

MINUTES FROM SPECIAL COUNCIL MEETING
CITY OF NORTH CANTON
MONDAY, APRIL 18, 2016

1. Call to Order

COUNCIL PRESIDENT PETERS: I'd like to call to order the Special Council Meeting Monday, April 18, 2016 at 7:00pm.

2. Roll Call

COUNCIL PRESIDENT PETERS: Clerk, please call the roll?

Roll call found the following council members in attendance: Cerreta, Foltz, Fonte, Griffith, Kiesling, Peters and Werren. Thus having 7 in attendance.

COUNCIL PRESIDENT PETERS: Thank you very much. First up is Mr. Duffy from Walsh College or Walsh University, my apologies, and his students, chemistry students. Welcome.

3. Walsh University chemistry students discuss their storm water testing project.

COUNCIL PRESIDENT PETERS: Alright, at this time we have recognition of visitors, just a quick reminder, each speaker has 5 minutes, at the end of 5 minutes if you haven't finished we'll ask you to take your seat please. There will be no back and forth between the speaker and council. If you want to discuss or emphasize your point further, you may wait around till after the meeting to talk with us individually. So with that being said at this time, if you wish to speak to council please step forward state your name and address.

4. Recognition of Visitors

CHUCK OSBORNE: 307 Fairview Street SE, North Canton, Ohio. The number of tax abatements to businesses that have been approved by North Canton City Council over the years, but that ultimately were found to be unworkable resulted in no abatement of taxes, yet led to relocation or expansion in North Canton should be a cause for concern. Members of city council should be asking themselves were these abatements really necessary. The often repeated argument in support of the abatement of taxes each and every time a request is made, is that business would relocate or expand elsewhere if the abatement were not provided. A memorable quote made by Mona Lisa Vito in the movie My Cousin Vinnie, seems appropriate here when she says "well that plan's mute". Arguing that a business will relocate or expand elsewhere if a tax abatement is not given is unfounded. Another words, the argument is mute. Specific abatements authorized by city council that approved unworkable and yet the business of relocating or expanded in North Canton are the following, in 2006, the legislation was before city council for an abatement of taxes for Dr. Sugleo. Despite the fact that I made council aware of issues regarding this abatement, council nonetheless approved the abatement only to pass additional legislation a month later rescinding the abatement. Dr. Sugleo continued his investment on Main Street without an abatement of property taxes and later opened up his gourmet coffee shop. In 2007, there were discussions to approve an abatement of taxes for the construction of a Sherwin Williams paint store on Applegate. When I asked why a \$28 billion dollar a year needed a tax abatement, this abatement was squashed before legislation ever came up for a vote. As we all know, there is a Sherwin Williams store on Applegate today. And amazingly it did not require the loss of scarce tax dollars needed by the North Canton City Schools, the North Canton City Library, the Stark County Park District, or the City of North Canton. In 2009, following of approval of a liquor option by voters the Fred W. Albright Grocery Company announced that they were embarking on an expansion of the store's liquor department, as well as a remodel of the entire ACME Fresh Market store on North Main Street. Amazingly, after they announced expansion, North Canton's Director of Economic Development Eric Bowles contacted ACME Fresh Market and offered a tax abatement. Why? And more astonishing this council body approved the abatement with passage of Ordinance No. 33 – 2009. Again, I ask why? The ACME Fresh Market store had been an anchored store for 20 years in North Canton. And their announcement to expand and remodel indicated their intention to remain in the city. This is was not a prudent decision on the part of Mr. Bowles at that time. The recommendation from Mr. Bowles at council should now expand the City's CRA program is equally ill advised. In my recent conversations the Stark County Auditor's office I have learned that the Fred W. Albright Grocery Company never actually received any abatement of property taxes as the store improvements never raised the appraised value of the property. Yet, the business has remained in North Canton. In 2011, City Council gave an industrial and commercial occupancy grant to Ben Suarez for what was called Project Omega under Ordinance 53 – 2011. The Suarez Corporation never met any of the requirements to qualify for any rebate of taxes. In 2012, City Council approved an industrial commercial retention grant for Crowl, Montgomery and Clark with the passage of Ordinance 68 – 2012. This is a digital marketing firm that had operated out of the office space on North Main Street for 2 decades and decide to relocate its office to an old Victorian house on South Main Street. I am not sure how a digital marketing company fits your requirements of an industrial and commercial grant. And that may be way the business never executed a grant agreement. Crowl, Montgomery and Clark ultimately never received any tax dollars, yet they remained in North Canton. There is no one who could say that North Canton City Council doesn't try hard to give away tax dollars needed by the North Canton City Schools, the library, the Stark County Park District, or just the City of North Canton. The past history of failed abatement seems to underscore that the abatements were not critical to the businesses as they are part of our community despite not receiving the abatement. A summary of the Ohio Community Reinvestment Area Program states and I quote "while a CRA program was created to promote the revitalization of areas where investments has been discourage". Creation of a CRA in the city is not

needed and declaring that area of North Canton discourages investment is wholly untrue. Banks are still lending to credit worthy applicants who want to build or refurbish structures throughout the City of North Canton. In the future, voters will find it difficult to approve levies, schools or not knowing...

COUNCIL PRESIDENT PETERS: Thank you, Mr. Osborne, your time is up. Thank you, Mr. Osborne, your time is.

(Mr. Osborne continued to speak past the 5 minute limit)

COUNCIL PRESIDENT PETERS: Yeah, Mr. Osborne.

MIRIAM BAUGHMAN: 320 Weber Avenue. Tonight, I would like to speak on the CRA. This is information on the impact of certain components of the proposed CRA on our schools. Our schools are the heartbeat of North Canton. Our schools drive the North Canton real estate market. Our schools need every tax dollar they can get. CRA is needed in North Canton for older homes and isolated lots for new constructions to enhance older neighborhoods. Please turn to page 2, in the second paragraph the proposed legislation specifies that the CRA is created as an incentive for new residential and commercial and for rehabilitation. Refer to page 3, this is a real estate bill for the apartments on North Main Street that are currently in a CRA. The tax bill on the bottom of the page is tax on the land, and you will see that the tax on the land per half is \$4,529. Of that the schools get \$3,262 a half. The top of the page is the, what would be the taxes on the building. And of course, they're abated so they, there is no bill. The schools, the tax would have been \$68,186 for the year. The loss to the schools is \$47,048 per year. And the loss over a 15 year period is \$705,720. I have been told that the schools will still get tax for the CRA properties. However, approximately \$6,525 versus approximately \$47,048 per year for schools is no comparison. In fact, it's a joke. Please refer to page 4, page 4 is the artist rendering of the new assisted living on Applegrove. I can't imagine the value of this complex. And the loss of the tax revenue to the schools. This complex is already partially built, so is an incentive needed or is this a gift to the developer? Please refer to page 5, this is a tax bill of an existing \$200,000 home, as you see the taxes for the half are \$3,516. The schools get \$1,046 of this a half. If you allow a tax for Summit Place, a new mini allotment and homes are in the \$200,000 range. Seven homes could be a loss of approximately \$7,322 per year and for 15 years an approximate loss of \$109,000. Does Summit Place need an incentive? I understand 2 of the 7 lots are promised without any advertising. The neighborhood is not declining. Would the CRA be an incentive or a gift to the developer? Please limit CRAs to properties and neighborhoods that need updated. And limit CRAs to those who need incentives to either refurbish or to build. Do not give out gifts. When you get ready for bed tonight and are brushing your teeth and looking at yourself in the mirror, ask yourself if tonight you did your best for residents of North Canton and the schools. Or did you do your best for the developers. Thank you.

MELANIE J ROLL: 308 Portage St. North Canton. Today is tax day. Many of you paid your income tax to federal, state and city, or you didn't either where you work or you live or a combination. Some say taxes are a good thing, and others try very hard not to pay any or little. My topic is taxes and ethics, and it's about the CRA. I would guess most seniors in the city are not paying income taxes. They did when they were working, some are still paying but probably few. And we know that those income taxes go to the general fund. But our property tax funds are fund our schools and libraries and our city services. And I think I mentioned last week of your tax bill two-thirds goes to the school, the remaining third goes to whatever the city gets, library, parks, and I think Muskingum gets a bunch or a little. Most people that live here like these services that our property tax fund. The seniors expect them to, we like the smooth roads, we like our EMS, we like our police, we like our fire. So how do we intend to fund those? I think you have levies and most people are willing to pay. We now are having CRAs where there are people that aren't wanting to pay. There's a difference in the CRAs between business and residential. The Northridge complex on North Main and the assisted living complex on Applegrove west of the Sanctuary are residential. I think they're business, but I didn't get a vote. I think because of the zoning code they are residential, so they fall under the residential guidelines. Which means the schools get no say, they don't have to opt in or out of those. Once you grant those the schools have no say. Also the city has no say that they don't get that one-third of the property tax that's usually given to the cities. We also have existing homes versus new construction. And I and all of you are probably in favor of the existing homes being renovated, and giving a boost to neighborhoods. I've worked a long time on boosting neighborhoods with Mr. Foltz, this is a good thing. The new construction is problematic, any of you have a lot across the street, down the block and it's a greenspace and all of a sudden somebody builds a new house. They can get 100% on that building, now they still have to pay taxes, property tax on the land. That does not go away. But they can get 100% on the dwelling. And that's where most of your property tax comes from. Is the dwelling. So we're going to give up what goes to the schools, what goes to the city, and all the others. I'm not so sure that's a good thing. I know on Summit Place, I know some folks around there, that space one man said if he would have had the money to buy that lot he would have bought it and left it the way it was. Others have said 2 lots maybe, but 7. And then you're going to give them an opportunity for 100% tax abatement, if they apply. That's all you have to do is apply. Its residential, you make it a CRA, you can't say no. Let's get to the ethics. All of you have run for council for some reason, probably all different reasons. I think you have an opportunity here to look at what the city might look like in 10 years. And you have an obligation to fund the schools as they should be and city services. Let's don't shortchange people that need the money. And the schools definitely need the money and so does the city for the services that they provide. Thank you.

DAN FONTE: 4415 Dawnridge Circle NW in Canton. Mr. Chairman, members of council, members of the administration, about a month ago I presented you all with a resolution, in hopes that you would pass a resolution in opposition of the Trans Pacific Partnership Free Trade Agreement. And I just have been out of state for a while, and since I presented it, I left right after that. So I think I presented it about a month ago, and you might say this is my service project. Although I didn't go to college, I can see what these trade deals have done to this community and every community in Stark County and all across the United

A resolution repealing and replacing Resolution No. 547 – 1963, designating the City of North Canton as “The Dogwood City”.

COUNCIL PRESIDENT PETERS: Chairwoman Werren.

COUNCILWOMAN WERREN: Mark, I’m going to let you handle this one.

COUNCILMAN CERRETA: That’s alright, I’ll take it from her and thank you. Well, based again on the master plan’s recommendation to dissolve the tag under The Dogwood City and we have put this out there. It’s been in the paper, I was on the radio and that this point I’ve only heard from three people that is opposed to this. So if anybody else has any other things that are against that I think we stated the different reasons. Again, it comes from the master plan committee. So I move that we move forward with the second reading.

COUNCILWOMAN KIESLING: Second.

Roll call vote of 7 yes to adopt the second reading of Resolution No. 1 – 2016.

RESOLUTION NO. 1 – 2016 WAS GIVEN SECOND READING.

8. Adjourn:

COUNCIL PRESIDENT PETERS: Thank you very much, and this is a special council meeting no other further topics can come before us. So I will entertain a motion to adjourn this meeting.

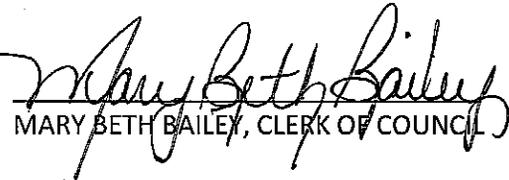
COUNCILMAN CERRETA: So moved.

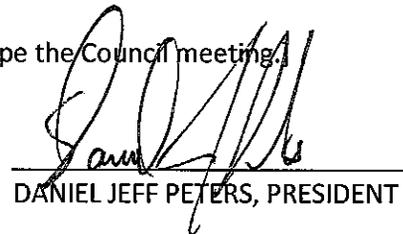
COUNCILMAN CERRETA: Second.

Roll call vote of 7 yes to adjourn.

COUNCIL PRESIDENT PETERS: We are adjourned.

[Let the record reflect Charles Osborne set up a tripod and appeared to videotape the Council meeting.]


MARY BETH BAILEY, CLERK OF COUNCIL


DANIEL JEFF PETERS, PRESIDENT