

WOOSTER CITY COUNCIL MINUTES
June 15, 2020

Due to the Stay at Home order, this city council meeting was held via a Zoom conference call. The recorded video of the meeting is available on the City of Wooster YouTube channel.

I. ROLL CALL & ORDERING OF AGENDA

President Mike Buytendyk called the teleconference meeting of Wooster City Council to order at 7:30 p.m. Lynne DePaulo, Council Clerk, called roll with the following members present; Craig Sanders, Bill Bostancic, Jennifer Warden, David Silvestri, Jon Ansel, Scott Myers, and Mark Cavin. City Administration present: Mayor Bob Breneman, Finance Director Andrei Dordea, Law Director John Scavelli, Development Coordinator Jonathan Millea and Utilities Manager Nate Coey.

II. APPROVAL OF MINUTES

Councilwoman Warden moved to approve the minutes of the June 1, 2020 meeting, seconded by Councilman Myers. Upon voice vote, the minutes were approved unanimously.

III. COMMUNICATIONS FROM MAYOR/ADMINISTRATION

Mayor Breneman announced that Freedlander Pool opened today and Knight's Field Sprayground is scheduled to open July 1st. The Community Center will be opening up its evening classes sometime next week.

Mr. Breneman discussed Ordinance 2020-21 and wanted to go on record saying council should be cautious with this legislation. This is something the City has never done before and there are some pitfalls. He wants them to go into it with eyes wide open; this TIF program is for greenfield housing, no jobs are created, no reinvestment of existing structures and it can be harmful to the schools if the development does not build-out.

IV. PETITIONS/COMMUNICATIONS FROM PUBLIC

Councilman Sanders introduced several area businessmen who support Ordinance 2020-21. Jon Jameson (Schaeffler), Steven Smyth (GOJO), Kevin Weldie (TekFor), Greg Logsdon (BCI/Buckeye Division), and Armand Massary (Artiflex) all spoke of the need for affordable housing for their employees.

Jerry Baker also spoke on the need for Ordinance 2020-21.

Doug Drushal spoke on his support of Ordinance 2020-17.

Mr. Scavelli read comments from the public received on YouTube. The comments concerned Resolution 2020-25 and affordable housing.

V. COMMITTEE REPORTS; PUBLIC HEARINGS

Councilman Ansel called to order a public hearing for the 2021 Tax Budget, Resolution No. 2020-25. This is a requirement and he noted that the first reading of the legislation had been done on June 1, 2020. A comment from YouTube wanted to know how COVID expenses have affected the budget. Councilman Ansel replied that revenue is expected to be down 5% by the end of the year. Mr. Montgomery said some of the expenses may be reimbursed by FEMA and the CARE Act. Mr. Dordea said this legislation sets the millage for Wayne County, this is not the official city budget, the work for that will begin in late summer, early fall. Councilman Ansel stated council should be ready to vote at the July 6th council meeting and concluded the public hearing.

VI. UNFINISHED BUSINESS

1. Third Reading – ORDINANCE No. 2020-17

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH TIMOTHY ENTERPRISES LLC AND CALIBER HOLDINGS CORPORATION FOR COMMUNITY REINVESTMENT AREA TAX INCENTIVES, AND DECLARING AN EMERGENCY (Ansel)

Councilman Sanders recused himself from this legislation.

Councilman Ansel said this is an interesting and unique CRA request. There has been plenty of dialogue. He reminded council that this was a \$1.6M project in a high traffic area; it will retain jobs and has potential for new job growth with skilled tradesmen. The project is endorsed by both the Wooster Chamber of Commerce and Wooster Growth.

Councilman Bostancic stated he has problems with this legislation. He does not believe it is in the spirit of the CRA and will set a bad precedent. It is in a greenfield, not rehabilitation of housing. Councilman Myers says he thinks it will set a worse precedent by voting no and will have a negative impact on business development. Councilman Silvestri has two problems with the request, there is no blight at the location, and there is no financial necessity for the request.

Councilman Ansel motioned to adopt, seconded by Councilman Myers. Upon roll call motion to adopt failed 4-2. (Bostancic-no; Cavin -no; Warden – no; Silvestri – no; Ansel – yes; Myers - yes)

2. Second Reading – RESOLUTION NO. 2020-25

A RESOLUTION PROVIDING FOR THE ANNUAL TAX BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 2021 (Ansel)

Councilman Ansel said this City Tax Budget legislation is required annually by the Ohio Revised Code; the public hearing was held this evening. This legislation will be considered to have its second reading.

3. Second Reading – ORDINANCE NO. 2020-20

AN ORDINANCE SUBMITTING TO THE ELECTORS OF THE CITY OF WOOSTER, OHIO, AMENDMENTS TO THE CHARTER OF THE CITY OF WOOSTER AS PROVIDED IN SECTION 8.03 “CHARTER REVIEW,” AND DECLARING AN EMERGENCY (Sanders)

Councilman Sanders introduced the legislation and questioned the removal of the language for term limits on the Wooster Community Hospital Board.

Councilwoman Warden stated that in Article 2, the sentence structure was confusing and perhaps the word “both” could be removed. Mr. Scavelli will look at the wording. Councilman Myers questioned whether council can make recommendations. Mr. Scavelli stated that yes, council can edit.

Councilman Myers thought that instead of removing the term limits for the Wooster Community Hospital Board that it might be better to extend the term.

Louise Keating, a member of the Wooster Charter Committee, stated she supports the language for the removal of term limits due to the nature of the Wooster Community Hospital Board. Mr. Scavelli said it is a disadvantage for city board members because of the term limits when the township members do not have limits; it makes it more equitable. It is a specialized board that has a long learning curve.

Councilman Cavin stated that the Mayor has the power to recommend or reject members, and he can remove them.

Jolene Dyer, a member of the Wooster Charter Committee, reminded council that the Mayor makes his recommendations to council and council approves the recommendations. There is also that control measure.

Mr. Stewart Fitz Gibbons, a member of the Wooster Charter Committee, stated that there are multiple layers of review and process with the Hospital Board.

Councilman Silvestri asked the Mayor when there is an opening for a position, how does someone let him know they would like to be considered? Mayor Breneman said he takes any volunteers seriously and looks at their skill set to determine which committee or board they would be best suited to serve.

Ordinance No. 2020-20 is considered to have its second reading.

VII. NEW BUSINESS

1. First Reading – RESOLUTION NO. 2020-33

A RESOLUTION AUTHORIZING THE DIRECTOR OF ADMINISTRATION TO ENTER INTO AN EMERGENCY REPAIR CONTRACT FOR INFLUENT FINE SCREENS AND DECLARING AN EMERGENCY (Silvestri)

Councilman Silvestri reviewed the details of the need for the emergency legislation.

Councilman Silvestri motioned to adopt, seconded by Councilman Sanders. Upon roll call motion to adopt carried 7-0. (Sanders – yes; Bostancic-yes; Cavin -yes; Warden – yes; Silvestri – yes; Ansel – yes; Myers - yes)

2. First Reading – ORDINANCE NO. 2020-21

AN ORDINANCE INSTRUCTING THE CITY ADMINISTRATION TO SUBMIT STATUTORY NOTICE OF COUNCIL'S INTENT TO ESTABLISH A TAX INCREMENTAL FINANCING DISTRICT AND ADOPT AN ECONOMIC DEVELOPMENT PLAN TO SUPPORT THE PROVISION OF A DIRECT DEVELOPMENT GRANT TO ENABLE THE CREATION OF THE MELROSE DRIVE RESIDENTIAL SUBDIVISION PROJECT, AND DECLARING AN EMERGENCY (Sanders)

Councilman Sanders introduced the legislation as a notification to Wayne County, the Wooster City Schools, and the Wayne County Career Center of the intent to establish a Tax Incremental Financing District. This is strictly a notification, not approval of the TIF. It is a 45 business day notice to respond.

Councilman Bostancic asked why does the developer need the TIF? Mr. Baker responded they are trying to reduce the cost of the lot to make it more affordable. Councilman Bostancic said there seemed to be other ways to lower the cost, slightly less front footage, building more houses with smaller lots, etc.

Councilwoman Warden questioned the affordable housing category. There is no guarantee that the developer will use the pricing that has been quoted; there should be some type of insurance that the housing price will remain in the affordable price range. She would not like to see a price hike after the TIF is approved. Councilman Sanders said the language could be added into Exhibit B. Councilwoman Warden requested it be taken into consideration. Councilman Sanders stated it would be added.

President Buytendyk reminded everyone that this legislation is just to get the ball rolling. Councilman Sanders stated this just allows us to send out the information; it is not authorizing the TIF. Councilman Myers said that writing and drafting the TIF is like setting the rules and needs to be clear and concise. Notification is important.

Mr. Montgomery wanted to clarify that even though this is just a notice, the notice contains some of the details in regards to the dollar figures of the TIF. The alternatives are up to council to decide. If there is any thought to discussing the alternatives and coming up with a definite TIF value, it would be best to hold off on voting this evening.

Mr. Scavelli said that a copy of the proposed legislation needs to be sent along with the notification. Council wants to be part of drafting the legislation; he feels that before council moves forward they should have further discussion. There are still a lot of decisions to be made.

Mr. Millea said that Exhibit B is the proposed legislation, and it is not complete yet. We want to be transparent with the school districts; it outlines what is happening upfront. For most TIF's it is a 100% 30-year exemption on

the property. Those values can be changed at the discretion of council. He explained that there will be a special assessment on the property. The homeowners will still pay to the county auditor, but the difference is the money will go into a special fund which the City will manage. We need to specifically define how it will read and the details, for example, 100%, 30-year exemption or some version of that. If there is an amendment once the original notification is sent, then the 45 business day cycle begins again.

Councilman Bostancic asked if perhaps council should have a vote to see if they even support a TIF.

Mayor Breneman said perhaps you should think of it as “Does council believe we need to incentivize the building of new homes?”. If the answer is yes, then TIF is the best method.

Councilman Sanders said that at the February WEDC meeting the City supported the TIF and here it is June and there has been no movement on it. Mr. Scavelli replied they had been working on the processes and working with Mr. Baker. Mr. Millea explained the timeline and that Mr. Baker had not submitted his application for the TIF until mid-May. He also stated he thought the TIF was the better option for residential development incentives.

Mayor Breneman asked council “Do you want to use taxpayer dollars to incentivize the building of houses in our community?” If you come up with as a group with an affirmative yes, then we can move forward.

Councilman Silvestri questioned the money connected to this. This seems like a lot of issues to have all in one piece of legislation. We are creating another structure. How effective is this? Have we checked with other communities, what has worked and what hasn't?

Mayor Breneman said they had a long conversation with David Estrop, Springfield, Ohio, and he highly recommends TIF for the greenfield incentive. Mr. Millea said that Ohio is one of two states that actually offer TIF for greenfield sites. The City of Independence uses a TIF as a revenue stream and recaptures the funds to use toward improvements. It has only been recently that cities have been using the money towards infrastructure.

Councilman Silvestri questioned why there had been less home building in Wooster if demand is so high? Would this incentive help you move forward with other projects? Mr. Baker said if he could have used the CRA he would have been installing the infrastructure and the incentive would have been for the homebuyers. He would like the homeowners to get the benefit, but the City pushed for the TIF. Mr. Baker also stated there are not many lots available to build on in Wooster.

Mr. Buytendyk brought up the point that ORC states if the terms of the TIF are below 75% and ten years or less the notice requirements are only 14 days. Mr. Millea said that is correct; if we reduce the exemption we may not be able to reduce the costs for this particular grant.

Mr. Baker also asked council to do some math; if a home sells for \$200,000 with taxes set at \$3800 a year times 72 homes equals \$273,600 a year, now multiply that by 30 years and see what the total is. That's an eye-opener.

Mayor Breneman informed council that several other developers are interested in projects if the TIF would get approved.

Councilman Ansel stated that framing the TIF and reviewing the process is difficult due to the lack of examples. If this project gets fast-tracked and in two years, all the homes have been bought and sold Mr. Baker would be better off with the TIF plus the City will have reimbursement. There is some risk with a TIF if the homes don't move. If a CRA were used Mr. Baker assumes all the costs on the infrastructure. It is a very complex and very unique concept.

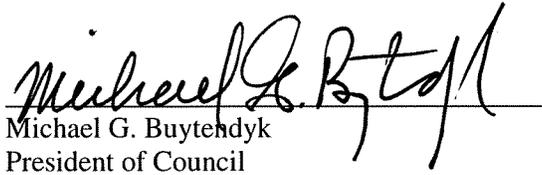
Mr. Sanders called for a joint meeting of the Finance and Law & Ordinance Committees to meet on July 6th at 5:30 p.m. He would like all council members to be present so they can discuss the issue and decide if there are in or out to incentivizing housing.

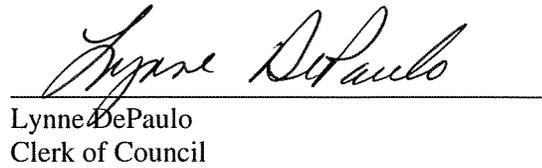
VIII. MISCELLANEOUS

Councilwoman Warden asked when the basketball courts would be opening. Mr. Montgomery said there had been no official word from the governor, but the City is looking at opening them back up shortly.

IX. ADJOURNMENT

Councilman Ansel moved to adjourn, seconded by Councilman Bostancic. By voice vote, the motion passed unanimously. Meeting adjourned at 10:30 p.m.


Michael G. Buytendyk
President of Council


Lynne DePaulo
Clerk of Council