

The Council of the City of Centerville, County of Montgomery, State of Ohio, met on Monday, June 2, 2014, at about 7:30 P.M. in the Council Chambers of the Centerville Municipal Building. The Special Council Meeting was opened with an Invocation given by Mayor Mark Kingseed, who led the Pledge of Allegiance and also presided over the meeting. Council Members and City Staff were present as follows:

Deputy Mayor	Brooks Compton
Council Members	John Beals
	Paul Gresham
	Belinda Kenley
	John Palcher
	JoAnne Rau
Clerk of Council	Debra James
City Manager	Gregory Horn
Finance Director	Steven Hinshaw
City Planner	Andrew Rodney
City Engineer	Douglas Spitler
Assistant to the City Manager	Jennifer Wilder
Assistant to the City Manager	Kristen Gopman
Economic Development Administrator	Nathan Cahall
Municipal Attorney	Scott Liberman

Mrs. James announced the receipt of a request from Mr. Dan Wilson for an extension of time for the Subdivider's Agreement related to the construction of a cul-de-sac and other improvements for Centerville Climate Storage at 86A Compark Road. In response to a question from Mr. Beals, Mr. Rodney stated the weather and work on storage units had been factors in the need for more time. He noted that staff was in favor of extending the expiration of the approval to September 1, 2014, giving time for the City to complete the work before winter using funds from the letter of credit required for the project, if necessary. Mr. Beals made a motion to approve the extension of the Subdivider's Agreement until September 1, 2014. Mrs. Kenley seconded the motion. The motion passed with seven ayes.

Mayor Kingseed explained that the Consent Agenda contains routine procedural and administrative matters which Council had discussed in Work Sessions. Mr. Liberman made two comments related to the agenda. First, he pointed out that Council had removed Item "B" from the Consent Agenda which would have set the public hearing for a clean-up amendment with numerous updates for the Unified Development Ordinance. The item was listed on the printed agenda for the meeting, but will be considered at a later time. Secondly, he noted that the exhibits for the ordinance for construction manager at risk had been delivered only earlier in the day. He pointed out a change to "Exhibit B, Expected Costs". The total cost of the project needs to increase by \$75,000. Mr. Liberman also said "Exhibit D, Proposed Schedule" should not reference roadway improvements on Feedwire Road and Wilmington Pike. The references will be removed and not be made part of the record.

Mr. Compton made a motion to approve the following consent agenda item which Mrs. Rau had read into the record:

1. Ordinance 08-14, An Ordinance Authorizing And Directing The City Manager To Enter Into Construction Manager At Risk Agreement With Oberer Construction Managers, LTD., And Cornerstone Developers, LTD. For Construction Management Services, be set for Public Hearing June 16, 2014.

Mr. Kenley seconded the motion. The motion passed unanimously.

PUBLIC HEARING FOR ORDINANCE NUMBER 05-14: COMPENSATION FOR BELLBROOK-SUGARCREEK SCHOOLS WITH THE CORNERSTONE TIF

Mrs. Kenley stated that she had a conflict of interest in relationship to this ordinance and recused herself from the Council Chambers.

City Manager Greg Horn gave the staff report for Ordinance Number 05-14. He explained that Tax Increment Financing is an important development tool capturing new tax growth from increasing property values to finance public infrastructure such as needed for Cornerstone North, Cornerstone South, Feedwire Road, Wilmington Pike, and the interstate highway interchange. Conservative estimates place the future value of the Cornerstone parcels at \$124 million. The TIF would allow some of the increase in tax dollars to be used to retire debt incurred in building the required public infrastructure. By law, the City was required to negotiate with the Bellbrook-Sugarcreek Schools concerning the sharing of the increase in property taxes. The proposed agreement allows the schools to collect 100% of any new taxes due them on the residential quadrant of the property because it has the potential to increase school enrollment and to collect 60% of the increased property tax on the commercial areas. The agreement also would require the City to limit the number of residential units that could potentially be built to 300. Owner-occupied housing units in the buffer along Brown Road would be a separate number.

Late last week, the Bellbrook-Sugarcreek School Board passed a resolution agreeing with these terms and also passed a waiver of the requirement for 45 days of notice. By law, the Greene County Career Center follows form with the same arrangement as the Bellbrook-Sugarcreek Schools, even though it was not party to the negotiations. In co-operation, the Board of the Greene County Career Center also passed a resolution waiving the 45 day notification period, because of tight constraints on the developer.

Municipal Attorney Scott Liberman noted that this ordinance amends Sections 1 and 2 of Ordinance 7-13. Section 4 would authorize the city manager to execute the Tax Increment Financing agreement with the schools.

Mayor Kingseed opened and closed the public hearing. No one spoke for/or against the Ordinance.

Mr. Compton asked questions to clarify Tax Increment Financing for the public. Dr. Hinshaw, the finance director, agreed that funds distributed by the Greene County Auditor as part of this agreement would only affect the distribution of the increase in property tax collected because of the development of the parcels. Dr. Hinshaw stated he did not know whether Greene County would send the entire amount to Centerville to distribute appropriately to the schools or would divide and distribute the funds directly. By law, no TIF funds would go into the general

fund; two new TIF accounts were created in the 2014 budget—one for debt retirement and one for TIF capital improvements.

Mr. Compton pointed out that this 30 year TIF, on what was expected to be a \$124 million development, would have benchmarks to be met before additional funding, bonding or debt would occur. Dr. Hinshaw explained the project would be built and the debt would be incurred in phases. \$4.3-\$4.5 million of debt would be required for \$4 million in capital improvements for onsite infrastructure and offsite improvements on Feedwire Road and Wilmington Pike. Once the first phase was in place and functioning properly, the City could consider investing in the next phase. The City would be protected from becoming over-extended. Mr. Horn added that the phasing of the debt was outlined in the amendment to the development agreement, next on the agenda.

Mayor Kingseed commended staff and the Oberer group for months of hard work and noted the importance of the development to the community with jobs and services to be created for the community for years to come. Increased tax revenue would come for all the governmental entities involved.

Dr. Gresham made a motion for approval of Ordinance Number 05-14, An Ordinance Amending Ordinance 7-13, Which Originally Related To The Creation Of A Tax Increment Financing, To Provide For Compensation To The Bellbrook-Sugarcreek Local School District And The Greene County Vocational School District And The Execution Of A Related Tax Incentive Agreement. Mr. Compton seconded the motion. The motion passed 6-0.

Mrs. Kenley returned to the Council dais.

RESOLUTION NUMBER 23-14: SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH CORNERSTONE DEVELOPERS

Mr. Horn gave the staff report concerning the Second Amendment to the Development Agreement with Cornerstone Developers covering both Cornerstone North and Cornerstone South. The original Development Agreement was signed in November 2013 and the first amendment was signed in May 2014. The TIF Ordinance set financing for the project, while this resolution added specifics for the project and resolved contingencies of earlier approvals.

Mr. Liberman gave further details concerning the components of the second amendment. Mr. Liberman noted that the original agreement had five or six contingencies that needed to be resolved. One of the conditions was an agreement with the Bellbrook-Sugarcreek Schools on the funding split. A second condition was to have a Construction Manager at Risk Agreement approved and in place. This contingency would be addressed by Emergency Ordinance 07-14, next on the agenda. The amendment to the Development Agreement also would cover the funding gap and the funding figures based upon the incentive agreement. Two miscellaneous amendments covered 3rd party beneficiaries and 3rd party litigation. The contingency period for the Development Agreement would be extended to July 7, 2014.

Dr. Hinshaw and Mr. Horn explained the developer had agreed to cover the “gap” between the infrastructure costs of the project for Phase One and what the City could reasonably

hope to recover through the use of the TIF after paying the schools the amounts owed to them. That gap amount was set at \$2.5 million. The developer may file a request for Special Assessment Financing where assessments are levied on individual lots and paid by future owners over a period of years. These amounts would be collected by the Greene County Auditor and would be used strictly to pay the debt for the onsite infrastructure improvements—water lines, sewer lines or roadways. The City is the conduit for the process because it has the ability to hold the debt. As a safeguard, the City would hold the first lien position in case of default. The City has used this tool for Clyo Road improvements and subdivisions in the Yankee Trace Golf Community.

Mr. Compton made a motion for approval of Resolution Number 23-14, A Resolution Authorizing And Directing The City Manager To Enter Into The Second Amendment To The Development Agreement With Cornerstone Developers, Ltd. For Property Located In the City Of Centerville Consisting Of Approximately 228.5 Acres Located North And South Of I-675. Mr. Palcher seconded the motion. The motion passed unanimously, 7-0.

EMERGENCY ORDINANCE NUMBER 07-14: CONSTRUCTION MANAGER AT RISK AGREEMENT WITH OBERER CONSTRUCTION MANAGERS AND CORNERSTONE DEVELOPERS, LTD. FOR CORNERSTONE NORTH AND SOUTH

Mr. Horn explained Mr. Oberer's request for the use of a construction manager at risk for the Cornerstone North onsite infrastructure improvements because this extremely large project has a very strict timeline. The Costco building must be ready by November 1, 2014. Mr. Horn outlined the responsibilities of the construction manager at risk and of the City of Centerville for the onsite infrastructure improvements. The estimate for the onsite improvements is \$1.76 million; that amount would be paid to construction manager at risk, as the work is completed. Any overages would be the responsibility of the construction manager, Oberer Construction Managers, LTD/Cornerstone Developer's Ltd. Mr. Horn noted two changes to the costs listed in Exhibit D of the Agreement—the addition of \$50,000 for the installation of a temporary traffic signal on Wilmington Pike, if it is needed, and the addition of \$25,000 for maintaining traffic in the area plus initial mobilization for construction. He said that the precise amounts would be filled in on the bonding exhibit once actual bids for line items were known. The grand total will be used in determining the bond amount or letter of credit required from the developer to protect the City in the case of developer default. Mr. Horn noted, as staff reviews the exhibits, other minor changes might be required prior to the public hearing for the regular ordinance later in the month. Mr. Liberman suggested recognizing the changes to the exhibits in the motion. He also noted that the current legislation would be an emergency ordinance. The public hearing would be held later in the month when the regular ordinance is before Council.

When Mr. Beals asked who would bear the cost of overruns, Mr. Cahall stated that the developer would cover any costs over the \$1.76 million for onsite infrastructure improvements for Phase One. The \$75,000 was added to the cost of the project, so that the amount would be included in the bond or letter of credit that is required in case of default.

Following final questions from Council, Mr. Compton made a motion for approval of Ordinance Number 07-14, An Emergency Ordinance Authorizing And Directing The City Manager To Enter Into A Construction Manager At Risk Agreement With Oberer Construction

Managers, LTD., And Cornerstone Developers, LTD., For Construction Management Services, and moved for its approval with the modifications to the exhibits noted by Mr. Horn as recommended by Mr. Liberman. Mrs. Kenley seconded the motion. The motion passed unanimously, 7-0.

In Citizens Comments and concerns, Mr. George Oberer, Jr., Cornerstone Developers, thanked the Council and staff for supporting the project and the strict timeline. He promised to deliver a quality project.

Mr. Jack Wysong, 664 Legendary Way, asked for an explanation of the emergency ordinance process. Mr. Liberman explained, per the Centerville Charter, emergency ordinances take effect immediately and expire at the end of 75 days. A regular ordinance has a waiting period and is permanent. Passage of an emergency ordinance gives Council time to hold a public hearing and determine if the action should be permanent. There was also discussion of what would happen if the Council did not pass the regular ordinance following the public hearing on June 16, 2014. Mr. Liberman felt the agreement would be void at the end of 75 days.

Fire Chief Randy Pavlak of the Sugarcreek Fire Department expressed the need for adequate funding to support his department's ability to service the fire and EMS needs of the township. He stated Cornerstone constituted one third of the area his department covers. He also encouraged open lines of communication between the two entities. Mayor Kingseed assured Fire Chief Pavlak that the City of Centerville was aware of the situation and would be working with his department. He invited the Chief to attend meetings, contact Mr. Horn and engage in discussions.

Diane Wysong, 664 Legendary Way, asked why people in the annexed area were not served by Centerville Schools and Washington Township Fire and EMS crews. Mayor Kingseed stated that under the statute used for annexation, the area remains in Sugarcreek Township, even though it is governed by the City. Therefore, Sugarcreek Township must continue to provide those services. He stated that the schools possibly could come voluntarily to an agreement about jurisdiction, but no such interest had been expressed.

There being no further business, the meeting was adjourned. Council's next meeting will be June 16, 2014.

Approved: _____

Mayor

ATTEST: _____

Clerk of Council