

**CITY OF SOUTH LEBANON
REGULAR MEETING MINUTES
September 21, 2023
6:00 P.M.**

1. Mayor Smith opened the meeting at 6:00 p.m. with the Pledge.
2. ATTENDANCE

Linda Allen – Present
Linda Burke Present
Brenda Combs – Present

Maryan Harrison – Present
Bill Madison Present
Rolin Spicer – Present

3. Mayor Smith opened the floor to the public.

John Chambers, 536 Forest Edge Drive, South Lebanon stated that he had presented previously, October 20, 2022, to the Council regarding the Convention of States and has not heard a response. He further remarked that there are other city councils looking at approving a resolution so they would like to keep this in front of the Council as well. He would like to come back and present it again to the Council and answer any questions.

Matt Nolan, Warren County Auditor, 102 East Orchard Avenue, Lebanon – stated that he has not given the Council his opinions however he has given it to most other governments on his strong dislike of Tax Increment Financing (TIF's) in general but especially as it applies to Residential TIF's. He received information last week from Union Twp. that the city was considering another multi-family residential TIF. He further remarked that multi-family TIF's are almost unheard of as they greatly hurt the school districts. There is a direct correlation between the highest tax rates and the areas that TIF the most. The 2 highest tax rates in Warren County are Middletown and Kings Schools; these are also the 2 areas that have the most TIF's. When you put in a Residential TIF you take money from school districts and fire departments, and you give it to a private developer. He went on to say that he does not live in South Lebanon, and he was not elected by the people of South Lebanon to make these decisions, but he is the Auditor of the County, and he gets all the complaints regarding real estate taxes. Further stating that he is going to get a lot of complaints about real estate taxes soon when values go up in 2025; TIF's is a main cause of this. Every time a TIF is passed we lower the value of a community which raises the rates for everyone else. Every student who comes out of a residential neighborhood that is TIF'd must be paid by someone, and it is not the people in the TIF because they do not pay taxes to the schools; it is everyone else in that community. There are TIF's that have done great things for Warren County. He remarked that it is possible that the Council has thought about the TIF's, and the positives outweigh the negatives on this. If in the future the City has any questions regarding TIF's he asks that they just reach out as his office is happy to answer any questions on the subject.

Mayor Smith gave a brief history of South Lebanon in regard to the River Creek Lofts project and the townships. Stating that this project is going to benefit everyone, and it

has one of the shortest TIF's. Adding that the committee that vetted this was outstanding. He continued by sharing that we have been working on the project for 4 years.

As for the history, South Lebanon started the first fire department which was located in the current location of the Historical Society. The City leased that building to the Township once they took over and merged with the fire department and ambulance for \$1/year for 99 years. This was provided until a new building was built. He went on to state that we have 3 townships: Union, Hamilton, and Deerfield. Even after building the new fire department, they kept that building for decades. However, once the City got it back it was turned into the first City Hall. To sum this up, we leased the building to the Township for \$1.00 for 99 years, we merged as an entity to provide levy and money to build what we have today, we have paid their water bills for 72 years, we have paid their sewer bills since 1986, we have provided all of the water for the entire Township that comes out of the City since 1951 (the rural areas have Western Water), and we've updated the system as needed.

Mayor Smith then shared a history of the police department. South Lebanon signed the first agreement with Warren County to bring in professional police officers to this community. They were to work with us, improve our reputation, and give professional protection. The 1st agreement covered the City with new deputies, we provided the cars, utilities, fuel, and building. Then the County reached out and said that they had a problem because our officers were defined for South Lebanon and asked if we could work an agreement to include Union Township. Mayor Smith negotiated this agreement; with the County providing 2 shifts, 8 hours for 5 days, to the Village if we would provide police protection for the entire Township. When this agreement was over the County wanted to do away with the entire thing, however it was agreed upon to still provide 1 shift and that is what it is today. They also have provided us with 1 cruiser. Our budget for police is almost \$800,000.00/year. We handle 23% of all calls in the Township, roughly 23% of the budget is allocated for the Township.

Mayor Smith continued discussing the River Creek Lofts project stating that it was sent to the Economic Development Committee, and the City Council has vetted it and negotiated terms to help this community. We have a project coming that is 8.2 million dollars of sewer infrastructure that will affect every unit in this community, and we have to put it in. This agreement will allow the money to primarily go back to the City to pay for the infrastructure so every citizen in the community can have a level playing field regarding utilities. It is the core responsibility of the Council to look after the interests of this community. We are here to protect this community.

Haddix stated that we will take in 1 million dollars in tap fees, which will go a long way for the sewer project, and in current rates approximately \$180,000 in user fees per year for these units. A lot of this will go to operations and maintenance but it can also go to pay some debt that we will be incurring for this project.

Mayor Smith closed the floor to the public.

4. GUESTS

Ken Geis, Geis Consulting Group LTD, 5300 Socialville Foster Road, Suite 200, Mason – provided a slide presentation for the River Creek Lofts project further discussing the Term Sheet which was approved at the August 17, 2023 Regular Council Meeting. He remarked that the 1 million dollars in tap fees will keep the user rates down because they support the infrastructure. There will be 460 units and each one will have to pay their own sewer tap fees. This is a legacy project that will bring in somewhere between 85-100 million dollars to the City of South Lebanon and Warren County. He went on to point out that this is a multi-family structure that will be taxed at a commercial rate. Mr. Geis spoke about previous and current projects he has/is involved with. It was mentioned again that this project has been going on for 4 years and how interest rates have changed during that time as well as the availability of materials. The project will be completed in 2 phases, with phase 1 having 236 units and phase 2 having 224 units. Community Investment Areas (CRA's) were briefly discussed with Mayor Smith stating that no one besides the developer gets any money with a CRA and Geis adding that in a CRA the tax is totally abated up to 100%. A 30-year TIF requiring school board approval had been discussed however the Mayor did not want this project to go on for 30 years, they wanted a shorter time frame to get into the project and development and negotiate with the developer on it to accelerate the build of the project. Initially this was a 3-phase project but because of the negotiation and discussion of the program it has been changed to a 2-phase project. In the first phase the developer is going to put in almost 6 million dollars of infrastructure that will service both phases and allow the second phase to begin much sooner and the entire project to be completed much sooner.

An explanation of TIF's was given; they were originally established in the United States in the 1950's and the majority of states now have TIF programs. It is a legislative function that has been vetted by the Ohio Legislature and amended almost every year that provides reimbursement for infrastructure that a developer is forced to put forward. The Ohio Legislature sees the value in these programs, they see the increase in appreciable tax rates and tax values for the communities, they see the investments, and benefits.

Some of the benefits are that activity breeds activity. When people are able to visually see this project coming out of the ground it will be a wow factor. This will promote and encourage future development in the City of South Lebanon and all of Warren County and the region. The other benefit is the expansion of the infrastructure. The infrastructure going into this project not only serves this project but also the region. There will be a lift-station that is included in this project that will have all the lines upsized for capacity so it will not just be serving this subdivision or project.

This project will attract other developments. However, if the TIF does not happen the project will not happen. This project has been in development for 4 years, it has been in negotiation for 4 years. Mr. Echuri is excited about this project and his positive relationship with the city.

The TIF for this project is a 10 year/75-25 and it will provide immediate revenue to the schools, the county, and the township. Once the TIF is over you will see the amount of value that it will bring to the City of South Lebanon as well as the entire county.

At the request of Mayor Smith, Mr. Geis discussed at length the figures involved in his spreadsheets for phase 1 and phase 2 of the project. It was added that Phase 2 will more than likely begin 16 – 20 months after Phase 1. When both phases of this project end there will be \$2.1 million dollars of new revenue for Warren County to be distributed throughout. The schools will get \$1.5 million dollars just because of this project. This project will not only benefit South Lebanon but also the entire region and county.

Mayor Smith stated that the Economic Development Committee negotiated the best deal with the shortest term and thanked the committee for their outstanding negotiations.

Madison speaking as the Chair for the Economic Development Committee stated that this was quite a negotiation, and it is a win-win for everyone. He went on to discuss the numbers that Mr. Geis had spoken about earlier regarding the TIF's. We are good neighbors with the township, we provide police service and in negotiating this TIF it is evident that we are being good neighbors by providing them with taxes up front.

Sam Echuri, developer of the River Creek Lofts project - shared that this has been a dream project of his. He reiterated that the project will be completed in 2 phases and will include a large sewer system. He thanked everyone for helping to move the project forward. He shared that he has built 3 projects in Warren County with Mayor Smith adding that he has built other projects in Mason and other communities. Mr. Echuri continued to discuss how pricing has gone up over the past few years.

Burke asked if the other projects Mr. Echuri had built were completed with TIF's, he stated that they were not.

Tim Greive, Thomas Graham Associates, 803 Compton Road, Cincinnati – is a site civil engineer for the project. He clarified Mr. Echuri's response to Burke stating that there were no TIF's involved with the projects in Mason because the infrastructure was already there; this project requires a TIF because the infrastructure is not there.

Dean Spoor, Thompson Hine LLP - represents the City of South Lebanon with legal issues. Stated that the Council has already voted on a resolution concerning a Term Sheet describing the terms of the agreement with the developer and what is in front of the Council this evening is the legislation that creates that TIF. The nature of the TIF has already been discussed at length; this is a 10 year – 75% exemption TIF which is the most minimal level of TIF that is standard in the state. The TIF proceeds are exclusively for public infrastructure: roads, sewers, and other publicly dedicated infrastructure. The Term Sheet that has been executed is what is guiding how we are approaching the Council. This legislation is just the beginning, and it is the necessary step to complete what is described in that Term Sheet. This is not the last bit, but this is the crucial piece of legislation that allows the Term Sheet to move forward to the next stage.

Councilmember Allen asked County Auditor Nolan if this would be a burden for the county to which he stated no it would not be. The county does not rely on property taxes and does not need more multi-family development subsidized. This is a subsidy so if anyone is into the free markets the free market would not build here. Mr. Echuri is an outstanding developer, does great work, and is a great partner; this is not about Mr. Echuri as he has done a great job for Warren County. The free market would not do this; but we need help, and the government must intervene and help. He went on to explain that the 30 year TIF is longer, or even an 11 or 12 year TIF, however there is a key factor – the schools. He discussed the number of apartments and how many students that could produce and how it could affect the schools. Someone will have to pay for these new students adding that the development will not be paying for it because it will not be paying taxes. Further stating that we are taking money from our students and school district and reusing it for a multi-family residential development. The City of Mason does not do that, neither does Deerfield Township or Hamilton Township.

Discussion ensued between Mayor Smith and Auditor Nolan. Mayor Smith added that Nolan is giving his opinion to which Nolan agreed. They continued to discuss the police protection that is given to Union Township and how that is subsidized. Mayor Smith shared that South Lebanon has an agreement with the Warren County Sheriff where we provide all the police protection, all the deputies from South Lebanon provide services to Union Township at no cost to Union Township. Nolan remarked that he is here to speak for the schools. We must protect our public school system; they are dependent on property taxes as that is the only revenue source they have. By constantly taking money away from them with TIF's and CRA's the money must come from somewhere. The 2 highest tax districts in the county and region are the ones that also have the most TIF's.

Allen asked the Economic Development Committee if during their negotiations they did anything for the emergency services: life squad and fire. Further asking about their pay and if they were all volunteers or had any salary employees. Mayor Smith commented that every resident in the township pays the fire levy and that is how they operate. Allen asked if there was anything in the TIF for the emergency services as 25% is going to the schools to which Haddix stated that the 25% is split across the board.

Councilmember Burke asked Nolan what the median price of a home that will pay for 1 student in the Kings School District. Nolan responded that for the Kings School District it is right around \$700,000. Any home less than that, every other home in the community must pick it up. Burke commented that the schools are already overcrowded, and she does not know if the next tax levy for the schools will be passed, how are these multi-family units going to affect the community. Nolan commented that that is his point.

Councilmember Madison stated that this development will add to the schools however these apartments will be drawing professionals and retirees, not a lot of families with children. He further remarked that this is a condensed area with no roads for the city to maintain, a larger amount of tap fees that support our water and sewer and existing customer base to help us reduce our costs. Discussion ensued between Madison and Auditor Nolan with Nolan further remarking that South Lebanon is the only municipality that does not go to the County Auditor to ask about TIF ramifications before doing them.

Finally, adding that he is only giving his advice as the County Auditor, and it is the City Council that gets to decide. Mayor Smith asked Nolan if he is opposed to this TIF development to which he stated he is not, it is up to the Council to decide if they want more multi-family. Discussion continued regarding commercial vs. residential TIF's.

Mr. Echuri asked Nolan if the property was going to be taxed as a commercial property or residential property. Nolan responded stating it is the same tax however there is a higher rate on commercial properties because so little of it has developed in this area. Further sharing that because it is a multi-family it will have a commercial rate.

Spoor reiterated that he works for the city and is its advocate. There are existing compensation agreements with the school district for the existing longer term TIF's. These were heavily negotiated as he was involved with them. The school district did have a major hand in how the existing TIF revenues are being distributed. He does not disagree with Auditor Nolan description on a 10 year - 75% TIF. The difference between a 10 year – 75% TIF and a longer term TIF is that under the statute a longer term TIF does require school consent. The schools do receive notice of all TIF's; in this case the school did receive 14 days' notice as they have a statutory right to tell Council what they think. The law allows you to proceed in the way we have it.

Dan Phipps, 10429 Cozaddale Murdock Road, Goshen – asked Auditor Nolan about Residential TIF's in Warren County; single family vs multi-family. Phipps asked about the project being taxed at a commercial rate; is it a Residential TIF or a Commercial TIF. Nolan stated that it is called a Residential TIF however it is taxed at a commercial rate.

Allen asked Mayor Smith if she could ask Meier, the City Law Director, a couple of questions in private to get his legal opinion and table this until the end. Meier stated they should go into Executive Session now, out of order, because there is going to have to be a vote on this ordinance as the legislation is on the table.

Burke asked Nolan how this will affect the Emergency Services for our community as there is no money in this TIF being put back for them. Nolan stated that no money is going back to the Emergency Services, just as the chart had shown. There are a lot of unknowns, as in what type or how many Fire/EMS calls there may be. You will be increasing the services and have less revenue. He further remarked that you will need more from the levy to compensate if there are more runs. Madison shared that after the development is built there will be additional funds paid to the fire department. Mayor Smith added that in 24 months they will get additional money. He went on to state that with today's fire suppression the fire department is a mood point; South Lebanon provides all the police protection free for the township and we do not get any revenue for it. Burke remarked that someone must pay the taxes to which Mayor Smith stated that South Lebanon pays the taxes. Nolan stated that the largest increase in your property taxes in the last 2 decades is Fire and EMS. Geis stated that he does not know exactly how the EMS is funded but the township runs the EMS and the township is going to receive money. He went on to discuss the numbers from his earlier slideshow presentation.

Sgt. Adams explained how the Sheriff's Department services the county, city, and the township. He added that South Lebanon currently contracts services with the Sheriff's Department. When it comes to the cost of the Sheriff's Department, the contract is mostly paid by South Lebanon and when it comes to the deputy's salaries there is 1 salary which is paid by the Warren County Commissioners and in that agreement it states that by them covering 1 salary, the Sheriff's Department would then cover Union Township.

Meier stated that regarding going into executive session he was reviewing section 121.22(G), he does not know what Councilwoman Allen wants to ask but he cannot envision a scenario where we would be within a provision of that statute that would allow us to go into executive session. He stated that if there is a question that relates to TIF's our TIF lawyer is here, and he is council for City Council on the issue of TIF's if the question relates to TIF's. He cannot envision a scenario where we are permitted to go into executive session on this issue as you are permitted to debate it in public. If you have a question, just ask it.

Allen stated that on 8/17/23 the Term Sheet was brought to the council and approved and then again on 9/7/23 it was brought to council and approved. If this does not pass what are the legal ramifications.

Meier remarked that as Mr. Spoor indicated the previous pieces of information that were before council were approval of Terms Sheets; terms for agreements that are going to move forward if tonight's legislation is approved. If tonight's legislation is not approved, then the development does not happen. Spoor stated that Meier is correct; what has been voted on up to this point are the terms of an agreement, but the legislation of that agreement is the ordinance which requires another vote. What has been entered into up to this point is the laying out the terms to guide the agreement. The vote that ultimately makes or breaks the agreement is the TIF Ordinance because that is the heart of the agreement.

Mayor Smith stated that this is revenue that the city and committee have negotiated. If it is not passed it will never happen again.

Madison added that the schools were notified, and they will make money from it. He believes that they see it as a positive and if they did not, they would be here.

NEW BUSINESS

5. ORDINANCE 2023-29, AN ORDINANCE DECLARING THE IMPROVEMENT TO CERTAIN PARCELS WITHIN THE CITY TO BE A PUBLIC PURPOSE AND EXEMPT FROM TAXATION PURSUANT TO ORC 5709.40(B); PROVIDING FOR THE COLLECTION AND DEPOSIT OF SERVICE PAYMENTS AND SPECIFYING THE PURPOSES FOR WHICH THOSE SERVICE PAYMENTS MAY BE EXPENDED, AND DECLARING AN EMERGENCY

A motion to waive the two-reading rule was made by Madison, seconded by Combs; Allen-nay, Burke-nay, Combs-yea, Harrison-yea, Madison-yea, Spicer-yea. Failed to suspend.

6. RESOLUTION 2023-40, A RESOLUTION ACCEPTING THE AMOUNTS AND RATES AS DETERMINED BY THE WARREN COUNTY BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR, AND DECLARING AN EMERGENCY

A motion to waive the two-reading rule was made by Madison, seconded by Combs, all yeas. By title only, Resolution 2023-40, a motion to adopt was made by Madison, seconded by Allen, all yeas.

7. AUTHORIZATION OF INVOICES

A motion to authorize the invoices for payment (\$789,535.99) was made by Madison, seconded by Combs, all yeas.

8. AUTHORIZATION OF LAW DIRECTOR'S INVOICE

There was no invoice for September 2023.

9. APPROVAL OF THE AUGUST 2023 FINANCIAL STATEMENTS

A motion to approve the financial statements was made by Combs, seconded by Madison, all yeas.

10. APPROVAL OF MEETING MINUTES

Regular Meeting – September 7, 2023

A motion to adopt the minutes was made by Burke, seconded by Combs, all yeas.

OLD BUSINESS

11. RESOLUTION 2023-39, SECOND READING, A RESOLUTION APPROVING AND AUTHORIZING THE MAYOR AND DIRECTOR OF FINANCE TO EXECUTE A RIGHT-OF-WAY DEDICATION PLAT FOR THE NORTHWEST CORNER OF MORROW AND SHAWHAN ROADS

By title only, Resolution 2023-39, a motion to adopt was made by Madison, seconded by Combs; Allen-yea, Burke-yea, Combs-yea, Harrison-yea, Madison-yea, Spicer-recused himself.

12. COMMUNICATIONS & REPORTS

Mayor Smith

- a. Discussed the Warren County Chamber of Alliance Fly-In in Washington DC. He met with the leaders of Warren County including County Representatives, Mayors, Township Trustees, and other individuals. There were several projects on the table and along with Haddix we have submitted some and we had 1 picked that has been going through the process. They announced this week that 4-5 projects from Warren County were picked, and South Lebanon was one of them. We have made the budget so if Congress passes the budget, we will be receiving a \$812,000 grant to be used to upgrade the old school behind the Municipal Building. He, along with the committee from Warren County also met with the EPA relating to the new mandates regarding chemicals in the water.
- b. Mentioned the interchange at Main Street and Pike Street to which Haddix stated that TEC is doing the traffic study however he will follow up with them to get an update.

Director of Finance Tina Williams

- a. Nothing to report.

Administrator Jerry Haddix

- a. Electrical Aggregation letters will be sent out next Monday, September 25, 2023, for those eligible, no other provider. The deadline to op-out is October 16, 2023.
- b. Bid opening for the Broadway Storm Sewer project going from High Street to Main Street is October 10, 2023. At the next meeting we should have an award for that.
- c. Crack sealing around town is continuing.
- d. Jeff Boylan is on vacation for the next 2 weeks; any questions for him can be directed to Jerry.
- e. The leaf pick-up schedule will be released next week.
- f. We have received approximately 143 applications for the Assistant Administrator position; interviews will begin soon.

Burke questioned whether the Personnel Committee would be involved to which Haddix responded that he would have to review the Charter.

Assistant Administrator Jeff Boylan

- a. Absent.

Law Director Andrew Meier

- a. He has received a couple of calls regarding the placement of political campaign signs on city property. He will review this issue and give a formal legal opinion on that particular issue to the council.

Sgt. Corey Adams

- a. Gave a briefing on the Ohio State Police pursuit that had ended on Sunny Lane in South Lebanon.

Bill Madison

- a. Regarding Ordinance 2023-29 he asked Mayor Smith what the vote meant. Mayor Smith stated that it was a first reading as the vote failed to suspend the two readings.

Brenda Combs

- a. Nothing to report.

Linda Burke

- a. Attended the Warren County Regional Planning and Zoning and Budget Committee meeting on Tuesday, September 19, 2023 and they passed the budget and it will be presented to the full body on October 10, 2023 for full board approval.

Linda Allen

- a. Asked Haddix what the Electrical Aggregation Opt-Out date is to which he stated October 16, 2023.

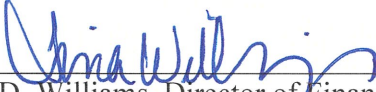
Maryan Harrison

- a. Thanked Sgt. Adams for his work.
- b. Thanked everyone for the long night and their patience.

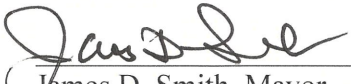
Rolin Spicer

- a. At an earlier Council meeting he had asked about the speed limit on Grandin Road as it is not posted and has not been addressed. He would like to see it posted at some point. Haddix stated that is a county road and it is 55 mph if it is not posted to which Sgt. Adams agreed.

13. Mayor Smith asked for a motion to adjourn the meeting at 8:06 p.m. A motion was made by Burke, seconded by Madison, all yeas.



Petrina D. Williams, Director of Finance/Clerk



James D. Smith, Mayor

For an audio copy of the September 21, 2023 City of South Lebanon Council Regular Meeting, please contact the Director of Finance at twilliams@southlebanonohio.org.