. The motion carried by the following vote**

**Yes    6            Dorothy, Myers, Kowalczyk, Foust, Robinson, and Michael**

No 0

Council recessed at 8:11 P.M. from the Regular meeting session.

President Michael declared the City Council back in open session at 9:21 P.M.

**ADJOURNMENT**

**MOTION** Ms. Dorothy moved, Mr. Foust seconded a motion to adjourn.

**The motion carried unanimously by a voice vote.**

President Michael declared the meeting adjourned at 9:21 P.M.

/s/ Ethan C. Barnhardt  
Assistant City Clerk

*APPROVED by the City Council, this  
17<sup>th</sup> day of September, 2018.*

/s/ Bonnie D. Michael  
Council President