

JOBS & ECONOMIC DEVELOPMENT COMMITTEE

Date of Meeting: May 14, 2018
Place of Meeting: Marion City Hall

Chairman Jason Schaber called the Meeting of the Committee for Jobs & Economic Development to Order at 6:30 pm and requested that the Clerk call the roll.

ROLL CALL:

Present -- Jason Schaber, Kevin Norris, Ayers Ratliff ; Member(s) Absent were: None

MINUTES:

Mr. Ratliff moved to approve the minutes of January 22, 2018; Mr. Norris 2nd. Roll Call: Ayes – Mr. Schaber, Mr. Norris, Mr. Ratliff.

Minutes of January 22, 2018 were approved (3-0)

NEW BUSINESS:

Item 1. ORDINANCE AUTHORIZING AND DIRECTING THE SAFETY DIRECTOR TO ENTER INTO CONTRACT WITH PERGO DIRECT DBA FISHER EXCAVATING INC AND THE MARION COUNTY LAND REUTILIZATION CORPORATION. FOR THE DEMOLITION OF 389 COMMERCIAL ST., AND DECLARING AN EMERGENCY. (TEMP ORD 2018-40)

Ms. Warr-Cummings, Regional Planning Commission, stated that the county land bank has a grant for home demolition, but there is a cap of \$20,000 per unit. One house came in at \$28,000. The offer is to partner between the landbank and city's CDBG allocation to pick up the difference. The house has asbestos in the plaster and that increases the demolition cost. Without the city's contribution, they would not be able to complete the demolition. They have already done the bid process. To get the two grants to coincide, they have to go through an environmental review process. They have completed that. They are requesting \$7,894 to cover the shortfall and to enter into a three-way contract between the county landbank, the city, and Pergo Direct.

Mr. Ratliff stated that the CDBG allocation is from the formula grant that was budgeted at \$30,000. This grant came in higher than expected and some projects came in less than expected. The current balance is \$60,500.

Mayor Schertzer asked the committee to keep in mind that the CDBG grant is not specifically for residential properties. Commercial properties are not eligible under the county landbank; however, they can be completed under these CDBG funds. There are several commercial properties in the city limits that are being considered for demolition with these funds.

Mr. Norris moved to approve, Mr. Ratliff 2nd; Roll Call: Ayes – Mr. Schaber, Mr. Norris, Mr. Ratliff

ORDINANCE GOES TO COUNCIL WITH 3-0 RECOMMENDATION

Item 2. ORDINANCE TO ESTABLISH A COMMUNITY DEVELOPMENT PROGRAM THROUGH THE STATE OF OHIO'S COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG PROGRAM) AND TO AUTHORIZE THE MAYOR TO APPLY FOR COMMUNITY DEVELOPMENT CRITICAL INFRASTRUCTURE GRANT AND ADMINISTER THE GRANT, AND DECLARING AN EMERGENCY (TEMP ORD 2018-41)

Ms. Warr Cummings, Regional Planning Commission, distributed a schedule and more information on the CDBG Infrastructure Grant.

From the handout: "The CDBG Critical Infrastructure Grants is a competitive grant. It is a program to assist 51+% low-and moderate-income (LMI) communities with funding for high priority, single-component projects such as roads, flood and drainage and other infrastructure projects and now public facilities with a high community-wide impact. The maximum grant ceiling is \$500,000. The deadline will be a rolling throughout the year to address the critical nature of the projects. The deadline is June 15, 2018."

This grant is newly revamped from the state to allow public buildings like fire stations. The amount has increased from \$300,000 to \$500,000 with a 10% match.

Schedule:

CDIS Meeting #1	March 23, 2018
Council Committee (tentative budget proposed)	May 14, 2018
First Public Hearing	May 14, 2018
Ten Day Notice on Public Hearing	May 18, 2018
CDIS Meeting #2 (nonbinding budget presented)	May 23, 2018
Second Public Hearing	May 29, 2018
Council Meeting – 1 st Reading	May 29, 2018
Intent to Apply Deadline (prescreening process)	June 1, 2018
Grant Application Due	June 15, 2018

(number assigned after prescreening allows Regional Planning to start completing grant writing)

Because the city is under a time constraint to take an advantage of a competitive grant, Regional Planning is starting in committee with a discussion of what that budget would be. This will allow sufficient time to run the ad for the public hearing on 05/29/2018. This budget can be modified. This budget only needs approval from the committee. A recommendation to council would be sufficient.

Ms. Warr-Cummings presented a tentative budget, as follows:

Public Facilities Improvements (Fire Station)	\$480,000
Administration/ERR/Fair Housing	\$20,000
Total	\$500,000
Local Match	\$50,000

After meeting and talking with staff, she has this further broken down into eligible expenses, as follows:

Flooring	\$205,000
Roof	\$100,000
West Parapet and Wall	\$115,000
Tuckpointing	\$80,000

She needs the time to match up dollar figures with engineer estimates and hash out additional details. She needs exhibits that will justify eligible expenses.

The city will need to determine what expenses they will incur towards meeting the \$50,000 match, whether that be some things that have already happened (i.e. engineering) or other improvements that the city would like to do prior to the grant.

This is a competitive grant that last for 2 years. It is open cycle. In theory, if done early and quickly. the city could apply again. Entities are permitted to have three open grants at any given time (allocation plus two competitive ones). If we perform quickly, we could apply again for others or for a second phase. This is not an allocation that the city can count on year to year. Entities must compete statewide which is why we want the best application possible.

Ms. Warr-Cummings clarified that this does not tie the city to any particular vendor. If grant is awarded, providers can be selected through any procurement process required. Regional Planning does need the current engineering certification to show that it is a reasonable budget and that the conditions warrant this critical designation.

Mr. Ratliff moved to approve, but change \$30,000 match to \$50,000, and to put on tonight's agenda for a first reading, Mr. Norris 2nd; Roll Call: Ayes – Mr. Schaber, Mr. Norris, Mr. Ratliff

ORDINANCE GOES TO COUNCIL WITH 3-0 RECOMMENDATION

Item 3. APPROVING BY LEGISLATIVE RESOLUTION THE PETITION AND ARTICLES OF INCORPORATION FOR THE CREATION AND GOVERNANCE OF AN ENERGY SPECIAL IMPROVEMENT DISTRICT UNDER OHIO REVISED CODE CHAPTER 1710, AND APPROVING THE NECESSITY OF ACQUIRING, CONSTRUCTING, AND IMPROVING CERTAIN PUBLIC IMPROVEMENTS IN THE CITY OF MARION, OHIO IN COOPERATION WITH THE CITY OF MARION ENERGY SPECIAL IMPROVEMENT DISTRICT, AND DECLARING AN EMERGENCY (TEMP RES 2018-12) (ESID)

Ms. Warr-Cummings explained to create an ESID (Energy Special Improvement District) there must be an initial project. In Marion, that project is being done by the Fishers. The city creates a district which acknowledges a nonprofit board. That board organized in Marion and sent Secretary of State its filings a couple of weeks ago. 05/11/2018 was first meeting where they adopted their articles of incorporation, by laws, etc.

This city resolution acknowledges that they are petitioning you to create a district and that the city is creating a district (the entire city of Marion is the district). Council has appointed Dr. Richard Arndt to serve on the board of the ESID. Dave Strzelecki has been appointed by City. Both currently serve on the Port Authority. The project has appointed the remaining three members, namely Mrs. Warr-Cummings, Lois Fisher, and Kate Fisher.

Three pieces of legislation are involved in that process. The first creates the entity/district. The next two are in regard to requesting an assessment to property tax. The levy asks the city to process and then they pay it back.

Committee clarified that they should make three separate motions, especially because they are levying a special assessment.

Mr. Norris moved to approve, Mr. Ratliff 2nd; Roll Call: Ayes – Mr. Schaber, Mr. Norris, Mr. Ratliff

RESOLUTION GOES TO COUNCIL WITH 3-0 RECOMMENDATION

Item 4. Determining to proceed with certain 107 LLC Special Energy Improvement Projects by way of special assessments in accordance with Chapters 1710 and 727 of the Ohio Revised Code; and declaring an emergency. (TEMP ORD 2018-42) (ESID)

Discussion included with Item 3.

Mr. Norris moved to approve, Mr. Ratliff 2nd; Roll Call: Ayes – Mr. Schaber, Mr. Norris, Mr. Ratliff

ORDINANCE GOES TO COUNCIL WITH 3-0 RECOMMENDATION

Item 5. Levying special assessments for the 107 LLC Project; and declaring an emergency. (TEMP ORD 2018-43) (ESID)

Discussion included with Item 4.

Mr. Norris moved to approve, Mr. Ratliff 2nd; Roll Call: Ayes – Mr. Schaber, Mr. Norris, Mr. Ratliff

ORDINANCE GOES TO COUNCIL WITH 3-0 RECOMMENDATION

ITEMS NOT ON AGENDA:

FIRE HOUSE DISCUSSION ESID:

Mr. Ratliff discussed preliminary talks about using the ESID as tool for the fire house project to make additional repairs that cannot be completed with grant dollars. ESID dollars do not go against borrowing numbers and would allow the city to do additional needed improvements at the fire house.

Ms. Warr-Cummings confirmed that it will be easier for ESID dollars to be used now that the ESID has been created and the governance structure has been implemented. The same legislation can be used for new recipients.

It was clarified that even through government entities do not pay property taxes that the ESID assessment would still be collected under the property tax method. It is not a tax; however, it is a collection tied to the property. When approved for ESID dollars, the entity would have a payment schedule with two payments a year on the property tax schedule.

ESID projects need to fund themselves through the improvements. An energy audit is performed and energy consultants calculate the energy savings that will be achieved due to the improvement. The savings must be significant and able to fund the repayment of the loan. If a proposed project doesn't produce enough benefit, then it probably is not an approvable project. Some improvements on older structures can create a significant in savings. Lighting is an example that tends to recoup enough to pay back the loan in three years.

ESID operates under an assumption that an entity can continue to budget the same amount of money as the current budget to pay back the assessment with no net change in expenses.

Mayor Schertzer commented that HVAC and windows and possibly other projects may fall into ESID financing methodology for those improvements that may not become part of the critical infrastructure request. The downtown street light project might be another opportunity.

Mayor Schertzer also noted that when the city makes other types of special assessments on property taxes, there is a service fee. Ms. Warr-Cummings explained that a service fee is charged to the project and is something that should be weighed when determining the best choice when financing a project. Traditional financing may yield a lower interest rate. ESID might remain an option because it does not factor into the borrowing ceiling.

In the case of Marion City, there may be multiple projects under an ESID. Each project must prove its eligibility with a separate energy audit. In theory, the projects are independent, however they may be rolled into one action. Since there are potentially multiple projects, one at a time vs. all together.

With no further business to come before this Committee, Mr. Schaber adjourned the meeting at 6:58PM.

Chairman Schaber

Clerk of Council