



City Council Agenda

Minutes

Monday, November 15, 2021 at 7:30 pm

6550 N. High Street, Worthington, Ohio 43085

1. Call to Order

Minutes:

Worthington City Council met in-person in Regular Session on Monday, November 15, 2021. President Michael called the meeting to order at or about 7:30 p.m.

2. Roll Call

Minutes:

Members Present: Peter Bucher, Rachael Dorothy, Beth Kowalczyk, Scott Myers, David Robinson, Doug Smith and Bonnie Michael

Member(s) Absent:

Also Present: City Manager Matt Greeson, Assistant City Manager Robyn Stewart, Assistant City Manager Economic Development Director David McCorkle, Law Director Tom Lindsey, Director of Finance Scott Bartter, Director of Planning & Building Lee Brown, Director of Parks & Recreation Darren Hurley, Chief of Police Robert Ware, Chief of Fire & EMS Mark Zambito, Clerk of Council D. Kay Thress

There were seventeen members of the public in attendance.

3. Pledge of Allegiance

Minutes:

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

4. Visitor Comments

Minutes:

There were no visitor comments.

Approval of the Minutes

5. Approval of Minutes - November 1, 2021

Minutes:

MOTION: Mr. Bucher moved, seconded by Ms. Kowalczyk to accept the City Council meeting minutes of November 1, 2021.

The motion carried unanimously by a voice vote.

Public Hearings on Legislation

6. Ordinance No. 51-2021 Establish New Fund (Unclaimed Funds)

Authorizing and Directing the Establishment of a Fund for the Purpose of Holding Unclaimed Funds.

Minutes:

The Foregoing Ordinance Title was read.

Mr. Greeson explained how we are establishing a new fund for accounting purposes that would provide for the receipt of unclaimed funds until a time when those funds can revert back to the General Fund.

There being no additional comments, the clerk called the roll of Ordinance No. 51-2021. The motion carried by the following vote:

Vote Results: Ayes: 7 / Nays: 0

7. Ordinance No. 52-2021 6700 N. High St. Subdivision

Approving the Subdivision and Platting of an Access Easement on a Property at 6700 N. High St. (Advance Civil Design/Worthington 17 LLC)

Minutes:

The Foregoing Ordinance Title was read.

Mr. Brown explained how this is an opportunity to create a 1.3-acre lot on the southern portion of the Anthem site, the northern portion will be lot #2 which will be a little over 17 acres in size. This went before the MPC and was recommended for approval. The way our zoning code is set up, if there are more than three contiguous parcels, we consider it one lot of record. There are nine separate parcels on the Anthem site and are combining them to create two lots. We are also plotting a new access easement with no new curb cuts or access from lot #1 to High Street, the access will be the existing access point which is the third driveway to the south. This meets all of our codified ordinance requirements.

Ms. Dorothy expressed she appreciates the reduction of curb cuts, she regularly runs on High Street and she is always concerned with cars coming out at the curb cuts. Mr. Brown responded that was one of the reasons that the MPC and staff thought a shared agreement was much more in-line with this corridor.

There being no additional comments, the clerk called the roll of Ordinance No. 52-2021. The motion carried by the following vote:

Vote Results: Ayes: 7 / Nays: 0

New Legislation to Be Introduced

8. Resolution No. 51-2021 Amendment to Development Plan (6700 N. High St)

Authorizing an Amendment to the Final Development Plan for 6700 N. High St. (Newly Created Lot) and Authorizing Variances (William R. Bily, Architect/LCNB National Bank).

Minutes:

Introduced by Mr. Smith

MOTION Mr. Myers moved, seconded by Ms. Dorothy to adopt Resolution No. 51-2021.

Mr. Brown explained how this goes hand in hand with the parcel that was just approved. LCNB National Bank which is currently located just north of this property on North High Street is looking to construct a new 4100 square foot stand-alone bank building on the southern portion of this site. As part of this, there are a couple of variances, including a parking setback of 70' which was approved by MPC, along with bike racks and light poles. They did receive a conditional use to have a drive-through from the MPC. It is a one-story building, but it has the appearance of a two-story building. The use itself is a permitted use in the zoning district.

President Michael asked if there would be an opportunity in the future to use the second story as a second floor or not. Mr. Brown replied that it is only a one-story building.

Ms. Dorothy asked what the setback was for the existing parking lot. Mr. Brown responded that it was at 50' for the existing one. Ms. Dorothy asked why we have not kept that 50' foot setback with this plan. It seems it would make it easier for pedestrians to get into the building. Mr. Brown replied that this was one of the discussions at the MPC about the setback and this was the middle ground versus deviating and bringing it closer to the street. Ms. Dorothy explained how the fire station is at 35' so she thinks that 50' would be the middle ground and it already what is existing. She would propose keeping it at the existing 50' where the parking lot already is, she does not know why we are not making this more pedestrian-friendly. People go down High Street quite quickly and that is partially due to how far back the buildings are and she does not think it is safe to keep moving the buildings back from the street.

Mr. Robinson asked for clarification about the original requests for the setback. Mr. Brown replied that at their July meeting the MPC had a discussion about the setbacks and the applicants were willing to do whatever setback would get them through the process. The 70' was a compromise between the 50' originally proposed and the 100' that is the code requirement. The original submittal had options for 100' and 50'. When they went for formal approval at MPC, 70' was approved. Mr. Robinson asked if the references to proximity for pedestrian access were from the Comprehensive Plan. Mr. Brown replied that there are references in the Comp Plan, but also the general planning guidelines and zoning code. Mr. Robinson asked if the Comprehensive Plan talks about the spacious feel of High Street. Mr. Brown responded that there are references to the larger lawns located along High Street.

Mr. Myers explained how the applicant originally proposed 100' because that is what the code requires. They were aware of the MPC and Council discussions about making High Street more pedestrian-friendly, so they were prepared to make submissions to put the building at 50'. When MPC looked at the different setbacks, if you come to 50' it may be more pedestrian-friendly, the problem was then that there was a building to the north that sat back 200' and a building to the south at 100'. So you would essentially have a jigsaw pattern right now and moving it to 70' would soften the appearance.

Ms. Kowalczyk asked if there is a functional difference between 50' and 70' aside from

making it more pedestrian-friendly. Mr. Brown replied that the applicant was able to do both options, but his understanding is that they were willing to do 50' or 70'. Ms. Kowalczyk summarized the MPC rationale as aesthetic rather than function. Mr. Brown replied it was along the lines of what Mr. Myers described.

Mr. Bucher explained how there are not that many open plots along High Street and he is trying to get a sense of our options to become more pedestrian-friendly.

Mr. Myers expressed that the 70' was well reasoned by the MPC and ultimately this is not the use that we really wanted for this property. We cannot tell people what they are allowed to put on the property and what they are allowed to sell. There is an argument that if this building is at 35' to 50' it will become more prominent than what it is already going to be when in reality, with no offense to the applicant, we did not really want that use in the first place. Do we want it to be that much more prominent so it would stick out from all of the other buildings around it, and that question was a part of the MPC's thinking.

Mr. Robinson explained that if this were to be another Dairy Queen-type facility with significant foot traffic, he could see the rationale for making it more pedestrian access, but it is a bank, and he would support keeping it at 70'.

Ms. Dorothy asserted that there is already pedestrian traffic on High Street and she would like to make it more pedestrian-friendly for everyone who does use High Street and make it safer for people who use it. Moving it closer would make drivers realize that there is more on the street than themselves and they might think to slow down and watch out for other people in the neighborhood.

Mr. Robinson asked how moving it to 50' would make it safer. Ms. Dorothy replied that when you are in a car and speeding down High Street, your vision narrows and you look straight ahead. However, if you see a periphery and other items you could hit, you naturally slow your speed down. This is a 35mph zone and many people go faster than that. Adding more street trees or buildings closer to the area will slow people down.

Mr. Smith explained how the 70' setback makes sense to him.

MOTION Ms. Dorothy moved, seconded by Ms. Kowalczyk to change the front setback from 70' to 50'.

The motion failed: Yay: 3 Nay: 4

There being no comments, the motion to adopt Resolution No. 51-2021 passed unanimously by a voice vote.

9. Resolution No. 52-2021 Right of Way Permit Renewal - Horizon Telecom

Approving an Agreement and Permit for and between Horizon Telecom, Inc., an Ohio Corporation, 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.

Minutes:

Introduced by Mr. Robinson

MOTION Mr. Bucher moved, seconded by Kowalczyk to adopt Resolution No. 52-2021. Mr. Greeson detailed how this is a renewal for an existing right of way use agreement for telecommunications and utilities in the City's right of way.

There being no comments, the motion to adopt Resolution No. 52-2021 passed unanimously by a voice vote.

10. Resolution No. 53-2021 Board and Commission Re-Appointments and Appointment

Re-appointing Members to Various City Boards and Commissions and Appointing a Member to the Worthington International Friendship Association.

Minutes:

Introduced by Mr. Smith

MOTION Mr. Myers moved, seconded by Ms. Dorothy to adopt Resolution No. 53-2021.

There being no comments, the motion to adopt Resolution No. 53-2021 passed unanimously by a voice vote.

11. Resolution No. 54-2021 Consent - Ohio Department of Transportation (315 Lighting Upgrades)

A Resolution Agreeing to Cooperate with the Director of the Ohio Department of Transportation for D06 Upgrade/Retrofit High and Low Mast HPS lighting to LED program (ODOT PID Program Number 112676); and Other Related Services and Authorizing the City Manager to Enter into Agreements with the Director of Transportation Necessary for the Completion of the Project. (ODOT PID Number 112676).

Minutes:

Introduced by Mr. Robinson

MOTION Mr. Bucher moved, seconded by Ms. Kowalczyk to adopt Resolution No. 54-2021.

Mr. Greeson explained that Ohio law requires ODOT to seek consent from the municipality when doing certain projects and in this case, we are talking about 315 where they are proposing to do lighting upgrades with new LEDs to save energy and provide for the safety of the motoring public.

There being no comments, the motion to adopt Resolution No. 54-2021 passed unanimously by a voice vote.

12. Resolution No. 55-2021 Consent - Ohio Department of Transportation (Wilson Bridge Bridge)

A Resolution Agreeing to Cooperate with the Director of the Ohio Department of Transportation for D06 Upgrade the Wilson Bridge Rd over SR 315 Bridge Deck Overlay and Parapet Replacement (ODOT PID Program Number 104980); and Other Related Services and Authorizing the City Manager to Enter into Agreements with the Director of Transportation Necessary for the Completion of the Project. (FRA-315-11.66, PID 104980).

Minutes:

Mr. Greeson explained how this is the replacement of the bridge deck across the Olentangy River on West Wilson Bridge Road. He is excited about this project. This bridge has become a maintenance challenge and needs replacement from a physical standpoint. Additionally, we took this opportunity to improve the bike-ability of this. There will be a slight width expansion which will increase the bike lanes and the parapet wall will be higher along with safety fencing. Lastly, the drains on that bridge are not flush and will be replaced with ones that will be more easily biked over. Ms. Dorothy emphasized that it will be much better for many modes of transportation. She is thankful we are going to be improving this for biking, running, and walking.

There being no comments, the motion to adopt Resolution No. 55-2021 passed unanimously by a voice vote.

13. Resolution No. 56-2021 Job Description HR Manager

Amending the Position Title and the Position Description for Finance/Personnel Analyst.

Minutes:

Introduced by Mr. Smith

MOTION Mr. Myers moved, seconded by Ms. Dorothy to adopt Resolution No. 56-2021.

Mr. Greeson overviewed how we are proposing some reorganization and the addition of a position in personnel and are recommending a job description amendment to better reflect the duties of HR Manager.

There being no comments, the motion to adopt Resolution No. 56-2021 passed unanimously by a voice vote.

14. Resolution No. 57-2021 Job Description Marketing and Outreach Supervisor

Amending the Position Description for Marketing and Outreach Supervisor.

Minutes:

Introduced by Mr. Robinson

MOTION Mr. Bucher moved, seconded by Ms. Kowalczyk to adopt Resolution No. 57-2021.

Mr. Greeson explained how it is our custom when there are vacancies to amend job descriptions before advertising them. We now have a vacancy for our Marketing and Outreach Supervisor and the last time the description was updated was in 2012. Some changes were made to modernize the job description.

There being no comments, the motion to adopt Resolution No. 57-2021 passed unanimously by a voice vote.

15. Ordinance No. 53-2021 Operating Budget 2022

Providing for the Adoption of the Annual Budget for the Fiscal Year 2022 and Appropriating Sums for Current Operating Expenses.

Minutes:

Introduced by Mr. Smith.

16. Ordinance No. 54-2021 Compensation - Unclassified Pay Class

Establishing Compensation for Certain Unclassified Positions of the Municipal Service For the Period of January 1, 2022 through December 31, 2022, and Adopting Class Specifications for Said Unclassified Positions.

Minutes:

Introduced by Mr. Myers.

17. Ordinance No. 55-2021 Riverlea Police Protection Contract

Authorizing the City Manager to Enter into a Contract with the Village of Riverlea for the Provision of Police Protection.

Minutes:

Introduced by Ms. Dorothy.

18. Ordinance No. 56-2021 Public Health Contract (Columbus Public Health)

Authorizing the City Manager to Execute A Contract Between the City of Columbus Board of Health and the City of Worthington for Health Services.

Minutes:

Introduced by Mr. Robinson.

19. Ordinance No. 57-2021 Plumbing Inspection Services (Franklin County Board of Health)

Approving the City Manager's Appointment of the Franklin County District Board of Health as the Provider of Plumbing Inspection Services in the City of Worthington.

Minutes:

Introduced by Mr. Bucher.

20. Ordinance No. 58-2021 Former United Methodist Children's Home Rezoning Application

To Amend the Official Zoning Map of the City of Worthington, Ohio, to Change Zoning of Certain Land from R-10 (Low Density Residential), S-1 (Special), C-2 (Community Shopping Center) and C-3 (Institutions & Office) to PUD, Planned Use District at 1033 N. High St., 47 Larrimer Ave. and 57 Larrimer Ave. (100-006774, 100-002427 & 100-002425).

Minutes:

Introduced by Ms. Kowalczyk.

Set the public hearing on Ordinance No. 58-2021 for December 13, 2021 .

21. Ordinance No. 59-2021 CIP - Appropriation (Indianola Park Playground Repairs)

Amending Ordinance No. 44-2020 (As Amended) to Adjust the Annual Budget by Providing for an Appropriation from the Capital Improvements Fund Unappropriated Balance to Pay the Costs of the Indianola Park Playground Repairs and all Related Expenses and Determining to Proceed with said Project. (Project No. 721-21)

Minutes:

Introduced by Mr. Smith.

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

22. Policy Item(s)

a. Request by The Snow House Partnership to Expand the CRA boundary

Minutes:

Mr. Greeson explained how tonight on the agenda we have a request from the Snow House Partnership to expand the Community Reinvestment Area (CRA) boundary to add parcels that are zoned commercial but were not included in the original CRA. Properties in CRAs can be eligible pursuant to guidelines that the City has established for tax abatement incentives. The City has used these abatements to facilitate development projects that meet the criteria for total investment and job creation. All of the projects to date have been for offices. The request to extend the boundaries is being made because they would like at some point to negotiate a tax abatement to aid in developing a hotel in Old Worthington. Most commercial sites in Worthington are within the CRA. We are not sure why the decision was made to not include the properties in the original

discussion related to the CRA and there is not an established internal process for a property to request a boundary amendment. If the city wants to amend a CRA boundary, there is an established process with the state of Ohio and requires an ordinance of the City Council and that process is laid out in a memorandum by our Economic Development Director, Mr. McCorkle wrote for the Council packet. There will need to be some direction from Council for staff on whether or not to prepare a boundary adjustment ordinance for future introduction. Any tax incentives would need to be negotiated and approved by separate action of the City Council and any development at the subject sites would also need to be approved by the appropriate regulatory bodies. The sequencing of those events would also need to be determined.

Mr. Kevin Rohyans with the Snow House Partnership overviewed the request for the expansion of the CRA boundary and how this property is not within the current boundaries. The vision they have for the boutique in Worthington is that there is a void in the lodging market and an opportunity to enhance lodging options in and around Downtown Worthington. A high-quality development would add vibrancy and critical mass to Old Worthington, and the hotel along with restaurant use would be symbiotic. There is the opportunity to develop a largely room-only building in a cost-efficient manner and is a unique opportunity with the existing restaurant space at the Worthington Inn. The hotel and restaurant would be operated and owned together and the legacy of the Worthington Inn hotel would be reborn.

Mr. Myers clarified that the plan proposed to keep the Worthington Inn as a restaurant. Mr. Rohyans replied that is correct. It would serve the hotel and the public alike.

Mr. Rohyans overviewed that the relaunched Worthington Inn restaurant would include almost 10,000 square feet total with the main dining, bar, and main kitchen on the first floor. There would be a banquet kitchen, storage, and private dining/wine room on the lower level. The hotel would be between 45-55 rooms depending on the unit mix, unit design, and building layout. It would be a mostly room-only building with a parking garage underneath and a potential rooftop amenity. It would have a high-end residential feel with understated and attainable luxury. Most likely there will be no brand for this hotel, but could potentially join a consortium.

President Michael asked about the main floor of the Worthington Inn and what is happening to the two rooms upfront. Mr. Rohyans explained how the full first floor will be a restaurant aside from a small area.

Mr. Royhans showed a number of conceptual hotel renderings.

Mr. Derek Rogers discussed the rationale for the CRA and how the project meets the minimum eligibility requirements including a potential production of about \$1.6 million in new salary and wages and new investment in excess of \$8 million. This hotel would diversify Worthington's sources of revenue with over \$150,000 in bed taxes. The developer is developing expensive onsite structured

parking. This would anchor Downtown Worthington with high-quality development, which will add vibrancy and critical mass to existing and new businesses in the area. Even assuming a ten-year, 75% CRA, the project produces an insufficient return relative to the risks. It is imperative to obtain this to move the process forward. The public sector benefits for the CRA include \$209,000 which would be the direct economic benefit to the City of Worthington over the first ten years per year from bed taxes, income taxes, and property taxes. In year eleven, the property taxes would increase by approximately \$58,000 per year. Indirect benefits to the City include the dynamism of Worthington and the surrounding businesses and residents. The Worthington Schools would see the benefit of an additional \$58,000 per year in new property taxes with no impact of new students to the schools.

Ms. Dorothy clarified whether the \$209,000 to the City is an annual benefit. Mr. Rogers replied that is correct, annually over 10 years.

Mr. Myers conveyed he wanted to make sure we are all clear about what we are doing tonight. He explained that this presentation is not geared to the discussion tonight. He looks at extending the CRA right now as a housekeeping thing that should have been done when the CRA was first created. Just because we may or not move forward with an extension of the CRA, that does not mean we are prepared to negotiate an incentive or give an incentive at this point. The vote to extend this CRA does not mean we are on board with the project.

Mr. Rogers concluded by saying that the project has the potential to serve as a catalyst for Downtown Worthington to achieve its economic and cultural potential. The specific request tonight is only to seek to expand the boundary of the current CRA to include the Snow House property at 41 W. New England. There will still need to be CRA agreement approval, expanding the map is only the first step. The City would still need to approve a CRA agreement with the developer at a later time.

Ms. Dorothy asked about the Snow House property and what type of businesses have been there in recent years and whether they are commercial buildings currently. Mr. Rohyans replied that Datafield rents at the Carriage House that used to be Igloo Letterpress. There used to be hotel rooms in the Snow House back in the day.

President Michael asked if the office building between La Chatelaine and the Snow House is in the CRA. Mr. Rohyan replied he did not think that property was in the CRA. President Michael said it would make sense for that office building to also be in the CRA. Mr. Greeson explained that the CRA is just the frontage on High Street at this point. President Michael asked if the CRA expansion could include both of those properties. Mr. Greeson replied he did not see why not. Mr. Robinson explained how everyone he has spoken to likes the idea of a hotel. The question boils down to the size of the project. The issue of size is the essence of what kind of conflicts there might be and you are seeking a tax abatement under the rationale that the deal is very tight as a 55-unit proposal.

Mr. Rogers said is correct, the other part is if it qualifies. Mr. Rohyans explained how the inherent risk is above the anticipated return, even with the CRA. The risk is an unbranded hotel in a suburban market. Mr. Robinson said if the deal is tight now, he would assume there is not much room to budge on the size of the project. Mr. Rohyans confirmed that is a fair assumption.

Mr. Bucher asked what community engagement has been done so far and what would be planned going forward if a formal application is pursued. Mr. Rohyans explained there have been over 30 meetings with 130 residents, local officials, and business owners. They will continue that charge and seek their feedback. So far it has been a lot of conversation about what the project is. Mr. Bucher encouraged them to do so, there are already some people who are concerned about several aspects. He hopes that meetings continue and if there are places to make accommodations, it will go a long way. Some of the comments that have come through have indicated there is Council support for this project and he asked that not be dispersed, we are at the beginning of this and there are no public stances.

Ms. Jenny Fuerst of 178 Lake Ridge Road commented that she has been a Worthington resident for 20 years with 3 children. She enthusiastically supports this boutique hotel in Old Worthington and asks representatives to support this development to inject a shot of adrenaline into what feels like a fading downtown. Unfortunately, Worthington has a reputation for sitting idly while our neighbors progress and thrive. She hopes we learn from our mistakes. She knows traffic is always the complaint in this town, but the benefits far outweigh this from having this beautiful amenity in our town. Worthington is lacking hotels and does not have places for people to stay. Additionally, the benefits have been well detailed in the previous presentation. The added charm and vibrancy from an expanded customer base are desperately needed.

Mr. Brian Swanson of 230 Franklin Avenue expressed that he is a resident and new business owner who fully supports this project. The thoughtful design supports the neighborhood and really would bring some vibrancy to our downtown. He is in support of the height and rooftop aspect of this that would be cool and a great amenity for the neighborhood. It would be a major loss if this development does not go through.

Ms. Sarah Mullen of 655 Hartford Street conveyed her support as a resident of Old Worthington and as a business owner with an office in Worthington. She grew up in Worthington and her grandparents stayed at the inn often. She went to college in Chicago, just to move her family back to the corner of East New England and Hartford in 2011. Like many of her neighbors, they chose their location of home for the proximity to the downtown area. As homeowners, they would live adjacent to the proposed property and see the boutique hotel and reactivation of the Worthington Inn as a fantastic opportunity for Worthington. The plans for this hotel with regard to size, scale, and aesthetics are in line with the surroundings and appropriate for the neighborhood. The minor influx of

traffic is far outweighed by the benefits of this project. This type of high-quality development would provide atmosphere and support to our existing local businesses. As a local small business owner, she would appreciate the ability of her clients to stay, experience, and expand their roots in Worthington while they are visiting. She urges Council to approve the CRA boundary adjustment.

Mr. Michael Ball of 925 Robbins Way said that he is speaking on behalf of Building Worthington's Future and is their past president, and a non-profit focused on respecting our heritage and improving the quality of life in Worthington. Most importantly, ensuring the City's future economic vitality. BWF is supportive of expanding the CRA. The prospect of having a project that brings community connection back to the Worthington Inn is a phenomenal opportunity. This project would bring life to that building and all of that life to downtown.

Mr. Mike Clevenger of 46 West New England Avenue shared it is important to understand to share the support of the expanded CRA for a number of reasons. His wife was born and raised in Worthington and they have seen expansion around them and improvement to the Worthington Inn and renovation to the Snow House. Her parents were actively involved in the historic character of Worthington, serving on the Charter commissions and active with the Worthington Historical Society. He has heard the term responsible development thrown around a lot, but that begins with responsible developers and the Showe Organization has demonstrated that by carefully preserving and renovating the Worthington Inn, the Snow House, and the Masonic Lodge property. On Mr. Robinson's website, there is a comment about the character of our City, and here are developers that care about the character of our City. A couple of things about the economic impact that was not mentioned, Tourism Ohio estimates that an overnight visitor will spend about \$327 dollars, and could project about \$3 million. Some trends make this a benefit as well and this is an extraordinary opportunity to advance Worthington while maintaining its character with proven developers.

Mr. Don Miesle of 54 West Short Street expressed how he is here and he first heard of this from a neighbor who said they were going to build a four-story boutique hotel behind his house. He said he thought he would have heard about it before then, but he guesses not because he is not part of the business community and just happens to live here. He has a lot of concerns such as water runoff and there is a large building behind him with underground parking. There are concerns we have had the Worthington Inn unoccupied for so long. The other properties have had multiple tenants are currently vacant and he is concerned we are going to build an even bigger building that could end up vacant. There are several other properties on High Street that might make a lot more sense rather than building new large buildings. He thinks there needs to be more information and to give a \$1.5 million tax break that they are wanting to build a large building that when the tax incentives go away would no longer

be economically viable. He is deeply concerned and to rezone this area already without enough community input and would need more information.

Ms. Thress explained that there were some emails received this afternoon with support for the CRA and expressing some concerns about the development itself. A letter of support was slid under the door of City Hall in support from an individual who has lived here for 50 years and she is also in support of the expansion of the CRA.

President Michael explained how the decision tonight is whether Council wants staff to prepare an ordinance to bring forward for expanding the CRA.

Mr. Smith explained how this seems to be more of a housekeeping issue and asked whether there were any other parcels in the City that should be included. Instead of coming back in the future, he wondered if we were happy with what we are doing here now. Mr. Greeson replied that at some point, should we decide to rezone East Wilson Bridge Road, which is the subject of a December 6th Council meeting, it would make sense to have those parcels or at least the office parcels part of the CRA. That does not need to be done today, but it makes sense if we end up deciding to rezone those parcels. Mr. McCorkle described how we have three corridors that the CRA was responsible for on High Street, Wilson Bridge, and our Industrial Corridor. The north side of Wilson Bridge was included in the CRA along with the Mall. Depending on the rezoning applications on East Wilson Bridge Road, he would say we should include those along with cleaning up Old Worthington. There are several similar parcels to the one we are discussing tonight and we would want this to be a contiguous zone and do not want to jump over parcels in Old Worthington. President Michael noted that if the CRA is expanded, that does not mean that the property owner needs to do anything differently, it just means the property is included.

President Michael clarified how this is not a rezoning, it is just including them in the CRA boundaries. Mr. Greeson explained how that allows the City to enter into a tax abatement agreement as an incentive tool for projects that are determined to be economically beneficial to the community. Mr. McCorkle detailed how Worthington has had five CRAs since its inception in 2005, there is an application process for that and the property does not be abated because the City wants it to be, there is a process for the property owner to undertake. Mr. Smith expressed how he likes the idea of putting this property in the CRA that we are talking about tonight and he would want staff to bring forth a proposal with all the properties identified in this corridor.

Mr. Robinson asked if this is something that could be done readily in the next week or two. Mr. McCorkle replied yes.

Mr. Myers responded to the last comment we heard from the public, stating that we are not approving a hotel tonight and there will be multiple opportunities to come to MPC, ARB, and Council to voice your concerns. We have not even seen an application or plan yet and are a long way from actually approving a hotel tonight. He asked staff about the application we submit to the Development

Services Agency and if that is just a proforma or if there is some oversight to approve this application. Mr. Greeson replied that they would need to approve it. Mr. McCorkle explained how there is an application process and we would be amending our CRA with the same application to amend as the one to create. This is a little bit of work for him to create the application and submit it to the state and he does not anticipate any issues with approval. Mr. Myers asked about the email chatter before this meeting and how there were comments about how we could put certain conditions such as if we grant the extension, they would have to operate a restaurant. Mr. McCorkle replied that he is referring to a response from WARD that said they have consulted with the City and that certain stipulations or asks of the developer can be placed in exchange for approval. In consultations with the Law Director, we have the ability to do a development agreement. Mr. Myers explained how that would be part of the CRA negotiation or the architectural or zoning process, not part of the CRA application. Mr. McCorkle replied that the CRA agreement would be fairly straightforward, but we could have an overarching development agreement that would be part of another negotiation.

President Michael expressed how it sounds like there is a general consensus of the Council to expand the boundaries of the CRA to include the appropriate properties at this time.

MOTION: Mr. Myers moved, seconded by Mr. Smith to instruct staff to prepare an ordinance to expand the CRA to include at least this property and other properties as deemed appropriate.

The motion carried unanimously by a voice vote.

b. Follow Up - Proposed 2022 Operating Budget & Proposed 2022-2026 Capital Improvements Program Including Debt Discussion

Minutes:

Mr. Greeson explained how each year at this meeting, we block off time to follow-up on any operating budget or capital plan questions that Council may have. In October when we presented the 5-year CIP, the issue of debt and how we compare to other cities was brought up along with the appropriate level of debt to carry. We enlisted our financial advisor to assist us with that and Mr. Brian Cooper will present tonight.

Mr. Cooper with Baker and Tilly explained how he is a municipal advisor and works with the Finance Department and City Manager's office on capital planning and debt issuance matters for the City. He brought up last summer's debt issuance to fund various improvements around the City. That issuance went extremely well and when the City issued its bonds it secured a rate of 1.65% for 20 years which is an extraordinary rate. The City secured a AAA rating from S&P Global Ratings, and it is the highest rating obtainable. The S&P cited the robust economic profile of the City, strong management and financial policies and practices, and strong budgetary performance. On the debt side of

things, the City has a very strong debt and contingent liability profile with low overall net debt which is a positive credit factor. When looking under the hood from a rating agency standpoint, the agencies rate on four major ingredients with the first being economy. 30% of the rating is tied to economic indicators of the City. 20% is related to the City's management such as debt policies, capital planning, and budget processes. Financial measures represent 30% of the overall financial rating. Debt and contingent liabilities only make up about 10% of the overall rating. With the additional debt baked into the capital plan, it only modestly impacts the contingency and debt score and would not impact the City's credit rating as a whole.

When comparing Worthington to other cities chosen for specific reasons such as they are like size, have a recreation center, and have many of the same characteristics of the City. We wanted to see how Worthington stacked up to comparable cities and broke the analysis down into four groups including the tax base. Worthington is a growing community over the past ten years which is above the median for these other cities. We also look at the growth in the assessed value of all the land and buildings in the community and is a representation of the tax base which is very healthy. The full value is \$2.1 billion with a per capita value of \$145,000 which is well above the median comparisons. The assessed value is 35% of the market value of all the property in Worthington and the full value is the auditor market value of all the properties in the City. Worthington has a modest debt level compared to the median debt burden. From his perspective, the City's debt is manageable compared to other cities. When looking at fund balances, they demonstrate if the City has been running balanced budgets and is a statement of the position of liquidity.

Worthington's General Fund cash balance is over the median and puts the City in a strong position. Looking at income taxes that pay for capital and debt expenses, and Worthington is outperforming its comparable cities. Worthington compares favorably to like cities in Ohio.

Worthington's debt profile includes three outstanding bond issues in 2015, 2017, and 2021. The original amount of the issuance was \$18.5 million, but principal and interest are paid, so those amounts naturally decrease over time. The current outstanding amount is \$13.8 million. In the capital plan, there is about \$14 million of new issuance baked in there, when evaluating the capital plan and future plans, it is important to think through and understand what the source of repayment is going to be on future bond issuances. We know income tax is the driver of economic activity and those taxes are used for operating and capital purposes by the City, so when issuing new debt, it creates a wedge on either the operating budget or capital plan, so a balance needs to be struck. You do not want the percentage of income tax going towards debt service to grow too quickly and want it to keep pace with the growth of the tax base.

He overviewed the project debt service which is about \$1 million per year over the next ten years. In 2032 that will drop to about \$750,000 and then in 2034 it

falls to about \$600,000. When adding the projected new debt service, \$14 million of new debt equates to somewhere between \$1.1 and \$1.2 million of debt service per year phased in overtime. Often the debt issuances that are loaded in sometimes fade away if income taxes continue to increase or a better funding mechanism comes along. Lastly, it is a matter of structuring debts in a way that does not provide a burden on the operating side of things.

Ms. Dorothy asked if there is an idea of what our interest rate is going to end up being. Mr. Cooper explained how rates are rising currently, but we are still well under 2% for long-term financing. Ms. Dorothy explained how it looks like we are still near historic lows, but inflation is coming, we hope people's incomes will also inflate, and we can lock in rates at these near historic low levels to help finance long-term improvements to the City.

Mr. Smith asked what the shelf life is on a credit rating. Mr. Cooper replied that the rating is maintained for the full life of the bonds. If they are retired and City issues no more debt, the rating would be retired when there are no debts outstanding. S&P Global will then do an annual or biannual review of the City's audit. It is a great check to make sure that a City's financial policies are up to speed and the City's finances are being managed positively.

Ms. Kowalczyk asked if the infrastructure bill that was recently passed would impact any of this. Mr. Cooper replied that the bill will create a lot of liquidity similar to the other rescue packages. Governmental bodies have a large amount of cash to cash-fund projects, and costs have been coming back higher. The cash might in turn reduce bond issuances over time with the infrastructure act in place.

Mr. Greeson provided context into the communities included in the comparisons and how we were looking for places that collected similar amounts of income taxes, assessed values, populations, and because we are a little different than our neighbors. We wanted to see communities that had a similar profile as us.

Mr. Robinson posed the hypothetical resident question if the City is taking on more debt and whether we are in good shape or not, and asked if it was correct the metrics that are most meaningful are the net debt per capita and the net debt as a percentage of full value. Mr. Cooper responded that they are and all the comparisons are applicable. The biggest thing that trumps those is the City's ability to repay in the budget which is an individual metric for all cities. The others are the total governmental fund debt service and net direct debt as a percentage of total governmental fund revenue. These are minute calculations done on the debt and contingent liabilities metric for S&P. The City also gets an adjusted score upwards because the City's debt as a percentage of market value is below 3%.

c. Financial Report - October 2021

Minutes:

Mr. Bartter reported that income tax collections are strong and revenues are

above estimates.

MOTION: Mr. Myers moved, seconded by Mr. Smith to accept the October 2021 Financial Report.

The motion carried unanimously by a voice vote.

Mr. Myers asked about how we may be adding \$14 million in debt and the associated debt payments and whether Mr. Bartter feels comfortable with our debt load. Mr. Bartter replied that we would not have put it in the CIP unless the staff was comfortable with the level of debt proposed.

d. Set Public Hearing for Ordinance Nos. 34-2021, 35-2021, and 36-2021 (East Wilson Bridge Rezoning)

Minutes:

President Michael set the public hearing for December 6, 2021

Councilmembers voted unanimously to set the public hearing date.

President Michael expressed how it would be important to convey that each individual will have five minutes to speak, so they can plan in advance accordingly since that differs from the MPC's protocols.

23. Information Item

- a. City Council Meetings for December 6, 2021 and December 13, 2021 will be held virtually.**

Reports of Council Members

24. Reports of Council Members

Minutes:

Ms. Dorothy wanted Councilmembers to be aware that she saw several residents concerned about Airbnb listings. It seems that there are now apartments that are listed for short-term rental and the Planning Department is looking into it. We have a lack of housing available for residents, specifically affordable housing. The location in question used to have affordable housing but has been converted to Airbnb rentals and she thought that was something we did not want. There are currently 12-15 listed on Airbnb right now, which is more than has previously been out there.

Mr. Smith noted he was glad Ms. Dorothy brought this up and asked staff to provide a brief explanation to Council on the short-term rental legislation and what it means to the public.

Ms. Kowalczyk brought up how she attended a meeting convened by the Worthington Racial Justice Organizing group on a framework for discussing and bringing to the community issues related to racial justice. It is called Truth Racial Healing and Transformation and it was a very interesting discussion. We learned more about the process and how and why this might be helpful. There are still questions on how to move forward, but the consensus was to move forward with learning more. She would ask to be included in continuing conversations.

Mr. Bucher brought up how earlier in the afternoon the President signed the bi-

partisan infrastructure agreement and some of the funds slated to come to Ohio in coming years include \$9.2 billion for highways, \$1.4 billion for water infrastructure, \$1.2 for public transit, \$483 million for bridges, and \$140 million for electric vehicle chargers. As we anticipate this comes through the state legislature, he wanted us to think big to make significant improvements once the funds get to us. President Michael reminded everyone that the Holiday Open House will be Thanksgiving weekend.

Other

Executive Session

25. Executive Session

Minutes:

MOTION: Ms. Dorothy moved, Mr. Robinson seconded a motion to go into Executive Session to consider appointment and compensation of personnel, board and commissions appointments, and economic development incentive negotiations.

The clerk called the roll on Executive Session with the motion carrying unanimously.

Council recessed at 9:40 p.m. from the Regular meeting session.

MOTION: Mr. Smith moved, Ms. Kowalczyk seconded a motion to return to open session at 10:33 p.m.

The motion was carried unanimously by a roll call vote.

Adjournment

26. Motion to Adjourn

Minutes:

MOTION: Mr. Robinson moved, Mr. Myers seconded a motion to adjourn. The motion carried unanimously by a voice vote.

President Michael declared the meeting adjourned at 10:34 p.m.

Contact: D. Kay Thress, Clerk of Council (Kay.Thress@worthington.org (614) 436-3100) | Minutes published on 01/13/2022, adopted on 01/18/2022

/s/Ethan C. Barnhardt
Management Assistant

Attest

/s/ David Robinson
President of Council