

# Canal Winchester

*Town Hall  
10 North High Street  
Canal Winchester, OH 43110*



## Meeting Minutes - FINAL

June 19, 2023

5:30 PM

### PUBLIC HEARING

### City Council

*Chuck Milliken - President*

*Bob Clark - Vice President*

*Laurie Amick*

*Jill Amos*

*Steve Buskirk*

*Patrick Shea*

*Mike Walker*

- A. **Call To Order** *Milliken called the meeting to order at 5:30 p.m.*
- B. **Roll Call** *Present 7 – Amick, Amos, Buskirk, Clark, Milliken, Shea, Walker*
- C. **Purpose of Public Hearing**

**RES-23-023** A RESOLUTION APPROVING THE CONTRACT FOR CREATION AND OPERATION OF A JOINT ECONOMIC DEVELOPMENT DISTRICT WITH VIOLET TOWNSHIP

**Discussion started at 2:43 on YouTube Channel**

*Boggs – The purpose of this public hearing is to fulfill a statutory requirement for the creation of the joint economic development district. This council has been in discussions and consideration for some time with the creation of this JEDD with Violet Township on the east side of Canal Winchester and Violet Township. By statute, the city was required to keep copies of the petitions to create the district as well as the draft contract on file with the city clerk’s office for a period of 30 days leading up to this hearing. It has occurred. This hearing is a statutory requirement, and once it is completed, that resolution is on your council's agenda this evening for consideration and a vote on adoption. I’m happy to answer any questions that any of you may have at this time. For purposes of our record, it does not appear that we have any members of the public here to speak on this matter.*

*Clark – During those 30 days, was there anyone who commented on this?*

*Boggs – None, to my knowledge. It was on file with the clerk’s office, so I would defer to anyone else if they knew of any.*

*Amos – For those who aren’t here or who go back and read the minutes, can you do a quick synopsis of what a JEDD is so people understand it?*

*Boggs – Certainly. A JEDD stands for Joint Economic Development District, and it is a legal entity that can be created by agreement between a municipality, such as the City of Canal Winchester, and a township, such as in our case, Violet Township. The JEDD itself is a statutory device used for economic development purposes; one of the prerequisites for entering into the JEDD is a contract between the municipality and the township that has to include an economic development plan. One of the tools that the JEDD has to fund its plan is to levy an income tax on businesses, employees, and the boundaries of the district. In the case of the contract that’s before you this evening, income tax would be levied at the rate of 2%, which is equal to Canal Winchester’s income tax. The proceeds of that would be divided between the township and the city.*

*Shea – If we were as a municipality to change the tax rate up or down, would that carry over to the JEDD?*

*Boggs – Not automatically. By statute, the JEDD can only levy a tax that is as high as the highest rate levied by a member municipality. If the City of Canal Winchester were to increase it to two and a quarter, then the JEDD board would have to adopt its own resolution to go up to two and a quarter, and likewise, if it were to go down, then by operation of law, let’s say it was one and three quarters, the JEDD would not be able to collect two percent anymore; they’d have to go down to one and three quarters.*

*Amick – What happens to this JEDD agreement if the City of Pickerington or the City of Canal Winchester annex that property? Is it possible that we could ever annex that property into either the City of*

*Pickerington or the City of Canal Winchester? Is that even a possibility, and if so, what happens to this agreement?*

*Boggs – During the period that property is within a JEDD, it cannot be annexed by the City of Canal Winchester. It would not stop a non-contracting municipality such as the City of Pickerington from accepting an annexation, but ultimately that is all in the hands of the property owners. The property owners have to petition for that, and annexing to a third-party city would not necessarily remove that property from the JEDD.*

*Shea – But that’s not for sure.*

*Boggs – It would remain within the JEDD until that contract was amended, so perhaps that contract would be amended. It’d be a good reason for the possibility of having a JEDD income tax plus annexing city income tax on top, which is a good reason for the property owner not to petition to go into another city.*

*Amos – Correct me if I’m wrong, but Reynoldsburg and Pickerington both made offers on this JEDD as well.*

*Boggs – I don’t know the details of any conversations that the township would have had with those other municipalities. Pickerington has a lower income tax, so that makes a substantial difference in the revenue potential.*

*Amos – Violet Township approved this at their last meeting, correct?*

*Boggs – That is correct.*

*Shea – Amanda’s not here tonight, but maybe one of you will know this: this agreement says it’s a 3% cost to do it, but I thought I heard Amanda say at a meeting one time that RITA charged us less because it cost them less to process our returns. Am I on the right track with that?*

*Buskirk – She did mention that in a recent meeting.*

*Shea – Are any of you familiar with that? Is it like a cost-sharing agreement where if they don’t go over the 3%, they kick money back to us, or how does that work?*

*Boggs – I am not closely familiar with the arrangement that the city has with RITA at this time.*

*Buskirk – I think her comment was that they collect the full tax for what they would charge us to do that, and then once they come up with a firm figure, they will reimburse us for anything that is the difference between the two.*

*Haire – I know Amanda mentioned that she had reached out to RITA in regards to this JEDD but hadn’t heard back from her last week.*

*Amick – Do we have any concept at this point of what that 10% might be the equivalent of?*

*Haire – The agreement that DHL made with the county is that their payroll would be no less than \$2 million*

*annually. It's really going to depend on which tenant goes in there. It's being built as a speculative DHL project, so DHL doesn't have a client that they're going to host there at this point in time. It really just depends on the client that they get to locate in that building they're providing services for and how many jobs will be associated with it, but it'll be no less than \$2 million in payroll.*

*Shea – What do you think it'll really come out to be?*

*Haire – I can't venture to guess who they're going to serve in that building. They serve a client here in Canal Winchester, and they have a very significant payroll of more than \$12 million in that facility.*

*Shea – And it's a much smaller building, isn't it?*

*Haire – It's a smaller building than this.*

*Shea – And DHL is building this themselves, correct?*

*Haire – Yes.*

*Amick – What do you mean they're building it themselves? I know Exel is the developer.*

*Haire – Exel is the parent company of DHL.*

*Amick – This feels like an obvious win for us. I guess, my peers on council, do you see a drawback to this agreement in any way, shape, or form?*

*Amos – Based on conversations, we're not doing anything other than collecting taxes, but we're not providing roads or anything along that line.*

*Amick – That's why I'm asking the question because, in my mind, it's like 10%, without any contribution from the City of Canal Winchester. I don't want to say it's easy revenue, but it is easy revenue. It's almost so obvious to me; what am I not thinking about that might be a counterargument to signing the agreement?*

*Clark – Where we are right now, at this point in time, there are no negatives. There was a big negative when we lost a big opportunity on this project. We were told these buildings were going to be built in Violet Township by Violet Township Trustees at several different meetings. We had an opportunity from the property owner that came to our city and wanted to annex this land into Canal Winchester, and we said no, we don't think we want that because the political wins aren't in favor of these buildings. That's where I think we lost our way and cost ourselves millions and millions of dollars over the next five, ten, or fifteen years. We are where we are, though, and it's sad. I just hope we learn from this that in economic development, you have to be fast on your feet and have land available, or they're going to go to the path of least resistance, which this one did. I know I sound like a broken record on that, and I don't mean to be a Debbie Downer, but it is what it is.*

#### **D. Staff Report**

#### **E. Public Comments - Five Minute Limit Per Person**

**F. Council Discussion and Recommendation**

**G. Adjournment @ 5:45 p.m.**

*A motion was made by Shea, seconded by Clark to adjourn. The motion carried with the following vote:  
Yes 7 – Shea, Clark, Milliken, Walker, Amick, Amos, Buskirk*