

# CITY OF GROVE CITY, OHIO

## COUNCIL MINUTES

February 01, 2007

Finance Committee Meeting

The Finance Committee meeting of Council was called to order by President Lester, at 6:00 p.m. in the Council Conference Room, City Hall, 4035 Broadway. Roll was called and the following members were present:

*Larry Corbin*                      *Maria Klemack*                      *Rich Lester*                      *"Ike" Stage*                      *Ted Berry*

### **The Chair recognized Mr. Stage, Chairman of Finance.**

1. Mr. Stage began with his recollection of a timeline of events and the different total project costs so far. He said from Jan. 30, 2006 – Jan. 26, 2007 the price has gone from \$7.8 mills to \$12.5 mills to \$9.0 mills. He recalled an Administrative Meeting on 10/25/06 that he and President Lester attended where assessments were brought up as a way to help finance the project. It was decided then that there would be an assessment based on frontage and usage. Council subsequently passed a Resolution to begin the assessment process. He voiced his concern over the city's credibility on what this project is really going to cost in the end.

Prior to the meeting, Mr. Stage sent a Memo to the Mayor concerning the project. He thanked Ms. Reichard, City Admin., for the response.

2. Mr. Corbin commented that his review of the project leads him to believe that the problem is with land cost. It is much more expensive than the estimate. He said he thought that rights-of-way were going to be donated and asked what happened to that. Mr. Stage noted that there are some parcels being donated, but that is one of the reasons he wanted this meeting.
3. Ms. Reichard passed out a timeline and an informational memorandum on the project. She walked them through the timeline. She explained that the original estimated cost per acre was based on the sale of the property for Meijer, using \$130,000.00 per acre. Later in the year, other parcels were sold at a much higher rate. She also explained that property owners were asked to donate right-of-way, but nothing was ever cast in stone. In November, when the assessment resolution was passed, property owners became less likely to donate. *Mr. Stage* commented that five (5) property owners have indicated to him that they have never been contacted about donating property. He said he assumed someone was working on getting r-o-w since July, due to the OPWC schedule. *Mr. Keller*, Consulting Engineer, stated that documents didn't get put together until August and R.D. Zande wasn't hired and Franklin County didn't approve the legal descriptions until October.

Mr. Stage commented that at the 10/25 meeting everyone agreed to access, based on a certain formula. He just learned last week that we could have assessed more and included the land value. *Mr. Chuck Boso*, Dev. Dir., said there could have been more assesses, but it was felt that a portion of the project was for the good of the city as a whole. Mr. Corbin asked how much land was talked about being donated. President Lester said they didn't. They talked about how they were going to fund it. Mr. Boso said they discussed the method and formula for the assessment. Mr. Keller commented that in 2005, with the OPWC Application, they asked some of the property owners for support and to donate r-o-w. Some of them wrote letters of support for the OPWC App. and indicated that they would donate r-o-w.

Ms. Reichard then provided a financing schedule. Mr. Stage asked how much the city would pay. In review of the schedule, it was surmised that the worst case scenario would be \$12.8 mills. Mr. Boso stated that you really don't know what it will end up at, given the unknowns of the project – i.e. change orders, final land purchase costs. Mr. Behlen, Dir. of Finance, indicated that part of the land cost will be recaptured by the City with the new property valuations. Mr. Boso said it may cost the city \$0 in the end. It is just hard to answer with other revenue sources over the years in the area come in. Mr. Stage said if you took a snapshot of today, you could get some idea. It was decided that from the \$12.5 proposed total, you could deduct \$1.2 mills from OPWC; \$2.8 from assessments; and \$2.1 from property values, leaving a total of \$6.4 million.

Mr. Stage asked if someone from the City has contacted each property owner. Mr. Hughes, Service Director, said no. R.D. Zande has done that. Mr. Stage said he feels the city has some leverage in the reassessment that could be used to get donations. Ms. Reichard said they had a similar discussion this week, but the Zande point person is out of town. They need to have a meeting with him to form a team effort. She said she is willing to go out and talk to those property owners. However, there are many income tax dollars that are generated from some of the owners and she hates to jeopardize losing those businesses. Mr. Keller noted that the city is obtaining 100' of right-of-way and 20' of general easement for sidewalks, bike path & utilities. He said this would take care of the current 5 lanes and the future 7 lane expansion.

Mr. Berry asked if the utilities would be placed underground. Mr. Keller said no. That would increase the cost of the project and estimated that to be about \$2 – 3 million more. Mr. Berry asked that this be looked into further, as now would be the time to do it.

Discussion took place on how to lessen the burden of the cost of this project. One suggestion was to contact Jackson Township and negotiate not paying them for their right-of-way and easements.

Discussion over the Ohio Public Works funding and how that funding could be lost took place.

Ms. Reichard stated that she would keep Council updated on the progress of this project at every Caucus.

Council expressed their appreciation for this review meeting.

Council adjourned at 7:21 p.m.

---

Tami K. Kelly, MMC  
Clerk of Council

---

Richard L. "Ike" Stage  
Finance Chair