



City of Powell, Ohio

Planning & Zoning Commission

Donald Emerick, Chairman

Ed Cooper, Vice Chairman

Shawn Boysko

Trent Hartranft

Joe Jester

Bill Little

Shaun Simpson

MEETING MINUTES

September 12, 2018

A meeting of the Powell Planning & Zoning Commission was called to order by Chairman Don Emerick on Wednesday, September 12, 2018 at 7:02 p.m. Commissioners present included Shawn Boysko, Ed Cooper, Trent Hartranft, Joe Jester and Shaun Simpson. Bill Little was absent. Also present were Dave Betz, Development Director; Leilani Napier, Planning & Zoning Clerk and interested parties.

STAFF ITEMS

None.

PRESENTATION

Mr. Betz advised the Commission the Citizen Review Financial Task Force is giving a presentation. The City Charter recognizes the powers and duties of the P&Z Commission under the Ohio Revised Code. The Commission reviews projects which deal with roads, bridges and open spaces. There has been a lot of discussion recently about Grace Drive and Murphy Parkway. P&Z makes recommendations to City Council. City Council asked a panel of citizens to meet to look at the City's finances and capital improvements situation. You are going to hear what the Citizen's Financial Task Force has recommended to City Council. City Council has placed an income tax issue on the ballot. The Commission has the ability, if they wish, to support City Council's decision and to get the word out the Commission does recommend such funding for capital improvements. There are 2 members of the Citizen's Financial Task Force here to give a presentation. Mayor Jon Bennehoof and Steve Lutz, City Manager, are also here.

Jeff Gardiner, said he was on the Citizen Review Financial Task Force. He is joined tonight by Rich Cline who is the Chairman of this task force. He reviewed the PowerPoint presentation (Exhibit 1B). The task force's recommendations were presented to City Council in June.

QUESTION & ANSWER:

Chairman Emerick: Realizing in a couple years OSU will be here with approximately a \$50 million payroll, how does this impact the task force's numbers?

Jeff Gardiner: The task force didn't know about OSU while our study was going on since OSU wasn't made public until after. OSU didn't impact any recommendations we wrote. However, we did the math. There are going to be tax incentives. Nothing is set in stone as yet. If we assume a \$50 million payroll pays .75%, this is \$425,000 in income tax revenue to the City. This is great and it will help but it isn't the \$2 million dollars which is needed. Furthermore, OSU's payroll is 8 or 9 years away, 2027 is when OSU will have fully staffed facilities. The task force talked about future development being a part of the solution. It definitely has to be. But we excluded future development in our recommendations for 3 primary reasons. First, we focused on the short-term. 8 or 9 years from now the City's PCR ratings are going to be in the 60% range on average. The longer we wait to address infrastructure maintenance the more expensive it gets. It isn't linear from year to year. The cost to repair increases exponentially. The longer we wait, the more expensive it gets. The needed \$2 million dollars gets to be \$4 million dollars 9 years from now. Second, we didn't have access to an economic analysis to look at future annexation and what the impact would be on Powell. The 2015 Comprehensive Plan did have an economic analysis and there are some good numbers to look at but this is more of a long-term solution as opposed to a short-term solution, which is what the task force was looking for. Third, we made a conscience decision not to discuss annexation because of the legal and political implications. We didn't feel like we wanted to get close to this in our report.

Commissioner Jester: What percentage of the people who live in Powell pay income tax?

Jeff Gardiner: We don't know this right off hand.

Rich Cline: I don't know exactly. The only people who wouldn't are the retirees who are supporting themselves solely on retirement income. Every other income which is earned income would have taxes paid. Anyone whose adjusted gross income shows on their 1040, if they live in Powell, are paying Powell taxes on that number.

Mayor Jon Bennehoof: Assisted living folks will have zero revenue.

Commissioner Jester: Do half the people live here?

Rich Cline: We could ask Debra Miller. If I were trying to do a swag on this, I would say upwards of 80%.

Commissioner Jester: How many people are carrying the City?

Rich Cline: The median age in Powell is still in the 30's. I would have to believe the figure would be 80% or maybe even 90% who pay taxes. The task force did talk about residential development. Residential development is what most residents favor. Economically, residential development is a drain on City resources. It is a rare residential development which brings in enough income tax revenue to sustain the cost of services. When Jeff was talking about future development being a part of the solution, he is correct and it is specifically commercial development which has the potential of adding taxes. The right type of commercial development.

Mayor Jon Bennehoof: I am on the Delaware County Finance Authority, the Executive Board. 98.3% of the development in Delaware County is residential, rooftop development. It is higher in southern Delaware County. The City has to turn this ratio around so we are getting good economic development. OSU will spawn a number of opportunities for support logistic centers. There will be a lot of good growth out of the OSU development. As the City annexes, additional opportunities which come to the City, need to be steered towards economic improvement to the community.

Commissioner Simpson: If I work the numbers for people who currently live and work in Powell or live in Powell and work elsewhere, for every 3 people who live and work in Powell, the City would only need 2 people to live elsewhere and work in Powell.

Jeff Gardiner: If you do the math under today's tax rate, 2 people who work in Powell at .75% each; 2 people times .75% is 1.5%. This is the same as 3 people who work outside of Powell; 3 people times .5% is 1.5%. 2 for 3. 4 people paying 1.15% is like 4.66. 7 people paying .65% is like 4.6. It goes from 2 to 3, to 4 to 7.

Commissioner Simpson: The City needs to encourage people to work in the City without living in the City.

Jeff Gardiner: Right.

Commissioner Simpson: The City needs to take advantage of the land we currently have.

Jeff Gardiner: Exactly. This is the number one reason cities with a strong commercial tax base, cities where they are bringing people in to work but not live in the city, can afford to give the residents who work elsewhere 100% credit. Take Dublin for example. Dublin has 47,000 residents, including children and senior citizens. They may only have 20,000 – 25,000 people who live and work in Dublin. They offer 70,000 jobs within Dublin. This means if 25,000 people lived and worked in the City of Dublin, 45,000 people drive into Dublin each day to work and drive somewhere else to go home. This is how Dublin can charge all of these people driving in the full tax rate and not charge the people who drive out.

Mayor Jon Bennehoof: The City needs to drive towards this scenario. We won't get there in our life time but we need to move towards it. People will challenge you on why the City is giving incentives to OSU. You have to think about the long gain. The long gain is when those incentives are paid off in 10 years, 100% of the income comes to the City. And if Powell doesn't do it, someone else will. OSU has been out there shopping. They have had 3 or 4 target locations. They chose Powell for a number of reasons. The OSU complex is going to attract other logistic center opportunities. When people challenge you with this question, this is the answer. OSU could go elsewhere.

Commissioner Hartranft: How is this proposal being received by local businesses? Will this be an increase to their employee's taxes which in turn makes the employee go to their employer and say I need to make up the difference in wages/salary?

Jeff Gardiner: The task force had a great cross section of individuals. We had people with young families, senior citizens, people who have lived in Powell a couple years, people who have lived in Powell 20 years, lawyers, finance people, doctors and several local business owners. At the end of the day, we had a unanimous decision supporting the findings from all 18 members, including the small business owners. They are very supportive. The Pro Powell Pack, which is made up of many different individuals, is made up of a lot of local business owners and they support this. One of the reasons they are supporting this is because we are showing shared sacrifice in our recommendations. In 2010, there was an income tax levy on the ballot. It moved the City from .75% to 1.5% but also doubled the credit from .5% to 1%. This means the person who works outside of Powell would pay no more than what they were already paying because they were already paying .5%. But everyone else's taxes were doubled. This lost 25/75 at the ballot. The main reason was because there was an uprising of business owners who didn't feel there was a shared sacrifice by the folks who lived here and worked here and the people who worked someplace else. We diagnosed this, dissected the results and asked a lot of questions of the people who opposed it. Our recommendations not only increase the income taxes of people who work in Powell but also increases the income taxes for people who don't work in Powell. Everyone has some skin in the game.

Commissioner Simpson: If a person lives in Powell and works in Powell it would still be quite a bit less than Dublin and the rest.

Jeff Gardiner: Correct. One of the questions from one business owner to another business owner during a session was, "Craig, would you still do business in Powell?" Craig said "Absolutely. It is much cheaper doing business in Powell than anywhere else. Even with this tax raise."

Mayor Jon Bennehoof: There are 880 taxing entities in the State of Ohio. Only those municipalities with a zero income tax rate have a lower tax rate than Powell. Zero. That zero is because they have a lot of commercial going on and they don't need an income tax for their residents. The second lowest rate is .75%. There are 14ish cities which have this rate. The next highest rate is 1.15%. We aren't suggesting an amount to gouge everybody. It's a suggestion to move up, make up some of the things the legislature took away in 2011. A lot of taxing entities used this as an excuse to increase right away. Powell didn't need an increase at the time and tried to be fiscally conservative. People will say the increase is only going to maintain. This is correct but with good economic growth such as OSU, the City might not have to do much else. As long as 25% of the revenue is dedicated to capital needs, maybe the City will grow into a position where we are OK.

Rich Cline: I agree completely. I was a part of the campaign in favor of the 2010 tax increase. We have learned lessons from this experience. There was a great deal of angst in the community about the unfairness of "my taxes are staying exactly the same and my neighbor's taxes increasing by 100%". Powell is a tremendous place to live and raise a family. Because of this, we attract a lot of high earners who work in Columbus because that's where the job opportunities are. Those people make a conscience decision to live in our community and to undertake the .5% tax burden today. This burden will go up to .65%. The question we should be asking ourselves is would a guy like me, who has a pretty good job in Columbus, chose to go live in Liberty Township to avoid paying the extra \$112 a year? I personally wouldn't. The shared sacrifice is really important. The cost we are asking of all of our residents is so low it is an investment worth making.

Commissioner Jester: How is the task force going to tell this story to the public?

Rich Cline: You just heard it.

Mayor Jon Bennehoof: We also have Murphy Epton, a communications consultant, who is working with Megan Canavan, Communications Director, the task force and the Pro Powell Pack to formulate and drive the message.

Commissioner Jester: He saw the picture of the street which is breaking up. The numbers are nice and he understands the numbers but telling the story to the public is something else. He wants to hear his street is falling apart if the taxes aren't generated. He doesn't know what else is going to fall apart. We need to tell the public what is going to happen. Numbers show we are at the bottom and that's OK, but show me what this is going to do for me as a resident. As an old PR guy, I have to ask what is the PR program, who's running it, who's our audience and where is it going to go.

Jeff Gardiner: It's a two-pronged approach. One, the City approach will be an educational campaign, letting people know about these numbers, the situation and the information covered tonight, in bite sizes. There will be a mailing, they will staff booths at all of the upcoming events such as the Street Fair, the Farmer's Market, Oktoberfest and the bonfire. He won't go too far into the Pro Powell Pack and the strategies they are putting together but this group will be much more visual and micro-targeted to the neighborhoods and people who have experience day-to-day with the aging infrastructure. Their story will be much more persuasive and with more images.

Commissioner Jester: Who is doing this?

Jeff Gardiner: The Pro Powell Pack. The City is educating. The Pro Powell Pack will be much more persuasive.

Rich Cline: There is a State statute which says you can't use public money to advocate for a position in favor of a ballot initiative or issue. The City cannot spend money on a campaign which is designed to persuade someone to vote for this. The City can, and has an obligation to provide the residents with enough facts to make their own decision. The Murphy Epton campaign and the City's campaign is focused on discharging this civic responsibility to inform the residents on what the facts are.

Commissioner Jester: Can they show the pictures of the street as a part of the campaign?

Rich Cline: Yes.

Commissioner Jester: This is going to fall apart if we don't get the word out.

Rich Cline: Exactly.

Commissioner Simpson: The infrastructure tour did a pretty good job.

Rich Cline: The report itself is available on the City's website and is a public record. Whomever thinks the information is persuasive can use the information. Tonight, we wanted to educate. There is a group who is actively persuading.

Commissioner Jester: When will this roll out?

Jeff Gardiner: It has already started. There is a social media component, a sign component, pictures. There have been several brainstorming sessions. They have started raising money. The first videos went out Sunday night. It has started but you will see a lot more as we get into late September and October.

Commissioner Boysko: Did the TIF district factor into any of the revenue?

Rich Cline: No. We didn't take into account the TIF district concept. We did account for the fact some TIF funds are earmarked for infrastructure construction as it relates to the TIF areas. When we say an additional \$2 million, it is in addition to what has already been recognized through the TIF.

Commissioner Boysko: Can you respond to what type of incentives are being offered to the OSU project?

Steve Lutz: This is still under negotiations with OSU. A formal incentive agreement will come before City Council sometime before the annexation.

Commissioner Simpson: What are the consequences if this doesn't pass? Do the roads just get bad and keep getting worse and worse?

Rich Cline: There are a couple consequences which jump to mind immediately. First, you begin to see roadways continually get worse. A 55 PCR road is a failed pavement. This is significant because a failed pavement has to be completely stripped out and rebuilt from the foundation up. The useful life of a 70 PCR road can be extended by investing the money in the proper maintenance of the road. This is what Powell has been doing for the past 20 years. If you don't properly maintain, things fall apart sooner. Second, when the road does fail, we won't have a choice. The maintenance will have to be done immediately. We will be bidding at the most expensive method of bidding. We will be under the gun in regards to timing. We will be at the mercy of the market for asphalt and availability of contractors. With the concept of a capital improvements plan, you can plan out 10 years. You can't make these types of plans if you don't have a reliable revenue stream.

Commissioner Hartranft: The City doesn't currently have a capital improvements plan?

Rich Cline: I would say no. The City has a capital improvements wish list. We recognize all of the capital needs. It is well over \$30 million. We haven't taken it any further because there was never any revenue to do anything.

Commissioner Hartranft: How can we as a Planning & Zoning Commission keep this from happening in the future? I find it hard to believe we would go ahead and approve developments, have the developer pay for the infrastructure and build a road for us when we as a City, don't have a plan to maintain the roads.

Rich Cline: There are 2 ways to have this conversation. The first is to say we don't know how we are going to pay for the infrastructure maintenance 10 years down the road so we aren't going to allow annexation or new development. What is this impact on the City? Versus, the developer is going to pay for and install infrastructure we can get 10 to 15 years of useful life out of with virtually no investment from the City. What is this going to do for the City?

Commissioner Hartranft: The answer is, it puts us right where we are right now.

Mayor Jon Bennehoof: Unless it is economic development which will be a generator rather than a draw.

Commissioner Hartranft: But we are saying we have \$30 million dollars' worth of needs we have no idea of how to pay for. This is a huge problem.

Rich Cline: Yes, this is part of the problem. I'm not suggesting we should never have approved the infrastructure in the first place. I am suggesting a little more thought process going into it on the front end might have been helpful.

Commissioner Hartranft: This is why I am asking what the Commission can do to help this.

Rich Cline: The Commission can think about the factors listed in the Comprehensive Plan on what makes a development revenue neutral for the City, what makes the development a revenue generator or a revenue drain. We all know, residential rooftops are the least return on investment from a City revenue perspective. You can think about what the proper mix between commercial and residential development is. Years ago we were much more of a bedroom community than we are today. There was almost no commercial development. Thanks to Dave Betz's leadership and others, we have started to hit a better balance. The City hasn't had the resources to do any economic incentives until quite recently.

Jeff Gardiner: I'm sure everyone noticed it rained last weekend. Two storm sewers and catch basins flooded. Last night at our Finance Committee meeting we had to pass a re-appropriation which will go to Council for another \$10,000 to fix these storm sewers and catch basins. This is what deferred maintenance does. The more rain which sits on the roads only deteriorates the roads further. It is a cyclical affect. The more we defer maintenance, the more re-appropriations we are going to have to make.

Rich Cline: As individual influencers in the City, the Commission can communicate what has been learned tonight. Communicate to friends, neighbors and others the importance of this need. One of the biggest problems he foresees is a lot of residents don't see the bad, problem roads. If they don't see the problems, you don't recognize the need exists. One of the goals of educating the Commission tonight was to arm you with facts so you can respond from a facts-based, evidence-based position when asked questions.

Mayor Jon Bennehoof: The incentives which are being paid to OSU are actually being funded by the income tax from the people who will be working there. It is costing their employees for a while, until it is paid off. There isn't much out of pocket for the City.

Commissioner Simpson: We barely mentioned this is also covering bike paths. Is this for bike path expansion or just maintenance?

Jeff Gardiner: Maintenance.

Commissioner Boysko: One of the things this Commission can do to influence development or guide development is evaluate the type of development, whether it is more rooftops or commercial or generators like OSU. I have always felt the Commission should push the commercial developments to do more to pay their burden or participate in the burden of their development. The apartment complex which came before the Commission last meeting could be a good example of additional rooftops which could pay more of the burden to improve the intersection on Home Road.

Mayor Jon Bennehoof: Some people refer to apartments as commercial development but they are still a rooftop.

Commissioner Boysko: I agree. There is a fine line we need to walk so you don't ask the developer to pay too much of the burden on the infrastructure improvements the City should be paying for. We don't want to scare development away or deter development.

Rich Cline: The age old problem of municipal development is drawing the balance of attracting new development to the community and making it so expensive the developer goes somewhere else. The City administration does a very good job and Planning & Zoning has done an outstanding job of maximizing the relationships. There were many developments we received infrastructure development above and beyond the bare minimum Code requirements. We got a widened intersection, a traffic light or a turn lane. Planning & Zoning was instrumental in doing this. This created a lot of infrastructure we could live off of but it created the unfunded expense down the road. It is a double-edged sword. It is very difficult to figure out the exact balance. It is hard work.

Commissioner Jester: The condo developments pay for their own streets don't they?

Rich Cline: In most instances I am familiar with, yes. Unless it is a City street. If they are private, the condo association pays to maintain the road.

Dave Betz: The road to access the properties is a public road needing maintained and this costs money.

Mayor Jon Bennehoof: It is going to take a lot of persuading to change the 98.3% residential rooftops and move it towards something more beneficial. He only knows the county-wide number. This is shocking to him. People say we need more affordable housing. We have a lot of affordable housing. People say we need more assisted living. We need to find out what the residency rate or occupancy rate is in the existing assisted living. These are the kinds of conversations we need to have before we give the go ahead to build another 200 apartments. We really need to think about what will bring revenue to the City. Someone will develop the land if the apartments get a no. Perhaps the land will get a higher use.

Chairman Emerick thanked the task force members for the presentation. It was informative. We appreciate the efforts.

APPROVAL OF MINUTES

MOTION: Commissioner Cooper moved to approve the minutes of August 22, 2018. Commissioner Simpson seconded the motion. By unanimous consent, the minutes were approved.

OTHER COMMISSION BUSINESS

Mr. Betz advised the Commission there probably won't be a second meeting in September.

HEARING OF VISITORS FOR ITEMS NOT ON THE AGENDA

Chairman Emerick opened the public comment session.

Larry Wilkins, 3356 Timberside Drive, said he lives on Woodcutter Drive. He has been reading the paper and following all of the development. He lives off of Home Road. Kroger has bought land to eventually build. Buildings have been approved in front of the storage units. The OSU medical building has been approved, which is a great thing. They are building homes hand over fist from Liberty to Riverside. Every day there are more homes. School is in 9 months out of the year. He has sat at Liberty Avenue to get to the 4-way stop sign, which is a 2 minute drive, for 20 minutes or more. Now you are looking at putting in 250 more apartments. You are putting 1,000 plus more cars on a road which cannot handle the traffic there right now. What is the plan? You can't put in a turn-around at 315 because of the cemetery and the river. Mr. Betz asked if he meant Liberty Road and Home Road? This is the intersection you are talking about? Mr. Wilkins said yes. For him to just get from Woodcutter Drive to the 315 stop sign, he has sat for 20 minutes. It is a 2 minute drive. The traffic backs up all the way up from 315 with the current traffic and you are planning another 1,000 to 1,500 cars. He is a resident. He pays. What is going to be done for the new 250 apartments? Mr. Betz said he understands Mr. Wilkins concerns. He is answering for the Commission because as Staff, he is more intimately involved with the traffic studies. The County Engineer is in charge of Home Road. The County is planning for Home Road to be 5 lanes from Route 42 to I71. There will be a new interchange at Big Walnut Road. They are already working on extending Home Road east around Lewis Center with a bridge over the railroad tracks. They are looking for funding for an interchange at Big Walnut Road.

Mr. Wilkins asked how Home Road is going to be widened to 5 lanes. He is talking about a very small area from Sawmill to 315. Mr. Betz said this will be 5 lanes. The County Engineer already has this planned out. I can share all of the information. Grab one of my business cards in the lobby and we can sit down and go over all of the traffic studies.

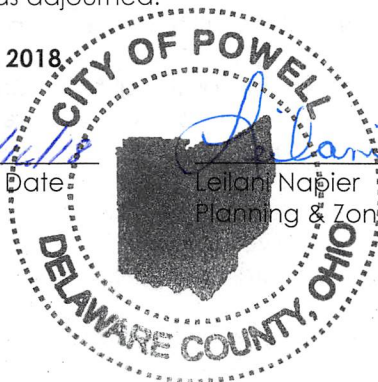
Hearing no further comments, Chairman Emerick closed the public comment session.

ADJOURNMENT


MOTION: Chairman Emerick moved at 8:09 p.m. to adjourn the meeting. The Commission seconded the motion. By unanimous consent, the meeting was adjourned.

DATE MINUTES APPROVED: October 10, 2018.


Donald Emerick
Chairman



Date


Lellani Napier
Planning & Zoning Clerk

Date