

As requested by Jon Snyder, Council President, the following is a verbatim transcript from the Finance & Property Committee Meeting pertaining to the Community Improvement Corporation held Monday, March 14, 2005:

Mr. Snyder: I want to call the Council of the Whole meeting of the Finance & Property to order for February, excuse me, March 14, 2004. Let the record show that Mr. Foltz is ill. May I have a motion to excuse him, please?

Mr. Sarbach moved and Mrs. Kiesling seconded to excuse the absence of Council Member Foltz.

All members present voting:

Yes: Kiesling, Lane, Lindower, Peters, Sarbach and Snyder.

No: 0

Mr. Snyder: At the request of Chief, or Mr. Lindower, we have asked that we continue this meeting open and to the public concerning the request of the Mayor to fund the CIC in the amount of two million dollars. At this time, we will open it to the public. We are going to ask you to please keep your comments strictly germane to the CIC. This is a committee meeting for that purpose. After this meeting is over, we will go into regular council. At that point there will be a public speaks session if you have something to say other than comments or continue to comment relative to the CIC. I would ask you, for the time, that we ask you to begin with a three minute presentation and after that if time does allow or we'll take as much time as we possibly need to hear you. So if anybody is in the audience wishing to speak to the Council, we'll start with those in favor of the request. And then we'll move to the, to the opponents of that. So please come forward, state your name and address for the record.

Mrs. Goldthrope: My name is Debbie Goldthrope. I reside at 287 Orion Road, NE, North Canton within the City limits. I'm chairman of the North Canton Chamber of Commerce for this year and also a concerned citizen of the City of North Canton. The mission statement of the Chamber is to develop, enhance, advocate and represent business, stimulate community leadership and promote economic growth. Successful businesses, along with excellent schools, friendly neighborhoods, community gathering places, churches, recreational and entertainment opportunities. The arts and cultural opportunities. All these are necessary for a vibrant, optimistic and energized community. Everyone in this room has gone to communities we thought were fun, alive, sometimes quaint other times sophisticated. Towns we enjoyed being in and could understand why so many people were on the streets, shopping, eating and enjoying the environment. Wouldn't it be great if we could create that same environment in North Canton? There have been several groups discussing what North Canton could be like if positive and proactive steps are taken toward a new vision of the City. TAP, the Economic Development Committee of the Chamber and the Commercial Environment Committee of Imagine North Canton have all discussed the possibilities. What could happen if we are willing to do something different. The interesting thing is, many of the items on the list of all three of these groups are exactly the same. Among those are the need for adequate parking, the establishment of funding for a CIC, improved facades and appearance of the building, of the City in general. Some simplification of the process for bringing a business into North Canton. The need for a full time economic development director, a community sign, and those are just a few. North Canton has traditionally been a conservative community; however, the possibility of relocation of the Hoover Company, county wide layoffs were in Northeast Ohio, and many more factors are making our future less sure. It makes no sense to wait longer to make decisions needed to lay the ground work for a re-created North Canton. Sometimes good decision making involves carefully considered risk. A proactive approach to economic development will show that this is an enthusiastic city that is on the move. It will reassure our current, as well as potential businesses, that North Canton is a good place to have a business. And the by-product of that, it's also a good place to live and to play and can be the destination we now go to other cities to find. The North Canton Chamber of Commerce fully supports the funding and implementation of the CIC. The amount of two million dollars has been proposed and that is for all of you to decide. But it is my hope that the Council and the Administration will keep the vision of improving our business climate at the forefront of your decision making. Thank you.

Mr. Snyder: Thank you. Anyone else wishing to speak to the Council? Please step forward, state your name and address for the record.

Mr. Dansizen: I'm Jim Dansizen, 3645 Dauphin Drive, NE, North Canton, Ohio. I am the past Chairman of the Board of the North Canton area Chamber of Commerce. I am a member of the Economic Development Team of the Chamber and also a member of TAP. We are at a critical stage in the economic development of the great City of North Canton, Ohio. We have an opportunity through the CIC to develop the City for future generations. The future of our City is at stake and we must move in a positive direction. It is my opinion the City Council should

agree to fund the request by the City Administration for the CIC. Let's get started moving the City of North Canton forward. Thank you.

Mr. Snyder: Anyone else wishing to speak?

Mr. Paquette: Good evening. My name is Steve Paquette. I'm the president of Stark Development Board which is a private, not for profit corporation working on economic development throughout Stark County. I wish to testify in support of the CIC in the fact of the interest of the Council looking at providing as much as two million dollars to fund the CIC to create a proactive program of economic development in North Canton. Incidentally, I'm sorry for the record, I'm Steve Paquette, the corporate address, 116 Cleveland Avenue, NW in Canton, Ohio. The Stark Development Board worked with all the communities throughout Stark County and we work very closely with the number of CICs that operate within the County itself in that probably the ones we work most closely with are the Stark County CIC, the City of Canton CIC, the Massillon CIC and Jackson Township CIC. In terms of what it provides communities is the option to have a vehicle allowed under Ohio law to be very aggressive in terms of proactive acquiring of property, constructing of properties and the creation of a very proactive economic development effort. We have found it to be much easier to work with cities in terms of working through their CIC and then going from the CIC to council. It has facilitated business. We've come before you in the past as the Stark Development Board to talk about using the CIC in a way to combine the financing programs we offer through the Board through our revolving loan on fund program to work closely with the City of North Canton in funding small business projects as well. It's, it's a very good way to do business. The State of Ohio considers it a model in how to handle economic development in particular land banking and we fully encourage the City of North Canton to not create the CIC, you have one, but to put it into an active and proactive form and to provide the funding that would support the City's efforts at a time when, I think the City of North Canton really needs to look to the future. So thank you very much.

Mr. Snyder: Mr. Paquette, I have one question sir, if you may? You did point in your address there that you are proactively working with the other municipalities. Am I, I'm under the understanding, I believe, none of those municipalities are funded with tax payer money, are they not? Massillon goes through their Chamber and Jackson, Canton are all either federal funds or private funds. Am I correct in that, sir?

Mr. Paquette: Mr. Snyder, the answer is, is they all are legislated by the City Council to provide a vehicle to provide the Chamber and the City to work together.

Mr. Snyder: But their, their funding is not out of general revenue funds though.

Mr. Paquette: At this time, some of the County funding the CIC is provided by the County. In Canton, the City funds projects in through the CIC and Massillon has gone through the Massillon Development Foundation in the past. So there's a mixed ...inaudible. Some of them do, some of them don't.

Mr. Snyder: I just want to clarify. I appreciate sir. Thank you very much for that. Anyone else wishing to speak in favor of the CIC? Mr. Revoldt?

Mr. Revoldt: Daryl Revoldt, 1565 Ambler Avenue, SW. I stand tonight to encourage this body to support implementing Community Investment Corporation. It's been my pleasure to join a number of other good citizens who have served on our Visioning Committee, sub committee. And one of the, one of the points that we're recommending is that the City begin to take a risk in economic development. And I think we have to recognize that the CIC is in fact something of a risk. But I think we also have to recognize that our discussion about the City's economic future is not academic. We have seen significant changes across the street and I don't think you have, I think even Stevie Wonder could see that the future is in some peril. The fiscal consequences of that change I think we all know well. In the last four years, the City's revenues have declined precipitously and will continue to do so should vacuum or steam vac operations cease across the street. I have no special knowledge as to what the future holds but I think one can give it some pretty clear thought. A city in trouble also has the potential to drag down its school board or school system as well. So the steps that we take or consider over the next days and weeks do matter in a larger sense. As I indicated, I think our sub committee wants and encourages the community to take some risks for economic development. And as the Council President's questions indicated and this would be my only caveat to you, is to take your time and think this thing really through well how it's going to operate. It's a bigger decision than simply just saying yes, let's do it. Steve Paquette has indicated that there are a number of models that work. There are models here in this County and there's models outside the County. What that CIC's ultimate mission will be may matter. For example, in the City of Akron the CIC is operated by the greater Akron Chamber of

Commerce and serves over three counties. It actually guarantees loans for operating capital. Now these are small but that may carry you into some areas of greater risk and greater uncertainty. And it's something that it's best to think out in advance. There are other bodies that have broader memberships than the one that's proposed. And I would certainly encourage this body to think about ways to incorporate some real expertise. If you're going to be buying real estate, why not have someone who, who has commercial, commercial real estate experience on board. If you're going to be lending money, why not have a couple bankers. That way you got a nice, you've got good, good counsel. And it's backed up by your friends at the Stark Development Board. But again, I would encourage you to do this. It's a good idea. I think we all know the cost of real estate and the need to aggregate real estate if we're going to have good solid economic development in this community. It won't come cheap. And I would also conclude then that if we're going to do it, this will put Julie at ease I think, it really means that you'll have to impose some sort of fiscal discipline upon our conduct and our spending. Because I think we're now at a point where we probably can't have, can't be pulling out of both pockets. Can't have our cake and eat it too. Those days are gone. But I would encourage you to look long and hard at this. It's badly needed. I think the Mayor's correct in asking for this. I think the challenge for the Council is not only to give him the authority but also to make sure that the mechanisms are there to ensure that it operates thoroughly and completely. Thank you.

Mr. Snyder: Thank you Mr. Revoldt. Anyone else wishing to speak to the Council this evening?

Mrs. Lane: Good evening, I'm Amy Lane. I live at 509 Summit Street, SE in North Canton. I have been involved in the leadership role with the vital and vibrant Commercial Environment Committee which is an outgrowth of Imagine North Canton and I can't tell you how consistent the message is and the dialogue that we've heard at the conversa..., during the meetings that we've had with this committee as well as in joint committees with TAP and the Economic Development Committee of the Chamber. These business leaders and community leaders are interested in the City stepping forward, taking a risk and investing in the CIC at the two million dollar level so that we can focus on economic development and make some real impact in economic development in North Canton. The other point I want to make, is in my professional role at Kent State University as Executive Director of Regional Corporate and Community Services and formerly with the Office of Corporate and Community Services at the Stark Campus, we've done quite a bit of research practical applied research on contract for different communities and groups. One study in particular that I was very involved in and led, dealt with research regarding economic development. In that research project we did a multi-phased approach. We scanned literature from around the Country, national programs on economic development. We did a web survey of national economic development directors from various cities across the Country. We interviewed by telephone community leaders and business leaders here in this community and Stark County and several other steps. The purpose of the study research was to look at what factors most influence companies or organizations to, to come to a location and to invest in a particular location. One of the primary factors that we found, was that the primate, but that location was prepared. There was land available and there was infrastructure in place. These companies want to move in and have a turned key so that they can, can start their business as quickly as possible. Given that as one of the primary factors, it does seem that we need to focus on this CIC so that we have the ability to prepare that kind of property and land so that we can make attractive incentives to organizations so that they can come into our City. Thank you.

Mr. Snyder: Thank you. Anyone else wishing to speak? Is there anybody wishing to speak in opposition? Are there any comments of the members of either the Finance & Property Committee or members of Council at this present time? If not, first of all on behalf of, and I will speak, on behalf of everyone here in the Council and I'm sure the Administration, to all of you we do appreciate your input. Government works best when its citizens and the people who are the actual electorate do give us guidance and do tell us which way they would like them to be represented. We are representatives of the people of the City of North Canton. We will, I appreciate the remarks of former Mayor Revoldt and Mr. Paquette who are both actively and make their living in economic development. Because I'm sure all my colleagues too and we will go very traditionously and very cautiously as we move towards our decision which we will, I believe it comes up again, is that the next week it comes back up on, we have not decided on where, most probable it will come again to be considered at our next Council of the Whole meeting. But there being no other comments...

Mr. Lindower: Mr. President.

Mr. Snyder: Member Lindower? Mr. Bourlas is here, possibly he may want to speak. But go ahead Mr...

Mr. Lindower: I'd, I would like to make a statement in view of the fact that I've had several people come to me and ask the question, what is the purpose of the CIC over and above the purpose of community and economic

development as far as an organization within the City. I have been unable to answer that. I think that Mr. Revoldt made a statement that makes a lot of sense to me that we need to take some time to, or examine other avenues that we can possibly incorporate into the CIC. I realize the fact that the Mayor and the folks involved in the CIC have increased the board membership to include two City Council members. One of the concerns I had about that is I made a statement to an individual I was speaking to that, why not have four council members on that board? After saying that, I thought to myself well we've got a Community and Economic Development Committee already formed on the Council and I feel that possibly the information that needs to be gathered and, and distributed among people who have property and business in the City at this time, probably should be done through them. The idea and the theory of the community and, or I'm sorry, the CIC as it was explained to me by the Mayor and Mr. Miller is an excellent idea. Last week we'd spoken about the creation of the CIC, I believe was 1980 when it was created.

Mr. Snyder: That's correct.

Mr. Lindower: I asked the question, I would like to see documentation in writing since 1980 till today which is nearly twenty five years. Show me what the CIC has done at this point for the City. I haven't been able to really come up with any kind of answers on that if anybody in the audience would have an answer to that, I would appreciate it. The organization sounds like it has very good intentions; however, I still think that even though it's good in theory, I think we're taking a little bit of latitude away from folks who are interested in coming into the City and developing property and also being able to possibly lease or sell property that they already own in the City. And I'm afraid that by not working directly with the Community and Economic Development people in the City that there's the feeling that some of their rights as far as going out and make direct purchases of property, being able to lease and rent property on their own and so forth, is being inhibited a little bit. So with that, I'm still in doubt a little bit as far as what authority we have as far as a Council to authorize the funding of the CIC at all. The figure of two million dollars was brought up. There's no question in my mind that we definitely need to stimulate the economy in this City. I, I totally agree with that. But I think that we better look at all the different avenues that we can possibly come up with so that we're not dealing with public funds as far as purchase of property that we're going to eventually end up selling back to the people. The way it's explained to me, and Mayor Rice explained as well, that it is actually a loss to the City the two million dollars is in a rotating situation where when the property is sold it would fill in any blanks that we would have to take out of that fund probably we won't make money on it and I understand that that's, that's great if we did it would be excellent. If we break even that would be good. We may have to lose a little money but if we lose a little money out of public funds I still feel that's it's really up to this Council being responsible to the public to approve those kind of funds. So at this point, I won't go on any further but I really think there's a lot more consideration that needs to be taken here. I think we need to have a little more public input. I'm hoping that this meeting tonight that we've had will stimulate some more word of mouth from the general public to get them into this Council Chamber. Thank you.

Mr. Snyder: Mr. Lindower, if I may sir, I will just try to briefly summarize some of your questions and as you said the CIC was created in 1980. It is a privately held corporation. It does act totally autonomous to City Council and the government of the City of North Canton. The Ohio Revised Code does allow it to do so. It does, I believe, provide a vehicle for the City if it so chooses to fund it. That money would move from the general revenue funds of the City to the corporation. It is a private corporation ran and controlled by its Board of Directors. The principle, in fact, that the City created in 1980 was a vehicle to put money in industrial revenue bonds and low interest loans. And it was used once, as I pointed out last week to you, at St. Luke's Hospital. It does have the ability to guarantee or loan money to perspective businesses. And I think it is, as the way I understand the request of the Administration, to become a land, to buy land and keep land and be able to use it to stimulate and attract new business. But there are several avenues to use. But you're right sir, once the money does leave, it is no longer under the control of the elected, it is done by the CIC Board. They're answerable to that Board. And that money does move from our control over to their control. It doesn't matter how many councilmen are on there. It is controlled by that, unless there was some caveat and the money was sent as via loan or via guaranteed by some way. But it is basically money that is gone at that point and I don't know at to what point, their answerable to the point as any private corporation is to its stockholders ultimately. And if the money would be lost or squandered away, I'm sure there is a vehicle in place now I believe it came around 1992 or 3, where the State requires independent audit of the corporation as they do of any municipal government today. We would require to issue to the State Auditor an independent audit by the State of Ohio. Have an actual audit not a copulation in the funds in every movement. Although the actual operation, I believe, is under the Sunshine Law. I believe all meetings of the CIC are open to the public but the public has no vote. But I will make sure, I think we do have or Mrs. Kiesling has a quite a bit of information. You do have the plan that was in place?

Mrs. Kiesling: The CIC, uh huh.

Mr. Snyder: And we'll make sure you get that so that you have but I do appreciate and respect your wishes that we move very cautiously forward on that. And I agree with you.

Mr. Lindower: I would respectfully like to request if we could to ask one more time if there's anyone in the audience who would like to speak...

Mr. Snyder: Absolutely.

Mr. Lindower: ...in regards to support or non support of the CIC.

Mr. Snyder: I did notice Mr. Bourlas come in a little late and we will admit, we do have time Mr. Bourlas if you have something, sir, that you'd like to say. Did you have something, did you want to address us tonight?

Mr. Bourlas: Uh, yes I did.

Mr. Snyder: Please step forward sir. State your name and address for the record.

Mr. Bourlas: My name is Alex Bourlas. I live at 860 7th Street, NE, North Canton. I've been there for approximately twenty five years. I do have businesses in North Canton. And my question is since it's legal actually for the City to do something like this, which to me I guess it would be legal, but since it is legal, the only thing I want to know is what are we gonna do with the property that is already vacant? And that's a personal reason that I'm asking for this is I have a place that is about two and a half years empty. And it seems to me that it would be better for, to spend our time and our money, what I'm saying is, to fill the empty spaces that we have now and then continue whatever else we need. I hate to see the City being my competitor actually for this. I don't, I don't know what else to say other than it seems to me that we should, you know, you should take your time and your effort to annex areas in the City that we can be able to expand the City and bring some money in. What I'm saying is, other than trying to play a developer to, with some people that possibly have no knowledge of the development. So that's what I have to say.

Mr. Lane: Mr. President.

Mr. Snyder: Sir?

Mr. Lane: And this is not a rebuttal or an anything Alex. But I think you bring up a good point. And as we flush this out, we concentrated a lot on the fact that this money could or probably will be used to land bank. But there are other purposes and we've already used it one time. So, I don't think we need to get hung up on the idea that the City is going to go out and turn itself into a realtor. But at the same time, I think we do need more from the Administration on some of those other alternatives that could, where those dollars could go. Whether that be in, in, in enticement, tax abatement possibilities and some other things that are out there that we could use that money for. And I guess that's just....

Mr. Bourlas: Well, I do like to see...

Mr. Lane: ...that's something that I'm hearing from other people as well. That they're worried about all of sudden you see North Canton Realty show up and we got several good realtors here. But I do think that there is a time and place that the City can take that role and I don't want to see us hindered in that.

Mr. Bourlas: I like, I like, I like to see the full length of, of what needs to be done and then, you know, the other thing is, is, you know, the people that's going to take care of this money. I don't know who it's going to be. You know, it's kinda tough to, you know, if they're people that they're, they're business people that have the knowledge of developing. That have the knowledge of buying and selling. That have knowledge of business. I can understand but...

Mr. Lane: I think it has to be a blue ribbon panel no matter what so. That's just, that's my comment.

Mr. Bourlas: But I, it is my big concern. What are we gonna do with the empty spaces that we have now? The City?

Mayor Rice: Alex, can I comment on that for a second? I don't think you'll ever walk into any community that doesn't have some empty spaces out there. I don't know of a community that's ever filled every parcel. I know in the, what I guess close to four years that I've been here, the frustrating thing, I've talked about this before, we quite honestly have had a lot of people we've talked to that have wanted to move their business into North Canton and the vast majority of those people have walked away because we couldn't find a parcel that was big enough for 'em. Or that met their needs. And some of them aren't all that big and some of them, you're aware of, cause we've, you're one of the land owners we've come to at times. But I guess there's, we run into all kinds of opportunities that are looking for all different kinds of requirements. As far as size of lots they need, location of lots they want. There's a lot of variables as you well know. When people are looking for a place to site a business. And we still, I'm sure, we have vacancies. We're always going to have vacancies within the community. I think every community does. But I don't think that means necessarily or equates into the fact that we can't expand our offerings, if you will, or our opportunities for people. So hopefully our success rate of bringing more people here will increase. I don't think our percentages all that great right now because we've got people that are looking for spaces that we quite honestly can not locate. Mike can tell you just a little over a year he's been here, the frustrating time he's had at trying to find an adequate spot for a lot of people that are looking for space. Even with the locations we've got out there, they don't meet everybody's needs. There's other needs out there that people are looking for.

Mr. Bourlas: Well, well if you're looking for a, for a big space, what I'm saying is, I had one of the bigger spaces. I haven't really got anything from anybody to say, you know, we need this big of a space. Nobody and even if we do have somebody, if you guys have somebody, what I'm saying is, you can come to me, you can go to somebody else that has an empty space and says wait a minute can you accommodate this guy. You know, I haven't gotten any of that. And I thought we had, we had a thing going a while back, what I'm saying, with a Dave Johnson. I thought that was a great idea. And that went on a wayside. So, you know, I think we could use some of that money, what I'm saying is, is to bring, go get somebody, bring 'em in. Give 'em some incentives, what I'm saying is, and let's fill up some of the empty spaces or, or put that money into annexation so we can, we have a place to grow. We got, we got no place to go. We're done.

Mayor Rice: Without, without talking specifics...

Mr. Lane: If I may....

Mayor Rice: ...I mean, those are all possibilities. I guess, I think what, I would agree with what Doug Lane just said. Let's not pigeonhole this thing to, to identify the CIC as the end all solution to all the issues. When you're dealing with economic development, there's a lot of things out there you got to deal with. We're not suggesting we do the CIC and we're not working with the existing businesses. Or we're not existing to fill, or working to fill existing spaces and that kind of stuff. It's not like we're talking one or the other. We got to have as many tools, and that's what the CIC is, is a great tool for the City to have at its disposal, for when the need arises and you got opportunity, we can cease those opportunities. Doesn't mean we're ignoring other things and other activities that we need to do. We know we got, I'm a big believer, always have been, is the number one thing you do is you take care of, as a businessman, a small businessman, that's how I run my business too. First thing you better do is take care of your existing customers.

Mr. Bourlas: Well, I guess maybe it wasn't explained right, I guess.

Mayor Rice: Those are the best ones you got.

Mr. Bourlas: Maybe, maybe we don't too much about it, what I'm saying is. But the way it comes across, it comes across as different in what...

Mayor Rice: Just, it's another tool. It's a tool for the City to have that a lot of other municipalities utilize that can make a difference in some significant changes to the City and be great additions to the City. Not to say that's the only thing we're gonna do. Let's not get, let's not skew this too far to the other side. We're very excited about the possibility of having that tool available to us that we've not used in the past. That we've seen used in other communities pretty effectively. Steve Piquette has spoke about that and can relate stories about that. It's another tool. We need every tool we can possibly get, I guess, the only thing we're trying to say is, why go out there with our toolbox half full. Let's fill it up with all the tools we can get so we can go out and our success ratio is going to improve the more tools we have at our disposal.

Mr. Bourlas: I agree. I mean, it's a great idea. I mean, don't misunderstand me. I, I just, like I said, my concern is and it's personal, I guess, it's because what are we gonna do with the empty space that we got? How do we fill them up? And take care of the people that been here and they been loyal to the City of North Canton, what I'm saying is, and for many, many years. That's what my concern is. Thank you.

Mr. Snyder: Thank you sir. Alright, as time is now near ten after, I only have one closing question to the Director of Finance. When we made that loan on, did we make that loan for that business there on South Main through the CIC? Or did we make that loan through the Development Board then?

Mayor Rice: Development Board.

Mrs. Herr: ...inaudible.

Mr. Snyder: Went through the Development Board?

Mayor Rice: Yea, a revolving loan plan.

Mr. Snyder: Yea. We put the, we paid a third of it or something. Is that how we did that?

Mayor Rice: Half, I think.

Mr. Snyder: Half is what is was?

Mayor Rice: I think is what we paid, normally have.

Mr. Snyder: I wasn't sure. Thank you. I appreciate that. Any other questions? If not, I'll have a motion to adjourn this Council of the Whole to get ready for the Council Meeting.

Mr. Sarbach: So moved.

Mr. Lane: Second.

Mr. Snyder: Those in favor signify by saying "aye".

All members present voting signified by saying "aye".

Mr. Snyder: Those oppose same sign. Adjourned.

The Committee Meeting adjourned at 7:12 p.m.