

VILLAGE OF SOUTH LEBANON
REGULAR MEETING MINUTES
AUGUST 18, 2016
6:30 P.M.

1. Mayor Smith opened the meeting at 6:30 p.m. with the Pledge.
2. Randall Atkins – Present Bill Madison - Present
 Jim Boerio – Present Steve Riley – Present
 Sue Johnson – Present George Teasdale - Present
3. Mayor Smith stated we have Arik Sherk, who represents the village and Peter Goffstein, who is the developer for Rivers Crossing here tonight to update council on the TIF.
4. Mayor Smith opened the floor to Peter Goffstein: Peter said he is with Industrial Realty Group and they are developer of Rivers Crossing Shopping Center and now the owner of the Siemens property. He said they will be building the residential over a three year period at about thirty to thirty five houses per year. There will be 125 to 126 single family lots. Peter said the first phase will be the utilities and reconstruction of the road. He said the second phase will be a section of the housing and the third phase will be the final section of housing. He said the TIF district was put in place in 2005 and have been working with the village on how to utilize that to finance the infrastructure. He said they are working with a bank as well. He said there is a revised infrastructure agreement that will lay out what those public improvements are going to be. He said as part of it there is approximately \$250,000 off site improvements on Mason Morrow Milgrove. Peter said they have agreed to pay that money to the village for the village to complete some of the other infrastructure. He said they plan on donating five acres off Turtlecreek, where the wells were and the village has uses for that property. He said the tax compensation agreement with the schools requires 10% payment to them and despite negotiations we will make those payments to Kings Local Schools as compensation under that TIF agreement. Peter said the roadways in the project and along Mason Morrow Milgrove, the village would purchase right of way from the developer through bonds. He said there is an existing loan the village has secured for some of the improvements on St. Rt. 48 and Mason Morrow Milgrove and they have agreed to pay \$15,000 per year for five years. He said there is twenty years left on the TIF agreement and they are looking for the village to issue those and the developer will purchase those bonds and hold them.

5. Arik Sherk – Thompson Hine – Arik said the bonds that will be purchased by the developer are strictly payable from the TIF revenue. He said if there are sufficient TIF revenues then the risk is on the developers and the village does not have any obligations to pay any shortfalls and no village money goes into this project. Arik stated there is no risk to the village. Madison said with business point #4, this agreement is under the umbrella of the TIF and Arik said yes. Arik explained the bonds and how the TIF is to pay for the development. Mayor Smith said Arik has represented the village through the project and when the previous developer had bankruptcies, we are the only entity that didn't get hurt. He is here representing us.

Riley asked about the eight acres and Peter showed on the map where it is located. Arik explained it runs throughout the development and utilities have to be run on public property. Peter said they will construct all the improvements and warranty them for a year and the village will accept them. Riley asked if that is typical and Peter said that is one way to fund the project is for the municipality to acquire the right of way. Arik explained that a requirement in order to use the TIF revenues, you have to be financing public infrastructure and in order for it to be public infrastructure, it has to be on public property. Riley asked if we should have a typical right of way and Mayor Smith said it is TIF and that is why we have Arik, it is a little different. Riley asked how that assets us having that right of way and Arik said it is a condition to using TIF financing to pay for all of this, it has to be public property. He said it is not a benefit but a condition to use the funds.

Boerio said he looked at the document and he asked why we are doing this as part of a TIF and asked if Stone Brook was part of a TIF and was told no. He asked why we are doing this as part of a TIF. Peter said the TIF was activated in 2005 and based on the development today and but for the TIF we would not be able to financially put that infrastructure in. Arik said it used to be easier to get money in the private market for infrastructure and you just can't get loans for infrastructure anymore and that is why over the last twenty years you see these tax increment funding. Arik said most tax dollars go to the schools, county or townships and not a lot goes to the community. He said it allows the village to use other subdivisions money to do these and is a pretty good deal. Peter said given there are no utilities up there it would be costly and without the TIF we could not do the project. Boerio asked where the 10% going to the school is from and Peter said of the bonds that are issued. Arik said the school district is not made whole for all the taxes that would have generated so they get a percentage of the gross TIF revenues so instead of financing through the bonds, the developer is just going to pay that. Boerio said but at that time it wasn't envisioned as residential and he was told yes it was. Atkins said the schools are not getting taxes off the property and asked how long that would be. Arik said the schools will be getting a portion of the TIF revenues and that is equivalent to taxes and it was originally a thirty year TIF, approximately nineteen years left. Haddix

stated that the school agreed to this. Boerio asked who the funds get paid to and was told they go into a separate TIF account and payments are dispersed. Boerio said the way the \$15,000 is written is it will be paid for no more than five years and Peter said it is written that way because the extent that those excess revenues from the TIF exist then those revenues would be first used to make the commitment up to the \$15,000. He said they don't expect those revenues to be in until year four and we are there to protect the village for the first five years. Boerio said it says up to five years and up to includes zero. Peter stated it is intended to be a financial backstop from the developer for no more than five years and it can be any one of those five years that the excess revenue from the TIF does not exist. Arik said it is highly unlikely that the excess TIF revenues will be in the next five years. He said there will be at least three years there will not be excess revenues so this is there to create a backstop for the village. Boerio said item number six refers to bonds or bonds, how many bonds are we going to issue. Arik said currently it is about million dollars but it is not being sold to the public the developer is going to buy them. Madison said this is all driven by the TIF that this village is in no way legally liable for payment of these. He said it is an accepted practice, the school of thought is they take a snap shot of the land values when it starts and anything those land values increase in tax revenues are funneled to the municipality in a TIF fund and allows us to then pay for infrastructure to help improve that and before that money comes in we sell bonds to help fund those improvements. Madison said a portion of it goes to pay the schools because there is a portion they feel like they are due. Boerio said it is a residential development and it seems like maybe there was a heated negotiation with the school district because they will incur costs to teach all the kids, so he can imagine it was a heated discussion. Peter stated the school clearly had justification for holding out for that 10%, we understood that and agreed the best path forward was to make those payments for the betterment of the school, the project and the village. Boerio said he is surprised they settled for 10% and was told that was already in the TIF and the developer was trying to get them to change it and decided to stay with the original agreement. Mayor Smith said this was just for discussion and Arik will draft the necessary legislation. Peter said their goal is to get the infrastructure started in the next thirty days, because there is sixty to ninety days of infrastructure, the last being asphalt and the plants close in late November, early December.

Someone from the audience asked if there are precautions to keep public out of the building that is to be demolished and Peter said the demo is to be in the second or third phase. Riley asked if the Duke property is going to hurt the project and Peter said it is where the topography starts getting deeper so we don't plan on developing on that.

6. Mayor Smith opened the floor to the public: No one approached council.

7. Mayor Smith presented Resolution 2016-26 as an emergency which awards the Ilene Ave. project to Barrett Paving. A motion to suspend the reading rule was made by Madison, seconded by Teasdale, all yeas. A motion to adopt Resolution 2016-26 was made by Madison, seconded by Teasdale, all yeas.
8. Mayor Smith presented Resolution 2016-27 for the first reading which approves a maintenance agreement with Buckeye Power.
9. Mayor Smith presented Ordinance 2016-10 as an emergency which would turn over sewer service to the county for the Books annexation. Haddix said in 2012 the property was annexed and at that time it was discussed with the county should they plan a development, that sewer would need to be from the county. Jerry said they are getting ready to develop and part of it will require sanitary sewer and the county has it directly across the street. He said we would have to request to the county to release it and they would have to agree and this is the first step in the process. Atkins asked if we are just giving the county permission to provide the sewer and Jerry said yes. Teasdale said when it says release, do you mean give it back to the county and the mayor said no, we don't have sewer there and we are allowing the county to sewer the property. Jerry said it is in our boundary so we would have to allow the county to do so. A motion to waive the reading rule was made by Madison, seconded by Boerio, all yeas. A motion to adopt Ordinance 2016-10 was made by Atkins, seconded by Boerio, all yeas.
10. Mayor Smith presented Resolution 2016-28 as an emergency authorizing CDBG grant money for High Street project. Haddix said Warren County awarded us \$259,750.00 for the High Street project from Pike Street to Forrest and we originally asked for \$125,000.00 and they gave us another \$134,750.00. Mayor Smith said Jerry worked with them to get that extra money. Haddix said the engineer estimated \$38,000 for engineering costs and we were able to get that under \$21,000. He said total savings is \$152,640.00 for the project. He said the bid opening will be August 30th and we are trying to get this done before the asphalt plants close for the year. He said that is the reason for the emergency resolution. A motion to suspend the reading rule was made by Boerio, seconded by Madison, all yeas. A motion to adopt Resolution 2016-28 was made by Madison, seconded by Boerio, all yeas.
11. Mayor Smith presented Resolution 2016-29 as an emergency authorizing an agreement with Childress and Cunningham, Inc. to serve as the architects for the school renovation. Haddix said the prior administration had received quotes from architects and after meeting with various companies he said this company has the best deal and the most experience for what we are doing. He said this is an emergency based on getting them on board in a timely manner before Trane starts their work. Discussed that the architects should

come and give a presentation to council of their recommendations. A motion to suspend the reading rule was made by Boerio, seconded by Madison, all yeas. A motion to adopt Resolution 2016-29 was made by Madison, seconded by Boerio, all yeas.

12. Mayor Smith presented the following minutes for approval:

Regular Meeting – June 2, 2016 – Motion to approve made by Boerio, seconded by Teasdale, all yeas.

Workshop – June 2, 2016 – Motion to approve made by Madison, seconded by Teasdale, all yeas.

Regular Meeting – June 16, 2016 – Motion to approve made by Teasdale, seconded by Madison, all yeas.

13. Mayor Smith presented the invoices for approval. Atkins asked what Keith Nixon's reimbursement was and Sharon explained that as magistrate, he is required to attend training every year and he signed up and paid for it so we are reimbursing that fee to him. A motion to approve was made by Madison, seconded by Boerio, Riley – nay, all others yeas.
14. Mayor Smith held the second reading of Resolution 2016-25 authorizing an agreement with Trane to provide improvements to the old school renovation.
15. Mayor Smith reported that the ground breaking was held at Wynstead and the developer got ahead of the game because we have had a lot of rain. He said the boat ramp project is going well.
16. Solicitor Revelson stated the Ohio Checkbooks information has been reviewed and the redactions completed. He said it is to be live next week and they want a press release or something. Boerio asked if the press release has to be done before it goes live and Paul said no. Mayor Smith told Jerry to draft a press release.

Paul said the personnel manual is back and he found two things that he wants to look at more closely, one he thinks is okay but he wants to make sure that we don't conflict with the Ohio Revised Code.

Paul said on Mason Morrow Milgrove and St. Rt. 48 intersection project we got extended a month from now to get those finished. He said ODOT gave us some extra time to get those finished. He said one has a mortgage release and one dealing with the sign, there are really three and other we will get there. Paul said nothing will hold the project up.

17. Administrator Haddix said Cochran Road from 22 & 3 to second corporation sign was paved today and looks good.

Jerry said the Ilene Ave. project has a pre-construction meeting scheduled for Monday.

Jerry said we rented a chipper this week and the guys are working on cleaning up downed trees.

Jerry reported that our new employee, Don Justison, has shown his effectiveness with the equipment and is doing well.

Atkins asked about Site Worx doing the work on Mason Morrow Milgrove and why our guys were out there working. Jerry said they were cleaning up the debris that was remaining.

18. Mayor Smith stated we received a card from the family of one of our residents thanking us for the support of the section of St. Rt. 48 being named the Bobby Lee Estle Memorial Highway and the signs. He said he and Jerry have been talking about trying to do something special for them since he sacrificed for our community.

19. Teasdale asked who owns the property on St. Rt. 48 next to I71 because the grass is really high. Mayor Smith said Jerry can check it out and get the right person to address it.

20. Riley said if we have the chipper can the area around the bridge going over the river be cleaned up. Jerry said we are getting a mow trim in a couple of weeks and will get that area. Riley said he tells his guys if we have to keep going back to an area, let's just fix it. He said since we have the chipper we should just cut it down.

21. Atkins asked if Jerry has talked to any of the other employees about getting a water license to back up in case Phil was not available. Jerry said he has not discussed that with them yet and Atkins said we need to do that.

22. Boerio asked about the engine brake signs and Jerry said he is waiting on the specs from ODOT.

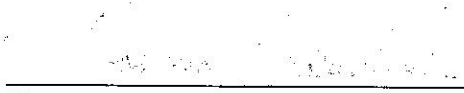
Boerio asked about the resolution Paul was asked to prepare. Paul said he wants to compare what Boerio sent to him with what the audit said.

Boerio said he mentioned a couple of times about getting a projector and asked that Jerry get on that.

23. Johnson said the parking lot by Kohl's is not being taken care of. Jerry will contact the developer.

Johnson asked that the guys on Monday mornings, take all the yard sale signs down off the poles. Jerry will see that it is done.

24. A motion to go into executive session for personnel, under 122.22G1 was made at 7:40 p.m. by Madison, seconded by Teasdale, Atkins – yea, Boerio – yea, Johnson – yea, Madison – yea, Riley – yea, Teasdale – yea.
25. A motion to return from executive session was made at 7:54 p.m. by Teasdale, seconded by Madison, Atkins – yea, Boerio – yea, Johnson – yea, Madison – yea, Riley – yea, Teasdale – yea.
26. A motion to adjourn the meeting was made at 7:54 p.m. by Teasdale, seconded by Atkins, all yeas.


Sharon Louallen, Fiscal Officer


James D. Smith, Mayor