

CITY OF CANAL FULTON

June 8, 2004

SPECIAL COUNCIL MEETING

Mayor John Grogan called the June 8, 2004 City Council meeting to order at 7:00 PM in Council Chambers at City Hall.

PLEDGE OF ALLEGIANCE

CALLING OF THE ROLL

Present: Linda Zahirsky, Victor Colaianni, Nellie Cihon, Robert Szanto, and Mayor John Grogan

OTHERS PRESENT

Marge Loretto, City Manager; William J. Deans II, T.A.P. Committee; Michael Stevens, Lawrence Township Trustee; Senator Kirk Schuring; Matt Risk, Independent; Rochelle Rossi, Ken Roberts, Fred E. Etheridge (all residents)

Mayor Grogan welcomed and thanked Senator Schuring and Mr. Stevens for attending the meeting.

GUEST SPEAKER: Senator Kirk Schuring regarding CEDA

Senator Schuring spoke about Cooperative Economic Development Agreements as follows: It was a legislative initiative that he sponsored in 1998; was signed by Gov. Voinovich December 1998; took effect March 1999. The spirit of the legislation was due to the fact that he had been watching over the years townships and municipalities fight over a lot of different things, and sometimes lost what was good for the community as a whole. So, this is something he was proud to sponsor that is permissive in its nature; it's just a tool. He also sponsored two years prior to that House Bill 269, which allows for the creation of Joint Economic Development (JEDD) - both are tools that townships and cities can use to work for the common good of the community as a whole. Under this particular format (CEDA), it allows for a township and a municipality to enter into a cooperative economic development agreement and it is an agreement that can have side agreements attached to it, where the State and County can also be involved. The most important thing is that a major player in this is the property owners. If the property owners don't want it, it's not going to happen. He purposely put this in both bills because he is a big believer in property rights; frankly, the JEDD law that they have in Summit County doesn't involve the property owners, and when he saw it- and he used that as a template - but there are some changes he made for the rest of the State because he didn't like the idea that literally a municipality and a township, under the law that applies to Summit County exclusively, could forge an agreement and one day residents could wake up and find themselves paying a City income tax with no direct economic benefit to it.

When they crafted the CEDA, what he was happy about was townships and cities across this state/across this county had already been entering into agreements (JEDDs). Mayor Grogan actually gave me a copy of an agreement between Canton and Canton Township. But, what is good about those agreements is that is what drives how a CEDA looks. The Revised Code doesn't stipulate much of anything, as far as what you shall do or can't do and so on and so forth. It says, "Let the parties come together. Let them determine what the impetus will be - what the framework will be - for this mutually advantageous agreement. There are three things, basically, that the agreement will allow to happen that you can't do under Ohio law. One - is allow the municipality to use all the funding resources you have - all the bond financing you have, industrial revenue bonds, etc. You can do it outside the City limits. You're not restricted to the municipal geographical boundaries if you enter into one of these agreements. So, you can use some of the powers of a municipality to help for an economic development plan for outside the municipality. Two - is you can take whatever utilities you have, and as you know right now under Ohio law, the utilities you charge only a certain percentage of that can go into your general revenue fund. Under this, it's wide open. If you wanted to, you could use utilities as a way to generate revenue for your general revenue fund. Three - it allows for a mutually agreed annexation, and it will be something that the Township will have to agree to and the municipality and, by the way, the property owners. One thing they lose sight of when they talk about this agreed-to annexation, it also has a provision in there for a moratorium on annexations in other parts of the community. He likes to think it could be used for a land use planning. When they had their initial T.A.P. meetings, they talked about how important that would be. People now, more than ever, in his opinion - if we don't understand how important economic development is with some of the turn of events over the last several weeks, he guesses we'll never understand. In his opinion, we need an economic agenda, so that we can generate the revenue to pay for the quality of life that people expect here in Canal Fulton, Lawrence Township, and all throughout Stark County and the rest of the State. Part and partial to that is to say, "OK, if we're going to have economic development, we can narrow it down into a certain area of this community, and then through this agreement have moratoriums on annexation, economic development and saving space for green space and a lot of other things.

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The other thing they did with this law – process is very important – and under this particular law, not only do you have to have the Township, city, and property owners, but you have to post a public notice. You have to have your due diligence in your respective legislative authorities (Township trustees, City Council in this case). You have to file it with the Stark County Commissioners, so there's a lot of check points throughout the process and a lot of opportunities for people to be engaged in the process, asking questions, putting you to the test to make sure that indeed you are doing what's best for the community as a whole. He feels it is sound public policy, and the real beauty of it is that we can tailor-make it to whatever our specific needs are because the statute is not that restrictive.

Mayor Grogan thanked Senator Schuring and stated that Mr. Mouse is now present with us.

Questions/Answers: When questioned, Senator Schuring stated that a "majority" of the property owners have to be in agreement. He also stated it works "part and partial" with the current annexation law that passed; if you're looking at an agreed-to annexation, you'd have to use the annexation laws that are currently in place; this does not supercede that. If you used other parts of it (i.e., if you were going to use the bond financing part or the utility party), then it's just a simple majority. All the other elements of the annexation would apply to this; in fact, the new annexation law incorporated the CEDA provisions for a fast track. In other words, if you had an agree-to annexation through the CEDA, it's a fast-tracks annexation that doesn't require as many hoops to be jumped through as a traditional annexation because all the parties are in agreement.

Mr. Szanto asked if a CEDA could be agreed upon between a township and a municipality (a city) does not have to be contiguous and it does not have to include an annexation. Mr. Schuring answer, "Correct; this is a very important part. All of the CEDA agreements in Stark County heretofore have been basically an agreed-to annexation (the section of the Revised Code 701.07) – earmarked in the municipal corporation for the utilities, income tax collected, etc, but there are other things - the bond financing – you could to that in a non-contiguous way, but if you're going to annex, you have to be contiguous." Mr. Szanto stated that it doesn't necessarily have to include an annexation. The Township and the City could find a piece of land in the Township and agree that that property could be developed to the mutual benefit of both political entities and come together with some kind of agreement on revenue sharing and enter into that without any annexation being involved. Senator Schuring said, "The JEDD probably would be better for that particular type of scenario . . . because number one, when you're talking about revenue sharing, under the CEDA agreement, the only revenue – if you don't do an annexation – the only revenue you're going to share is your utility fees." Mr. Szanto asked if there was a provision for sharing property tax. Senator Schuring said, "When that kicks in is if you have enough money on the table, the municipality with their income tax, then the Township usually – sometimes, not usually but sometimes – will share their property taxes. I'm just saying if you're going to start getting into a revenue sharing thing, usually it's induced by new revenues that are coming in to the magnitude where everybody is taking their fair share." Mr. Colaianni said, "But, where a CEDA would work better (and this is just a for instance), let's say an area of the Township, which in the future five, 10, 15 years down the road there may be some that need utilities, we could extend those utilities, establish a CEDA, not annex, and what you said under bullet point 2 that utility revenue does not necessarily all have to funnel back to the utilities." Senator Schuring said, "Right . . . you'd have to make sure that was prudent to do so, but you can use the utilities as source of revenue." He encouraged Council to think about the JEDDs if it's an industrial area rather than a CEDA. If you would find a place in the Township that's maybe out in the corner of the Township someplace, there would be really a tough shot to annex a stretch of land to get to. Then the JEDD would work because a JEDD allows you to be non-contiguous, in fact, the JEDD will allow you to skip a Township. If you wanted to skip Lawrence Township and go into a JEDD with Jackson Township, you could do that. You could cross County lines, if you want to. It's very flexible. The thing that they thought of when they started to talk about the "leap frog approach" is what will drive things economically feasible. But, if the project's big enough (thinking "outside the box"), you could enter into a project – a JEDD agreement with Jackson for up around the airport – because it allows you to do a leap frog approach. It's difficult to do because of the economics, but it shows the flexibility. Both of the laws, Senator Schuring tried to make sure there was maximum flexibility.

Mr. Colaianni asked what other advantage did Senator Schuring see to introducing this legislation. Mr. Schuring answered, "At the end of the day . . . both of them speak specifically to economic development. Now more than ever before, I think our community as a whole (all of Stark County/the entire State of Ohio) needs to be very aggressive in economic development. But that doesn't mean just going in and do the urban sprawl thing where and be careless saying we're going to have economic development just for the sake of economic development. You can still have your economic development, but do it with good land use planning that will satisfy everyone by protecting green space, by providing park space, by showing where residential areas will be – that's the only way you can do it. I think there's been either five or six of these CEDAs created in Stark County. The first one was in Alliance between Washington Township and Alliance, and they've done one since. Plain has two with the City of Canton. North Canton has one with Plain. Lake has one with Hartville. Canton has one with Canton Township, as well."

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Mr. Mouse asked if he could describe who's involved in the CEDAs and what economic development occurred in those instances. Senator Schuring replied, "In each and every case it's different, and what drives it then is first of all, it's an agreement – a cooperative agreement – between the municipality and the township. They have to be at the table; they have to decide there's an interest between the two parties, and then you have to have the property owners involved. Sen. Schuring briefly gave an overview of other CEDAs in Stark County. Alliance, the first one (believe it or not) was a residential development that Washington Township and the City of Alliance thought would improve the quality of life that was short-term economic development. There was some debate about whether or not that was a real kind of economic development most of us think of. It improved the quality of life that ultimately would lend itself to people going to come to Alliance and grow their business. He further stated (regarding CEDAs working under current economic climates), "Reality is there's been five or six that have been established in other parts of our county, many, many more across the State of Ohio, so every community decides what they want to do and how they want to use it. This is permissive in its nature. (Talking to Mr. Mouse) If you feel like this area doesn't have a chance for economic development, then maybe the Cooperative Economic Development Agreements or JEDDs won't work. But, it's a matter of decision for this Council to make, by the way, with the Township Trustees. There's no unilateral ability to do whatever you want to do on this stuff; it's just totally if there's a spirit of cooperation and a willingness to work with each other."

Mayor Grogan stated he thought it safe to assume a CEDA or a JEDD is not going to maintain a business in an area. Businessmen and owners are going to go where they feel is best for their businesses. He didn't think CEDAs or JEDDs are going to tie one group down to another.

Senator Schuring said, "Again, it's a cooperative thing. It requires the property owners to be involved. Those are the business people. The process is you have to disclose; you have to say to the property owners, 'Would you be interested in being part of this new district that the Township and the City wants to create.' And, if I'm a business person, I'm going to say, 'Look! I might be! What's in it for me? Usually where these things work best is in undeveloped areas where you can say to a property owner that, 'Do you need water? Do you need sewer? Do you need bond financing to help with the infrastructure improvements and the roadway development and some of the other things . . . industrial revenue bonds?' Those are things Townships don't have access to now. Townships also don't have access to an income tax revenue stream, so all that stuff combined – cities want to grow; cities now feel land-locked in many ways, particularly with the new annexation law. So, all those things combined make for an environment that might lend itself to something like this. Economic development is much deeper than a CEDA or a JEDD; I'm not coming here tonight to talk to you about how we're going to generate more economic development by creating a JEDD or a CEDA; there are a lot of other things we can do. But this is a tool under Ohio law that communities can use."

Mrs. Loretto stated that the Hartville Flea Market was on a CEDA, and that has brought a lot of jobs and traffic there for Hartville.

The Senator went onto say, "The other thing you can do with these once you create them is they can be used in a way for infrastructure improvements through tax increment financing and other things under Ohio law where instead of what we normally do where we build the economic development and then we see all the people come, and then we wonder what are we going to do with all the traffic. You, under these agreements, can simultaneously plan for the infrastructure improvements with the business people, so it's being built – the highways and the intersections and the traffic signals and all that are being done simultaneous to the development. It's a three-party deal. It's the property owner; it's the municipality, and it's the township."

Mayor Grogan asked if the Senator see any downside or is there any visible downsides.

Senator Schuring stated the reason he doesn't see a downside is because we, as a municipality, the Township, and the property owner all go into it with your eyes wide open. And, if there was a downside and with all the disclosure requirements, it's pretty hard. All the due process, all the public meetings you have to have, the right to referendum; there's a lot of checkpoints where someone can say to wait and we don't like this. It's been successful. So, if you can get to the point where you can work out cooperative agreement with the Township and the property owner, that doesn't mean that everybody's going to salute it and vote for them the next time they run. They could be right here in Council Chamber screaming about something they don't like.

Mr. Szanto asked how he would explain the difference between a CEDA and a JEDD to a lay person.

The Senator stated the CEDA primarily (not exclusively) is an agreed-to annexation. The JEDD is creating almost like a new political subdivision in and of itself – a hybrid of the City and the Township. It's deep in the Township; it's an oasis in the Township and not connected by the City. It's its own special entity.

Mr. Szanto said (for example) if we had the opportunity to work several JEDDs and CEDAs over the upcoming years with the Township, each one could have its own separate structure, as far as revenue sharing, etc.

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Senator Schuring said Mr. Szanto “captured it perfectly.” The contract is what really describes the relationship. The statute provides the mechanisms for the contracts to be entered into, but each and every contract can be different and can prescribe a different type of sharing and governing arrangement and everything else.

Mr. Szanto said that supposing there was a large area that someone wanted to develop and the City might not want to particularly annex additional residential land. That would be an opportunity to provide utilities without annexing and yet be able to take some of the utility money and put it back in the General Fund, leaving the residential area – it wouldn't include an annexation, so the residential area would stay in the Township. You wouldn't want to do that probably for an industrial or commercial; the City would want to annex that, but a residential where you are not getting a lot of income you might not want to annex.

Senator Schuring stated it's so good for land use development and elaborated more that it's the cooperation between each entity that's important.

Mr. Colaianni stated that custodially because we have our own utility system (water/sewer), you have an Ordinance in place now that if someone wants water/sewer out in the Township, our ordinance says that you have to annex; case-by-case we can amend that ordinance. If we establish a CEDA in a certain area, he asked if we need to deal with that custodially or does the CEDA supercede what we have in our Codified Ordinance. Senator Schuring stated he would think that would be a part of the CEDA agreement and because if case-by-case that means you can adopt a resolution through CEDA. A CEDA agreement has to be codified by resolution. Also, there are no restrictions on non-profit organizations.

Fred Etheridge stated that we have a perfect situation for this. They have 128 acres in Lawrence Township, water and sewer are not adjacent. The City has recently annexed but failed to go far enough to bring us in, and that could be a catalyst to get this in because he has customers that want the convenience and utilities but don't want to be part of the City. He stated knowing that this probably would be initiated by the City rather than the Township; he would think the City would be the driving force. He asked if the residents have full knowledge based on one man one vote or is it based on shortage of the service area. Senator Schuring said, “It depends. If it's a CEDA with the routine annexation, which this doesn't sound like it'll fit. If it's a JEDD, then the entire Township will vote on it. You have the due process; you would have to adopt an ordinance; the Township would have to do the same, and then it goes to the ballot. Under the JEDD, we do not allow residential. I would suggest that you sit down at the table with all the interested parties and start doing a what-if kind of thing. If you don't do an annexation, it doesn't have to be contiguous. Under the CEDA, you can do a residential development.” (There is an analysis for the CEDA on the State website.) Mayor Grogan thanked Senator Schuring for his presentation.

CITIZENS' COMMENTS ON AGENDA MATTERS - No Comments

FIRST READINGS

Ordinance 17-04: An Ordinance Providing for Directional Signs to Businesses within the Historic District, and Declaring an Emergency.

Mr. Colaianni made a motion to suspend the rules on Ordinance 17-04; seconded by Mrs. Cihon.

Discussion: Mrs. Zahirsky does not believe this is something that needs to be passed under emergency. She believes that the citizens of the community should know that something like this is going to be passed and should expect it to be passed under a normal process during a regular Council meeting. Mr. Colaianni stated the concern is not just from Mr. Roberts but a number of businesses in the Historic District going into tourism season are concerned there is no directional signage down there. Mrs. Zahirsky said it could be done at next week's regular Council meeting; Mr. Mouse agreed with her.

ROLL CALL: Yes – Mr. Colaianni, Mr. Szanto, Mrs. Cihon No – Mr. Mouse, Mrs. Zahirsky

Motion does not pass.

SECOND READINGS

Ordinance 15-04: An Ordinance Disposing of Excess Personal Property.

NEW BUSINESS - None

OLD BUSINESS - None

OTHER BUSINESS

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Mr. Colaianni had a memo that he'll distribute to the Safety Committee dated June 7, 2004 from Police Chief McNeely. It references a 1997/1998 court case regarding stop signs at Longview and Tamwood, as well as Longview and Greenwood. There is some concern; Mrs. Zahirsky cited in the memo as being one that protested those signs being erected at the time. He would like to have a Safety Committee meeting to discuss same to get it taken of as soon as possible.

Date for Safety Committee meeting was scheduled for June 15, 2004 at 7:00 PM in Council Chambers.

Mrs. Cihon made a motion that there be a Safety Committee meeting at 7:00 PM on Tuesday, June 15, 2004; seconded by Mr. Mouse. **ROLL CALL: Yes – ALL**

Mr. Szanto stated for the record that on June 15, 2004 from 4:00 to 7:00 PM, there is an open house at the Red Center in Jackson Township.

Mr. Mouse spoke about an article in *The Repository*. It said, "Four states ask U.S. Trade officials to exclude them from foreign purchasing contract rules." He stated that the governors feared the rules contained pending trade agreements, which would over-ride state laws offering preference to in-state businesses when you sign contracts, and at the bottom of the article it said, "under these new trade rules, governors and state lawmakers will lose all their authority to set the terms on what they buy and from whom they do business with." He stated that meant that foreign countries could come in and bid on state contracts, and that was scary. He said they keep saying the trade agreements are good, but the trade deficit is just getting higher.

CITIZENS COMMENTS (Open Discussion, Five-Minute Rule)

Mr. Jim Deans (T.A.P. Committee) regarding judge's settlement on other traffic signs. They looked at the one in the "triangle" at Heritage Square (look left, it's the first one as you're coming up towards Heritage Square, then there's the one down at the bend) and felt that should be discussed by the Safety Committee. Mayor Grogan wasn't sure but he thought the roads were private property and didn't know if it was part of the traffic-control devices that were erected on Longview as well. He stated those are unenforceable signs.

Ken Roberts, 239 N. Canal Street, asked if Council is going to address the signage again next week and was told it was going to be addressed at the June 15th Council meeting.

Mrs. Zahirsky made a motion to go into Executive Session. The purpose of the Executive Session is to discuss land acquisition and litigation that was discussed by Mr. Kincaid, and she requested the City Manager, Mayor, and Council present. Mrs. Cihon seconded. **ROLL CALL: Yes – All**

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At 8:35 PM, Mr. Colaianni made a motion to reconvene into regular session; seconded by Mrs. Cihon. **ROLL CALL: Yes – ALL**

Mrs. Loretto said somebody mentioned that maybe they should invite the Trustees and School Board to the CEDA presentation tonight, so that's why they did.

Mr. Szanto stated RPC brought software disks of aerial views of the entire Township, so they can actually zoom in and look at all of it closely.

Mrs. Zahirsky made a motion to adjourn; meeting was adjourned.

Patricia A. Schauwecker, Clerk of Council

John Grogan, Mayor