



City of Pataskala *Legislative Report to Council*

Legislative Report

November 4, 2019 Council Meeting

Unfinished Business

A. Ordinances

- **ORDINANCE 2019-4348 - AN ORDINANCE APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE LICKING HEIGHTS LOCAL SCHOOL DISTRICT IN CONNECTION WITH THE POSSIBLE PROPERTY TAX EXEMPTIONS IN THE PATASKALA CORPORATE PARK, AS EXPRESSED IN THE ATTACHED EXHIBIT A. – 3rd READING**

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- ORDINANCE 2019-4349 - AN ORDINANCE APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE SOUTHWEST LICKING LOCAL SCHOOL DISTRICT IN CONNECTION WITH THE POSSIBLE PROPERTY TAX EXEMPTIONS IN THE PATASKALA CORPORATE PARK, AS EXPRESSED IN THE ATTACHED EXHIBIT A.- 3rd READING**

Approval of these ordinances would authorize the City Administrator to enter into compensation sharing agreements with the Licking Heights School District and the Southwest Licking School District related to tax abatements for future development in the Pataskala Corporate Park. The city and the school districts have discussed options for a compensation agreement for the past 10-12 years.

The tax incentive available in the Corp Park is a Community Reinvestment Area (CRA) incentive. The CRA provides for an up to 100% abatement on the improved valuation of developed property for a maximum of 15-years. The State of Ohio statute related to CRA's requires approval of the local municipality and the local school district for any abatement of or greater than 50%. Additionally, the state statute requires that, in the absence of a compensation agreement with the local school district, the local school district will be paid 50% of the local municipality's income tax for any abatement of greater than 50%.

Historically, municipalities and school districts enter into a compensation sharing agreement for tax incentive programs. This provides the ability for the local municipality to confirm to potential developers that they will receive a tax abatement. This eliminates the need for a company to enter into negotiations with school districts. It provides a level of assurance to the potential developer and makes the property in the local municipality competitive with other entities.

Highlights of the proposed compensation agreements are:

- Compensation sharing would be a 50%/50% split of the city's income tax for a period of 15-years for each awarded abatement.

- School district(s) would receive from the developer/company 12% of the property tax they would otherwise be due if there was no abatement.
 - A company has the option, per the agreement, to meet with the school district(s) to negotiate a different amount.
- The school districts would be reimbursed, up to \$10,000, by the company/developer for any legal fees associated with the execution of a CRA abatement.

If approved by City Council, Licking Heights plans to consider the agreement during their November 19, 2019 board meeting. Southwest Licking will consider the agreements, if approved by Council, during their November 21, 2019 board meetings.

I recommend approval of Ordinances 2019-4348 and Ordinances 2019-4349.

➤ **ORDINANCE 2019-4351 – 2ND READING**

The Parks and Recreation department are seeking ordinance approval to establish tobacco free zones. No person shall use any form of tobacco at or within 100 feet of the created zones in city-owned parks or operated outdoor facilities including the restrooms, spectator and concession areas, playgrounds, aquatic areas, athletic fields/courts, and special event.

➤ **ORDINANCE 2019-4352 - INCOME TAX ALLOCATION RATES – 2ND READING**

Once the debt service and operational funding requirements were identified, the allocation of income tax revenues between the Debt Service, Street, Police and Capital Improvements funds were calculated. The initial portion is taken off the top to cover any outstanding debt service requirements. After that amount has been calculated, the next level is then allocated to the Street and Police funds to cover their current year operational needs. Any remaining funds at that point are allocated to the Capital Improvements funds. The 2019 allocations were as follows: 33.0% - Street; 51.5% - Police; 6.0% - Debt Service; and 9.5% - Capital Improvements. For 2020, the allocations are proposed as follows: 30.85% - Street; 55.00% - Police; 12.40% - Debt Service; and 1.75% - Capital Improvements. **We are respectfully requesting that Council hold the 2nd reading at the November 4th Council meeting. We would anticipate that this legislation will go through all three of the required readings. Nothing in the legislation has changed since the 1st reading.**

➤ **ORDINANCE 2019-4353 - 2020 BUDGET – 2ND READING**

The proposed 2020-2024 capital improvements program (CIP) and any significant projects/initiatives and/or proposed staffing changes were previously presented to Council seeking feedback at the September 30th and October 28th special Council meetings. The formal budget book was prepared and provided to Council on October 25th. We will be tracking any identified changes to the budget and incorporating them all at once into the proposed budget. This is to ensure that we all are working from the same version of the proposed budget instead of different amended interim versions. As a result, the proposed budget numbers contained in the attached exhibit remain unchanged from those provided at the 1st reading at the October 21st meeting. **We are respectfully requesting that Council hold the 2nd reading at the November 4th Council**

meeting. We would anticipate that this legislation will go through all three of the required readings.

New Business

A. Ordinances

B. Resolutions

➤ **RESOLUTION 2019-070- A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH HULL & ASSOCIATES, INC. FOR THE BIDDING, CONSTRUCTION ADMINISTRATION AND CONSTRUCTION OBSERVATION OF THE WATER RECLAMATION FACILITY UPGRADE PROJECT**

The Utility Department was awarded a design loan through the Water Pollution Control Loan Fund to fund the design of upgrades to the Water Reclamation Facility with the goal of lowering the phosphorous discharge concentration to below 1 mg/L. This loan will be wrapped up into the construction loan for the project which has a 0% interest rate assigned to it. Part of the construction loan will include the bidding, construction administration and construction observation services.

The EPA, due to things outside of the City's control, has delayed the review process of both the design and the construction loan applications. These delays have pushed the award date for the construction loan to February of 2020. Due to the delays, the EPA has continued the 0% loan program for Nutrient Reduction into 2020. The EPA is requiring that a signed agreement for the bidding, construction administration and construction observation services be submitted before they can finish their review of our construction loan application. These services were quoted by Hull in their original total project pricing plan, making this contract the next step in the WRF upgrade project.

In accordance with The City of Pataskala Employee Handbook and Policy Manual, Article XII, section (b), subsection (vii), paragraph 1, **Exceptions to Competitive Bidding** which states "In any case where competitive bidding is not practical, or is clearly to the City's advantage to contract without bidding, Council, upon the recommendation of the City Administrator, may authorize the issuance of a purchase order without competitive bidding, by a majority vote." This section of the ordinance applies to this particular project, warranting an exception to the competitive bidding process.

Approval of this resolution would authorize the City Administrator to execute a contract with Hull Inc. for the bidding, construction administration and construction observation of the Water Reclamation Facility Upgrade Project in an amount not to exceed \$97,020.00. This cost is the same cost originally proposed by Hull Inc. at the beginning stages of this project, keeping the project precisely on budget.

I recommend approval of Resolution 2019-070

➤ **RESOLUTION 2019-074 – A RESOLUTION AMENDING RESOLUTION 2019-055 TO INCREASE THE CONTRACT WITH ROCK RIVER CONSTRUCTION BY TEN THOUSAND DOLLARS, TO COVER THE COST OF UNPLANNED INCIDENTAL WORK ON THE OAK MEADOW DRIVE IMPROVEMENTS PROJECT**

Approval of this Resolution will allocate funds to cover the cost of unplanned incidental work on the Oak Meadow Drive Improvements project. Very little

contingency was built into the project due to the scope and budget increasing numerous times during design of the project.

Several pipes have been encountered during construction that needed to be tied in to the new system that were unknown during design, as well as other incidental work, including quantity overages and a catch basin reconstruction.

The funds for this were already appropriated as part of Supplemental Ordinance 2019-4336. With that Supplemental, \$115,000 was appropriated, but only \$104,149.86 was encumbered to cover the contract cost. The Resolution will allow the encumbrance of \$10,000 of the remaining funds to cover the above described work that is outside of the scope of the original contract.

This Resolution will increase the authorized amount of the contract with Rock River Construction to include these incidental costs. The contract price will now be authorized as not to exceed an amount of \$848,149.86.

Approval of this resolution is recommended.

➤ **RESOLUTION 2019-075 – A RESOLUTION AMENDING RESOLUTION 2019-035 TO INCREASE THE CONTRACT WITH THE M. P. DORY COMPANY BY TEN THOUSAND DOLLARS, TO COVER THE COST OF UNPLANNED INCIDENTAL WORK ON THE SAFE TRAVEL PLAN, PHASE I & II PROJECT**

Approval of this Resolution will allocate funds to cover the cost of unplanned incidental work on the Safe Travel Plan, Phase I & II project. Very little contingency was built into the project due to the scope and budget changing during design of the project due to the un-awardable first bid, and subsequent re-bid.

It was discovered during construction that the signal controller does not have a disconnect, which should be installed, as well as other incidental work, including quantity overages and unanticipated asphalt work that was required to have a smooth transition between existing and proposed features.

The funds for this were already appropriated as part of Supplemental Ordinance 2019-4336. With that Supplemental, \$95,000 was appropriated, but only \$84,020.90 was encumbered to cover the contract cost. The Resolution will allow the encumbrance of \$10,000 of the remaining funds to cover the above described work that is outside of the scope of the original contract.

This Resolution will increase the authorized amount of the contract with Rock River Construction to include these incidental costs. The contract price will now be authorized as not to exceed an amount of \$134,020.90.

Approval of this resolution is recommended.

➤ **RESOLUTION 2019-076**

A resolution specifying the election date for electors to consider an additional 0.50% income tax and directing the Licking County Board of Elections to conduct the election.