

COUNCIL MINUTES

March 10, 2014

St. Clairsville City Council met at in Special Session in Council Chambers on Monday, March 10, 2014 with the following present:

Terry Pugh, Council President

John Bukmir, Council, 3rd Ward

Libby Heintzleman, Council-At-Large

Perry Jones, Council-At-Large

Frank Sabatino, Council, 2nd Ward

Jim Weisgerber, Council-At-Large

Dennis Bigler, Service Director

Cindi Henry, Finance Director

Tom Murphy, Planning & Zoning Administrator

Kevin Barr, Recreation Director

The meeting was called to order by Council President Terry Pugh

Libby Heintzleman: Read a statement requesting that this meeting not be held in Executive Session citing the public's need to know about the St. Clair Commons Project. **Dennis Bigler:** Requested the meeting be in Executive Session to protect the confidentiality of the developer's financial plan as is provided for in the State code.

A motion was made by Jim Weisgerber and seconded by Perry Jones to meet in Executive Session per Ohio Revised Code Section 121.22 (G) (8) to consider business strategy and financial issues related to economic development.

Roll Call Vote:

Bukmir Yes

Heintzleman No

Jones Yes

Roll Call Vote Three (3) Yes

Sabatino No

Weisgerber Yes

Two (2) No

Motion Approved

After some discussion and on the advice of Attorney Greg Daniels it was determined that a unanimous vote is necessary to go into Executive Session.

Dennis Bigler: For that project like you are saying that Planning & Zoning was not done because there were no end users at that time. There was a game plan and a number of people we were talking to. Because we had to go over to the Courthouse for an annexation hearing with the Commissioners that was all public, it was front page news it was television. Then it was why did these guys promise all of this and nothing ever happened. What you are trying to do is protect the interests of the applicant of possible investment or expenditure of public funds to make a connection with economic development project. That is one section of that 121.22 (G) (8) it is also the stated purpose of the law is to consider confidential information related to the marketing plan and the specific business strategy. That is really what we are about, production techniques, trade secrets for personal financial statements of an applicant for economic development assistance. Or to negotiations with other political subdivisions requests for economic development assistance. After they are done what I want them to do is talk to our Attorney. This is just pure strategy. That is my call and I don't think Al Davies would want to do that. I don't want the people who are opposed to this project and there are some out there to be in conversation about strategy. **Melanie Wollenberg:** I do have concern that we would be out ahead of Planning & Zoning. Because we fully intend to make this project public once we have submitted for Planning & Zoning approval. I think at that point everything is on the record and you all have had a chance to understand the project and if it gets in the press before there is understanding at your level it can sometimes get skewed and out of context and things can be misinterpreted. So if anyone checks my personal history I have done about 50 zonings in my time and it is always a very transparent public process. The first thing we do is we have a community meeting and we invite all stake holders, anybody who wants to come and we lay out the project and we invite questions. So we have no intention to exclude anybody from this process. We would like to have this discussion in private today. So I would ask you to reconsider your motion and allow us to have this discussion with a promise from me that we will be opening this up to the community as we get to the next step. **Libby Heintzleman:** I can only speak for myself; I was one of the no's. I understand confidentiality and you spoke about that earlier. For me as a Councilperson I don't want to talk about the project I want to talk about funding of the project. I want to know what do the Citizens of St. Clairsville, what is projected for them for the next ten years, fifty years whatever. This is supposed to be health and wellness but it does not happen if we don't do the TIF funding is that correct? **Melanie Wollenberg:**

That is correct. **Libby Heintzelman:** So I think it needs to be apparent to the Citizens of St. Clairsville of what is coming down the road for them. **Melanie Wollenberg:** Libby I totally understand that and I am with you I think this needs to be a very transparent process. Practicalities would suggest that we discuss it first with you guys and then as we submit to Planning & Zoning so they don't feel like they have been ambushed that we do this in the right order and to me the right order is you guys get to hear this complicated process and discuss it and we go public at the next step when we file for Planning & Zoning. So that would be the thing that I would ask you to consider because you are not withholding anything from your Citizens from my view but I don't sit in your chair. Dave Meeks does sit in your chair. He is not a Councilman but he is a City Economic Developer for Hilliard. Maybe he can speak to this as well but I can tell you there is a right time and a right place to do this and it will get misunderstood if it is just somebody reading about it in the newspaper. **Libby Heintzelman:** I know we already talked about that. **Melanie Wollenberg:** So I would request again that we take a motion and allow this to be in executive session. **Libby Heintzelman:** I understood what you said when we had our pre meeting. The property taxes do not change whatsoever. It has to do with what is built on that property how we would get the tax money from it correct? **David Meeks:** Yes how you would redirect the new property taxes from the new development. **Libby Heintzelman:** From what I have heard I have heard you say the possibility of development coming and I am not willing to gamble with the Citizens of St. Clairsville not getting any of that tax money back because we need that tax money terribly because the City is rocking right on the financial brink. I know you need to put money in to make money but if I don't know for 100% sure that everything is coming I just can't impose this. **Melanie Wollenberg:** 94 acre projects don't happen all at one time. What I can tell you today is committed is the Wellness Center, the Motel and the Senior Housing is very close to coming. The balance of it we are not going to ask you to get ahead of the balance. We are not going to ask you to gamble on what is coming. **Libby Heintzelman:** Why do we have to even talk about this TIF financing if we are not trying to get ahead. **Melanie Wollenberg:** It is based on what is here today which is the Wellness, the Hotel and the Senior Housing and I think we are getting tripped up a little bit in semantics. **Libby Heintzelman:** The TIF is like a bond right? **David Meeks:** No the TIF can be used to fund bonds. In simplest terms it is just redirecting the new property tax revenues to create a revenue stream to pay bonds or other financing. **Libby Heintzelman:** Ms Henry what is our credit rating like, are we maxed out pretty much with a lot of debt that the City has. **Cindi Henry:** I don't know. I know we have a various purpose bond that is over \$6 million. We have a commercial loan. We have some other bonds beside that. **Melanie Wollenberg:** We really aren't talking about bonds. **Greg Daniels:** You have prepared a presentation for today I don't know how much of the material in that presentation you would consider to be confidential but there might be some general information that we could go over in a public session to bring people up to speed on a TIF. **David Meeks:** What I have is very general there is nothing proprietary per say to the project. It is to get a general understanding what Tax Increment Financing (TIF) is. **Melanie Wollenberg:** There might be a couple of slides that we hold back. **Greg Daniels:** We could do that if Council would want in a public session. I think one of the things that Dennis was speaking to is his plan after the presentation to have a conversation with me as the City's Legal Council and even beyond what is going on with this I would just offer for Council that there might be some legal advice type questions that to preserve Attorney – Client privilege and confidentiality you would not want to do that necessarily in a public meeting. It is ok if you want to do it in a public meeting, it is ok if you would rather do it in a different context that still maintains privilege but to the extent you get into any of those questions at a public meeting you erode your own privilege that you will maintain with Attorney – Client privilege. So that is just something to consider any time you are asking an Attorney questions of that nature. **Libby Heintzelman:** Who are you? **Greg Daniels:** My name is Greg Daniels, I am with Squires Sanders. **Libby Heintzelman:** And you are our Attorney not Mr. Davies? **Greg Daniels:** Mr. Davies is the City Attorney but I have been called upon to provide some specific advice to Tax Increment Financing and a couple of other things. **Dennis Bigler:** Al does not do Tax Increment financing Greg is here in concert with Al. Al is very aware. Al was supposed to be here today but he is held up in Court in Harrison County. Greg works for the City he does not work for Equity. **Libby Heintzelman:** I understand confidentiality, I am not trying to be difficult but if people ask me why did you do this I want to be able to forthright tell them exactly why I voted for it and I don't want to be stuck in a confidentiality clause. **Melanie Wollenberg:** You are not going to be asked to vote, just to be clear. **Libby Heintzelman:** This whole meeting I want to be able to discuss it, if I can't then I don't want to be in Executive Session. **Melanie Wollenberg:** Certainly we would never suggest that there would be a vote by this body without a public hearing. **Libby Heintzelman:** I wasn't indicating that. It is just that people

ask me about this project I want to be able to talk about it freely and these are the benefits that the City and the whole County will get from it. This is on the other hand what we have to do to get these benefits. I am as transparent as what you see is what you get and that is what I pride myself on and that is what I want to be able to do. **Melanie Wollenberg:** I share that value with you personally and as a company. I don't feel like any of you have enough information at this point to have a conversation with a Citizen. That is the purpose of this meeting to walk you through this and understand it with your legal counsel present. So I think you might accidentally mislead somebody if you are not totally understanding it yourself which is why we try to do this in steps. **Libby Heintzelman:** But if it all hinges on this TIF and that is what we are here for to learn about it, not necessarily development, the development will come. We need that TIF, we need that in place. I want to be able to talk to the citizens about the TIF and if we are in executive session I cannot. **Melanie Wollenberg:** You can in a week or two. **Libby Heintzelman:** I don't want to have to wait, that is the thing. Because people ask me. **Terry Pugh:** Libby I understand what you are saying but at the same time Frank, John & Jim have not had any information concerning the TIF and we all sat in a meeting today. **Libby Heintzelman:** I am a little ahead of everybody. **Terry Pugh:** I am all about transparency and Melanie and I had a big discussion about that, but I think it would only be fair to vote for a closed session now and listen to the presentation because the vote is going to be way down the road from here. **Melanie Wollenberg:** When we are all ready, we are ready now or could be in a week or two. **Libby Heintzelman:** I apologize. **Terry Pugh:** I think it would be worthwhile to hear what the TIF is because Dave is a good teacher, I had no idea and I will say I still don't understand it 100% but I sure do have a better idea than when I walked in this morning. **Frank Sabatino:** I would just like to explain what my position is, we tragically lost our Fire Chief back in December and since then the Fire Board on which I represent the City has had several executive meetings and we have been told by the rank and file down there that you guys are working behind our back you are not telling us anything. So we hear the same thing about the City you do things but when it hits the fan then you tell John Q. Public. That is where I am coming from. I am always under the premise that the right should know what the left is doing. That is one of my principals of life. I don't try to hide anything. But I kind of agreed because it is starting to get out there, rumors are flying I told Mr. Bigler on the Council floor about an issue, I said when there are no answers there is mistrust. I think it is important to get this off to a great start have the citizens embrace this which I feel they will. I am in no way not embracing this project; I am all for this project but in the same line when someone asks me. Something happened on my street years ago and a guy said to me, I will never forget it. He said Frank what is that going on down the street and I said I don't know and he said either you are stupid or you are lying. I know a public official it goes with the territory. Sometimes we can't even go to Riesbecks or Kroger or uptown without them pulling us aside so that is why I agree with Libby I always like to be open about items and this is big, this is huge, this is monumental. **Melanie Wollenberg:** My fear is that misinformation will get out which only harms this project and what we are all trying to accomplish here. So I would again ask for another motion that you go into executive session to hear this. If you want to make part of this public I am fine with that of the educational piece of it. Even that can be misconstrued by someone and by the press. Libby and I just had this conversation about the press that we have an independent press that prints what they want to print whatever city you are in. It happens in Columbus and I want the facts to get out. We will bring the facts forward when we have included everybody who needs to be included in this process. We are not quite there. **Frank Sabatino:** At Council's invite would you consider a public hearing for the Citizens? **Melanie Wollenberg:** Absolutely we would. **Frank Sabatino:** Instead of getting lost in translation from Council to the public it would come straight from Melanie or Dave. **Melanie Wollenberg:** Absolutely, that would be our plan to do that. **Frank Sabatino:** It would be great if we have the attendance but if not at least we gave them a chance. I would rather they hear it from you guys so it doesn't get watered down or the transparency get lost. **Melanie Wollenberg:** I would have a special meeting, if not in Council Chambers I would have a Community Meeting where people could come and we would find a place for everybody to come and hear about the project about the TIF about everything. Now I would like as we come to Council in a public forum I would like Tom's opinion as to how we would include Planning & Zoning so they don't feel unimportant in this process. **Terry Pugh:** There is a public forum for that. **Tom Murphy:** There will be the public meetings for the subdivision plat and for the preliminary plan. If there is a separate meeting for the Community you can invite the Planning Commission. **Melanie Wollenberg:** I just don't like reading it in the paper when we have not even submitted it yet. **Tom Murphy:** It is best to keep things back to give everyone a full understanding of everything prior to all of that especially Council. **Melanie Wollenberg:** I will do it however you guys want to do it. **Terry Pugh:** Can we have a second vote? **Jim**

Weisgerber: I think we should do this. This is not hiding anything from anyone; this is just giving us information to make the decision of if we want to do this. This in my mind is not information that really needs to be shared with the community at this point. I make a motion that we go into executive session per Ohio Revised Code Section 121.22 (G) (8) to consider business strategy and financial issues relating to economic development. Perry Jones seconded the motion

Libby Heintzelman: Mr. President why is Mr. Barr here if it is executive session? **Terry Pugh:** I don't know I didn't invite Kevin. **Dennis Bigler:** I asked Kevin because part of what we are working on here is the wellness aspect of this and I think that intermeshes a lot with our Recreation Department. I told him that I wished that he would start coming to some of these to kind of get up to speed to what is coming. **Kevin Barr:** I have no problems if you want me to leave. **Terry Pugh:** Maybe you ought to considering this is finance and I think Council might feel better. Thank you Kevin.

Roll Call Vote:

Bukmir	Yes		
Heintzelman	Yes	Sabatino	Yes
Jones	Yes	Weisgerber	Yes
Roll Call Vote	Five (5) Yes	Zero (0) No	Motion Approved

A motion was made by Perry Jones and seconded by Libby Heintzelman to return to regular session.

Roll Call Vote:

Bukmir	Yes	Trouten	Yes
Heintzelman	Yes	Sabatino	Yes
		Weisgerber	Yes
Roll Call Vote	Five (5) Yes	Zero (0) No	Motion Approved

There being no further business to come before Council a motion to adjourn was made by Perry Jones and seconded by John Bukmir.

Kathleen M. Kaluger, Council Clerk

Terry Pugh, Council President