

## Service Committee Minutes

Honorable Council  
City of Newark, Ohio  
June 4, 2024

The Service Committee met in Council Chambers on June 3, 2024, following the Finance Committee with these members in attendance:

Jeff Rath - Chair  
Dustin Neely – Vice Chair  
Bill Cost Jr.  
Beth Bline  
Bradley Chute

### We wish to report:

1. **Ordinance No. 24-21** AN ORDINANCE APPROVING THE AMENDMENT OF THE PETITION TO CREATE THE NEWARK DOWNTOWN NEW COMMUNITY AUTHORITY; DETERMINING THAT THE ESTABLISHMENT OF THE NEWARK DOWNTOWN NEW COMMUNITY AUTHORITY WILL BE CONDUCIVE TO THE PUBLIC SAFETY, CONVENIENCE, AND WELFARE AND IS INTENDED TO RESULT IN THE DEVELOPMENT OF A NEW COMMUNITY; DECLARING THE NEW COMMUNITY AUTHORITY TO BE ORGANIZED AND A BODY POLITIC AND CORPORATE; DEFINING THE BOUNDARY OF THE NEW COMMUNITY DISTRICT; PROVIDING THE METHOD OF SELECTING THE NEW COMMUNITY AUTHORITY'S BOARD OF TRUSTEES; FIXING THE SURETY FOR THOSE TRUSTEES' BONDS; APPOINTING THE INITIAL CITIZEN MEMBERS AND LOCAL GOVERNMENT REPRESENTATIVES TO THE BOARD OF TRUSTEES; AUTHORIZING RELATED MATTERS; AND DECLARING AN EMERGENCY.

**Director Mauter** – Thank you, Mr. Chairman. It really boils down to three things. First, we're approving and amending the amended petition that had already gone through. It is amended because the first time the petition came before you, it only included the piece of land that the city owned right here at the corner of 4<sup>th</sup> and Main parking. Since then, Newark Development Partners was given the authority to also transfer properties to Newark, and those properties are the two properties down on 4<sup>th</sup> St. where the parking garage will be built. Those two properties will go through a lot combination to create one lot where the parking garage can be built. The other piece of property is down a block at the corner of Church and 4<sup>th</sup>. There's a parking lot on that corner that is not in the petition, but that little piece of grass area between the parking lot and a blue painted front building that is being brought in. So, that is why it is being amended. Those three properties are now being brought in. That's part one of this. Part two is really just the establishment of the New Community Authority. Brought everything together. We've had resolution of sufficiency. The petition was sufficient to go forward to create the New Community Authority. That's the second part. The third part really is to provide all the organization that is required to create (inaudible). Things like appointing board members for example. If you had a chance to look at your packet, the last page under exhibit E, it lists the appointed members who will

be on the New Community Authority board. There are three members that are appointed by the developer. The developer in this case is the city of Newark, and that's myself, Director Hickman, and Director Rhodes. The three members appointed by the developer in the city. Then there's three appointed members by the Newark City Council, and that's Kori Caughenbaugh, Brandon Hess, and Dan DeLawder. The seventh member of the New Community Authority board is a government representative, and that's Fred Ernest. That completes the seven-member board of the New Community Authority. Those are the three main portions of what was contained in this preamble, and what is contained in the resolution. I hope I simplified that enough. I certainly welcome any questions.

**Mr. Rath** – So, if we acquire property in the future, we'll have to create another?

**Director Mauter** – There is a process, yes, for adding additional properties. It's all laid out and defined how that is done. How the New Community Authority can go about the process to add additional properties.

**Mr. Cost** – When I have a citizen ask me why we're doing this, what is the single biggest advantage of doing what we're doing, what is the best answer?

**Director Mauter** – John would you come up here?

**John Bliss, 100 S. Third St., Columbus** – The point of New Community Authorities is a powerful economic development tool. Since you guys in the city have a 394 CRA, anyone who contracts into those properties has the right to those exemptions if they qualify for certain improvements. One of the powers of the New Community Authority is we can do the property owner will agree to enter into 394 (inaudible) so that gives a revenue stream for that particular parcel that already has the abatements to help with the economic development. The developer of the city also has the ability to say there's going to be a hotel or parking garage. You can put different types of sales tax, revenue on those different parcels. It's just a powerful tool. As a city, as a developer, you guys are the statutory developer, you have the unique, you get to direct all these new development tools.

**Mr. Marmie** – The way I see it is exactly how he said it but in my terms that I can understand, is that whenever somebody wants to bring their business into the community, and the downtown, the NCA, they can get some advantages because they are moving into the NCA. The city also gets benefits because we can move that money and have different fees and things like that that will stimulate that area even more or provide enhancements to that area. So, it's a real win-win situation for the developer and for the city to be able to stimulate economic development like you said. There's no real downfall. It isn't like where the tiffs and things like that where we're dependent upon things. It's things that are set up right up front and it's really, really beneficial for our economy. We can't go back and change the old ones because you can only add to them so many times, and also, it can only be so large. Therefore, this takes its place.

**Director Mauter** – The NCA can dovetail or work with the CRA and that's what we're doing actually at Steve Layman's project. We're using the NCA to redirect CRA tax abatement funds into the NCA back to the developer, so the developer plays the development fees, and that way we didn't have to come before city council to do a TIF to pay for public improvements. Roadways, water, sewer, etc. Mr. Marmie was correct. The CRA is involved. This downtown area is in a CRA which allows for up to 100% tax abatements for 15 years on new construction. I'm glad you're asking questions. This is complicated stuff. That's why I asked the attorney to give his overview. An NCA is not as easy to define as a CRA. CRA is very easy. It evades taxes for X number of years. The NCA is a much more powerful tool, and

it can work in conjunction with, and has much broader properties, and it's really a very powerful economic development tool for us and should serve us very well for the downtown area.

**Motion to send to full Council by Mr. Chute, Second by Mr. Cost, Motion passed 5-0.**

Meeting stands adjourned

Jeff Rath -Chair