



City of Pataskala *Legislative Report to Council*

Legislative Report

May 3, 2021 Council Meeting

Unfinished Business

A. Ordinances

➤ **ORDINANCE 2021-4387 & ORDINANCE 2021-4388 – 3rd READING**

Two income tax initiatives for the Police Department.

Each one amends section 171.03 (imposition of tax). 2021-4387 would increase the tax rate to 1.25% (from 1%). 2021-4388 Increases the total income tax to 1.50% (from 1%) but allows for a credit not to exceed 25%.

Council will need to debate and choose one (or a form) of these two options. Please note that whichever option is not selected it could be voted down or not read at the next regularly scheduled council meeting. Adoption of either of these ordinances would only be effective if the initiative passes at the ballot.

Once Council determines the preferred initiative, sister legislation will need to be drafted to actually send the issue to the ballot.

➤ **ORDINANCE 2021-4386 – 2nd READING**

Reliable Pataskala, LLC is requesting to rezone the property located at 13850 Cleveland Road SW (Parcel No. 063-141150-00.000), totaling 18.44 ± acres, in the City of Pataskala from Medium-Low Density Residential (R-87) to Medium Density Residential (R-20). The proposal aligns with the recommendation of the Comprehensive Plan and was recommended for approval by the Planning and Zoning Commission on March 3, 2021.

➤ **ORDINANCE 2021-4389 – 2nd READING - AN ORDINANCE AUTHORIZING, DIRECTING, AND APPROVING THE EXECUTION OF A COMMUNITY REINVESTMENT AREA AGREEMENT BETWEEN THE CITY OF PATASKALA AND RED ROCK INVESTMENT PARTNERS, LLC – (AMEND BY SUBSTITUTION)**

This ordinance initiates a CRA abatement between the City of Pataskala and Red Rock Investment Partners for parcels in the corporate park. These parcels sit in what was the job ready site and carry with them the Joint Economic Development District (JEDD) taxes. The abatement of property taxes is for 100% for 15 years (as is statute). According to the City of Pataskala's MOU with the School Districts, before a 100% abatement is awarded the school district where the business resides must agree to the abatement. The Red Rock Properties span school districts so agreements had to be reached with both Southwest Licking (March of 2021) and Licking Heights (April of 2021). In the attached

draft agreement, (Exhibit A) Red Rock states that the 2 buildings would generate approximately 500 to 1,000 full-time permanent employee positions with a total annual payroll of \$17,500,000 to \$35,000,000. All necessary approvals from The Board of Zoning Appeals and The Planning and Zoning Commission have been granted. The next step would be the submission of construction plans.

Amending this ordinance by substitution does not change the ordinance but rather the supporting documentation. We now have the signed instrument from Licking Heights and the CRA execution agreement in its final form. (both attached)

- **ORDINANCE 2021-4391 AND ORDINANCE 2021-4390 -2ND READING- AN ORDINANCE DECLARING THE IMPROVEMENT OF CERTAIN REAL PROPERTY LOCATED IN THE CITY OF PATASKALA, LICKING COUNTY, OHIO TO BE A PUBLIC PURPOSE; DECLARING SUCH PROPERTY TO BE EXEMPT FROM REAL PROPERTY TAXATION; DESIGNATING SPECIFIC PUBLIC INFRASTRUCTURE IMPROVEMENTS THAT, ONCE MADE, WILL DIRECTLY BENEFIT THE PARCELS FOR WHICH IMPROVEMENT IS DECLARED TO BE A PUBLIC PURPOSE; REQUIRING ANNUAL SERVICE PAYMENTS IN LIEU OF TAXES; ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND; AUTHORIZING THE EXECUTION OF A TAX INCREMENT FINANCING AGREEMENT; AND PROVIDING RELATED AUTHORIZATIONS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.40(B), 5709.42, 5709.43, 5709.832 AND 5709.85. - (AMEND BY SUBSTITUTION)**

These “sister” Ordinances create a Tax Increment Financing (TIF) District for the parcels that are being purchased by Red Rock, create a TIF agreement between the City and Red Rock for the use of TIF revenues, and create a TIF agreement between the City of Pataskala and the two school districts (2021-4390 for Southwest Licking and 2021-4391 for Licking Heights). A TIF diverts property taxes to a fund that can then be accessed by the City to reimburse Red Rock for certain public infrastructure improvements on the site including road construction, widening and extensions, installation of sidewalks, street lighting, curbs and gutters, and sewer and water improvements. Since the City is granting a 15-year abatement (so no property taxes on the building are generated) the TIF would only be for the increase in property taxes related to increase in land value in years 1-15, and for the increase in property taxes from land and building values for years 16-30 for the parcels owned by Red Rock. Both of these are non-school TIFs meaning the property taxes owed to the schools are taken out before the funds are deposited in the TIF accounts. These parcels were part of an original TIF District created by old legislation when the job ready site was created however no special notification was submitted to the Licking County Auditor, so it was not formalized. This legislation allows the current council to vote on the TIF creation.

Once again, the amendment by substitution does not change the ordinance itself only the supporting documentation Licking Heights signed agreement (attached)

B. Resolutions

New Business

A. Ordinances

➤ **ORDINANCE 2021-4392 – 1ST READING**

Approval of this ordinance would adopt the updated Comprehensive Plan. At their March 16, 2021 meeting, the Development Committee passed a motion to bring the Comprehensive Plan to Council for consideration if all requested changes were made. Staff and the Development Committee have confirmed the requested changes have been made.

➤ **ORDINANCE 2021-4393- 1ST READING - AN ORDINANCE AUTHORIZING, DIRECTING, AND APPROVING THE EXECUTION OF A COMMUNITY REINVESTMENT AREA AGREEMENT BETWEEN THE CITY OF PATASKALA AND TPA INC.**

This ordinance initiates a CRA abatement between the City of Pataskala and TPA Partners for parcels in the corporate park. These parcels (Still owned by Magoo Properties) sit at the intersection of Refugee Rd. and Mink Street. The abatement of property taxes is for 100% for 15 years (as is statute). According to the City of Pataskala's MOU with the School District, before a 100% abatement is awarded the school district where the business resides must agree to the abatement. Licking Heights (scheduled for May 18th). Within the CRA agreement CRA lists 250 to 350 full-time permanent employee positions with a total annual payroll of approximately \$13,000,000 to \$21,000,000. All necessary approvals from The Board of Zoning Appeals and The Planning and Zoning Commission have been granted. The next step would be the submission of construction plans.

➤ **ORDINANCE 2021-4394 – 1ST READING - AN ORDINANCE DECLARING THE IMPROVEMENT OF CERTAIN REAL PROPERTY LOCATED IN THE CITY OF PATASKALA, LICKING COUNTY, OHIO TO BE A PUBLIC PURPOSE; DECLARING SUCH PROPERTY TO BE EXEMPT FROM REAL PROPERTY TAXATION; DESIGNATING SPECIFIC PUBLIC INFRASTRUCTURE IMPROVEMENTS THAT, ONCE MADE, WILL DIRECTLY BENEFIT THE PARCELS FOR WHICH IMPROVEMENT IS DECLARED TO BE A PUBLIC PURPOSE; REQUIRING ANNUAL SERVICE PAYMENTS IN LIEU OF TAXES; ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND; AUTHORIZING THE EXECUTION OF A TAX INCREMENT FINANCING AGREEMENT; AND PROVIDING RELATED AUTHORIZATIONS PURSUANT TO OHIO REVISED CODE SECTIONS 5709.40(B), 5709.42, 5709.43, 5709.832 AND 5709.85.**

This Ordinance creates a Tax Increment Financing (TIF) District for the parcels that are being purchased by TPA, creates a TIF agreement between the City and TPA for the use of TIF revenues, and creates a TIF agreement between the City of Pataskala and Licking Heights. A TIF diverts property taxes to a fund that can then be accessed by the City to reimburse TPA for certain public infrastructure improvements including road construction, widening and extensions, installation of sidewalks, street lighting, curbs and gutters, and sewer and water improvements. The City is granting a 15-year abatement (so no property taxes on the building are generated) The TIF would only be for the

increase in property taxes related to increase in land value in years 1-15, and for the increase in property taxes from land and building values for years 16-30 for the parcels owned by TPA. This is a non-school TIFs meaning the property taxes owed to the schools are taken out before the funds are deposited in the TIF accounts.

B. Resolutions

➤ **RESOLUTION 2021-019 - A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT THE BID OF, AND EXECUTE A CONTRACT WITH, THE SHELLY COMPANY FOR CONSTRUCTION SERVICES FOR THE 2021 ROADWAY IMPROVEMENTS PROGRAM**

The bid opening for construction of the 2021 Roadway Improvements Program was held on Thursday, April 22, 2021. Two bids were received from the following contractors: Law General and The Shelly Company. Both bids were awardable and below the Engineer's Estimate. The Shelly Company's bid was lowest and best and came in at a value of \$742,329.34. Hull & Associates, Inc. has reviewed the bid packages, found that all is in order with the bids, and provided a recommendation to move forward with award of contract to The Shelly Company. The Base Bid includes improvements to the following roads: Clark State Road, Town Street, Columbia Road north, and the Summit Ridge Heights north subdivision.

Furthermore, the project included five alternate bid items:

1. Spot repairs
 - a. \$77,337.70
2. McIntosh Road
 - a. \$164,030.20
3. Graham Road
 - a. \$390,564.50
4. Columbia Road south
 - a. \$410,715.15
5. Foundation Park parking lot
 - a. \$19,877.50

With the original CIP project value of \$650,000, along with the additional \$300,000 that was appropriated in the recent Supplemental Ordinance, there is \$950,000 available for the project. Evaluating the alternatives, the cost of Alternates #3 and #4 individually exceed the funding amount available, thus no further consideration has been made to completing these alternates this year. Between the Parks Department helping to fund alternate #5, and the low value, this alternate is recommended. Regarding alternate #1, the Shelly Company's bid compared to other companies' bids was high for this work; therefore, other means to fund part of these repairs may be sought this year, or pushed out to next year. That leaves bid alternate #2, which fits within the remaining dollar value available, and leaves some savings from the original expenditure amount. While McIntosh Road is not a critical improvement for 2021, the improvements are needed; similarly, we have received a fair amount of complaints from the general public on the condition of this road.

This resolution will authorize the City Administrator to enter into contract with The Shelly Company for construction of the 2021 Roadway Improvements project. Approval of this resolution, including alternates 2 and 5, is recommended.