

**BLOOM TOWNSHIP BOARD OF TRUSTEES PUBLIC HEARING**  
**Joint Economic Development District (JEDD) Contract between Bloom Township, Violet Township, and the Cities of Canal Winchester, Pickerington and Lancaster 03-05-08 at 7:00 p.m.**

JEDD PUBLIC HEARING

Joseph Smith, Chair, called the meeting to order at 7:00 p.m. Members present were Smith, Trustee Brian Randles, Trustee Dave Petty, Fiscal Officer Carol Moore, Board Administrator Anne Cyphert, and several interested citizens. The Pledge of Allegiance was recited.

Smith introduced John Albers, township legal counsel, who explained that statutory requirements have been met regarding publication of the public hearing. Notice of the hearing with the time, place, and purpose was published in a newspaper of general circulation, that being the Lancaster Eagle Gazette, at least 30 days before this hearing on JAN 26, 2008. During the notice period there was on file and available to the public the following documents: A JEDD Contract, a description of the areas in the JEDD including a map and zoning restrictions if any, and an economic development plan with a schedule of new expanded or additional facilities, improvements or services to be provided in the JEDD district and a schedule for collection of the income tax to be levied in the JEDD District. Albers said all the statutory requirements and prerequisites to the holding of this hearing have been complied with under the law.

Joint Economic Development Districts in General: Albers explained what a JEDD is. He said all JEDD territory would be non-residential and not open to annexation. He explained the JEDD area would involve an income tax that would be split among the entities involved in the JEDD. This is the only way permissible that townships can collect income tax.

He said negotiations have been ongoing and he summarized the proposed JEDD agreement.

He said right now there is only one property in the proposed JEDD that is in Violet Township.

The county will have the first option to provide water/sewer services to JEDD participants.

The five entities sharing the income tax revenue would be Bloom Twp, Violet Twp, Canal Winchester, Pickerington, and Lancaster. The split would be as follows:

- 35% JEDD revenue goes to JEDD District for infrastructure/maintenance
- 5% will go to CW to collect income tax
- Of remaining 60%, 85% will be split among all entities and the remaining will go to the government entity where a JEDD property would be located.

Albers explained the process for establishment of the proposed JEDD. He said the current agreement is Draft Six. Bloom Township Trustees will not act on the JEDD tonight. After this public hearing, there may be modifications to the proposed JEDD agreement. Changes Bloom Township Trustees are considering proposing:

1. Elimination or modification of incentive payment, Section 10;
2. Possible clarification of financial obligations of the parties under Section 7(D);
3. Possible modification to eliminate addition of land owners without their consent under Section 5;
4. Possible clarification of Section 7(C) related to reimbursement to contracting parties who expend funds with relation to adding properties to the JEDD District or further define when such reimbursements can occur;
5. Other possible changes which may be made to the agreement pursuant to the agreement of the contracting parties.

Albers said the agreement is probably substantially complete.

**PUBLIC COMMENT:**

R.D. Sabatino of Violet Township said he has read the agreement and attended other JEDD public hearings. He said he is distressed about the idea of the JEDD regarding how much land it will encompass. He said it is from CW line to south of Greenfield Twp with a mile on each side of Route 33. He said that would involve 3600 acres of peoples' private property. He said you don't attract more business by adding taxes. He said he is concerned about the use of force into the JEDD. He said it will lower the value of the owner's properties and does not think it is necessary. He is concerned about the taxes on the business owner and employees. He said if someone wants to sell their property that is in the JEDD, they will have difficulty because no residential development is permitted in the JEDD. He said that limits the owner's property to commercial only. He said senior housing would not be allowed in the JEDD because it is residential. He said the JEDD board will limit the township's rights on the property. He said you will be stuck with this for 100 years; they will never let the township out. Randles said the agreement is not for 100 years but can be continued for that long. Randles asked Albers for clarification. Albers said all parties must agree not to continue the JEDD beyond the initial term of the contract, otherwise it continues.

Randles explained much of the property in Bloom Twp. JEDD area is already zoned Business. Randles said this protects us from annexation and brings income into the township without bringing overgrowth to the township. It helps Bloom maintain the rural feel it has now. He said most of the growth will be on the Northwest corner of the township and won't be on our roads. He said it makes a good fit for our township and we get to share in the profits of other municipalities. Randles said right now we are losing Local Government Funds and Estate tax is going away. He

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said our ways of getting money are drying up and we do not want to tax our residents. This is our way of trying to lessen the burden for our residents in the future.

Albers said that the expansion area is just a potential area the JEDD could expand into. He said Bloom Twp. could derive revenue from what comes to Violet Twp. for the next 90 years even if the JEDD never expands into this township. Sabatino said the current draft regarding what the JEDD board can do concerns him; that the JEDD board could come right next to the twp building. Albers said no property can be taken into the JEDD without the consent of the contracting parties. If any one of the contracting parties does not consent, the property cannot be in the JEDD.

Smith said the trustees are also opposed to the use of force against people. Sabatino said it may have merit if people are not forced into the JEDD. He cautioned the trustees not to get involved if the property owners are forced in.

Smith said he spoke to the owner of the Boving Farm who is more interested in farmland preservation than joining a JEDD. Sabatino said the township needs to make sure that just one vote will keep the JEDD from forcing a property owner in against their will.

Carl Heister, of Amanda Northern Road, Bloom Township, concurred with Sabatino that landowners should have to consent. With regard to the one mile distance, he would like to see an economic development expert do an analysis to study whether it should be that large. Albers said the reason the expansion area is so wide is because of annexation issues.

Albers said one reason the expansion area is so wide is because the township is protected from annexation in that expansion area and that area may never end up in the JEDD.

Lloyd Helber, commercial land owner, opposes the JEDD because of interfering with property owners rights. He said one of the guys from another township that is really pushing the JEDD says once we get this thing going we'll keep it rolling. They are power hungry and you can't stop it. He said this JEDD will add another layer of government. He said you will have five, six, seven people who can't get along. It doesn't make sense. He said current trustees should not vote the next guy's position for 100 years out. He said property owners would rather pay a little more taxes than have their property in the JEDD area that would devalue their property. He said he can't believe the township would spend \$20,000 in attorney fees for \$5,000 that might come from it. He said the money will not come from the JEDD as some expect. He said businesses will not be attracted to an area that requires a 2% income tax. He said you are going to chase businesses away.

Steve Eversole, of Greenfield Twp, expressed concern about who would operate the zoning and land use because one of the municipalities he has dealt with is difficult. Albers said each entity will do its own zoning. Eversole said the township is giving up its right to offer tax incentives. Albers said it does take unanimous consent.

Mitch O'Brien, Mayor of Pickerington, said he was recently elected and is now learning about the JEDD. He referred to the minutes from the JAN 23 Bloom Township Trustee meeting where Violet Twp representative reportedly said Greenfield Twp is interested in joining the JEDD. He said he is concerned that a significant change such as adding another entity may mean we need to start all over with the negotiations. He is concerned proponents of the JEDD will say to go ahead and sign the agreement and we will negotiate them in later. He wants the Pickerington residents to know what the final agreement will be.

Regarding the Route 33 Economic Development Alliance, Violet Twp. Trustee Gary Weltlich had informed the Bloom trustees the 33 Alliance would market the JEDD. O'Brien said he had talked to members of that alliance and they did not know anything about that.

O'Brien quoted the JAN 23 minutes where Weltlich said he intends to go out to the Lancaster bypass with the JEDD. O'Brien said that concerns him as well. He thought they were talking about something in our neighborhood.

He corrected Weltlich's statement from the JAN 23 meeting where Weltlich said Pickerington is in financial trouble. O'Brien said that is not true and is a stretch from Weltlich. He said the developers do not determine the destiny of Pickerington; there is a council of seven that determines the destiny of Pickerington. O'Brien said as far as their financial position, Pickerington is in about the same shape as everyone else in Ohio right now.

O'Brien said the municipalities need to get back together following township centric statements made by Weltlich. Municipalities have some risk in this, too. He said if it becomes necessary to put in infrastructure before the JEDD board is able to borrow money, it falls on the municipality. O'Brien referred to a statement Weltlich had made on JAN 23 that being a part of the JEDD would cost Bloom Township \$1,000 a year as the worst case Weltlich could think of. O'Brien said he will need to go to his finance director and program into their budget \$1,000 a year for their five-year forecast to keep out of financial trouble. He said \$1,000 a year is not a bad deal.

O'Brien agreed with Smith's earlier statement of allowing an exit clause.

O'Brien said he has not made a decision whether the JEDD is good but needs to be convinced this is the proper tool given that the Route 33 Economic Development Alliance is doing a good job

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already. He presented an article from a publication regarding a 90 acre office development, Sycamore Crossing, at the Hill Diley interchange. All utilities will be provided by the county in an enterprise agreement. It won't require a JEDD for the project.

Larry Joos, Greenfield Twp Trustee, said the mayor of Lancaster had attended a Greenfield Township Trustee meeting and talked about a JEDD meeting that was going to be held at Canal Winchester. Another trustee asked if he could attend and the mayor said he could and that the meeting would be at noon on FRI. At 8:00 that FRI morning the mayor called that trustee and said he had been told to tell him not to show up. He told of other occasions when the Greenfield Township trustee had been given the wrong time for JEDD meetings. He said that is why Greenfield is not involved in any of the discussions.

Bill Arnett, Fairfield County Economic Development Director, said he is excited to hear there will be an effort to change the majority language. He said after reading the Bloom Twp. minutes and Pickerington minutes, he sees concern that property owners not be forced in. He referred to the Bloom Twp minutes where the Violet Twp representatives said a large property owner could take a small property owner into the JEDD but a small property owner could not take a large one into the JEDD. He said when the JEDD is created, if the majority of property owners and acreage. But, he said the JEDD contract says that when the JEDD is expanded, it is a majority of property owners and according to the county prosecutor's office that means it is a body count. It's not acreage, it is property owners. A five acre parcel with one owner cannot take in a 1,000 acre owner, but two five acre parcels with two owners can take in the 1000 acre parcel with one owner. Just like annexation, it is a body count.

Arnett presented a letter from Todd Russell of Violet Twp, that is concerned it won't be voluntary.

Regarding the income tax, Arnett questioned if enough revenue would be generated for the 35% to do any substantial infrastructure. He said he would like to see school districts receive more benefit.

Regarding the CEDA at Hill Diley, he said Canal Point was already existing before the CEDA. Canal Winchester was instrumental in development but the business that came to that area did not necessarily come due to the CEDA but because of county assistance. He said claims that the CEDA brought the economic development to the CW/Violet Twp area are unfounded.

Arnett asked if anyone has identified the infrastructure improvements that need to be made in the 33 corridor to encourage development. If so, who is the lucky contracting party who will bond the debt, wait for the company to come for income tax to be generated to pay the debt? He said if you are not going to build the infrastructure and you are simply going to call this thing the JEDD, that's not going to speed development because you have the same plot of land; you just have the income tax to deal with as well.

Arnett said the JEDD is not a business incentive. He presented JEDDs and a JEDZ from other counties that do not market the area as a JEDD. They talk about community reinvestment area, foreign trade zones, the airport, but they don't talk about the JEDD. He said the JEDD came after the businesses and did not come due to the JEDD. One of those counties used a JEDZ. He said it is not marketed as a JEDD to attract business because that does not encourage businesses to locate there. He said this can be a disadvantage to attract business because of the 2% income tax. He said it could cause a business to relocate outside of an income tax area.

Arnett said cooperation is important to economic development. He said the Route 33 Development Alliance is a combination of public and private dollars that will attract business rather than a five party JEDD.

Albers clarified the "majority" issue. He said JEDDs are not like annexation where some property owners are brought in against their will. He said he has done JEDD work around the state and he has never seen anyone brought in against their will so far. He said he thinks that is because there is no contiguity requirement for JEDDs. It can be one parcel, then a quarter mile away another JEDD.

Arnett said if there is a plot of land next to Carroll that gets annexed into Carroll, enterprise zone funds are used to create jobs, a municipal income tax that would be in the area would benefit the Bloom-Carroll district by 50%. But hypothetically, if the same business was in the JEDD rather than being annexed to Carroll, BCLSD would not get the same benefit. Bloom-Carroll would have to negotiate to share in the JEDD income tax. The affected school automatically shares in the municipal income tax, but not the JEDD income tax.

Jake Wolfinger, property owner in Bloom Twp, said property rights should be protected and asked the trustees to keep in mind his property rights.

Lloyd Helber, business owner, cited an example of an industrial park and a municipality that has water and sewer but gave the ground away so jobs would be created that benefited the tax base. He said JEDDs, income tax; you are going to scare everyone away.

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Tony Vogle, Fairfield County Utilities Director, said the county has a lot invested in this area. He said the Bovings have a huge property and choose not to to into the JEDD. He said he thinks that says a lot.

Vogle said regarding the 2% income tax, the county would see business go where the income tax did not exist. He said if we want jobs in this area we have to have reason for the businesses to want to be there. He said the businesses that will locate along Rt 33 will be small business and their margin of profit is probably 6%. He said 2% cut into a business profit could drive them away.

Judy Shupe, Fairfield County Commissioner, asked Albers about 35% revenue going to maintenance and improvements to the JEDD, she said she heard a 30% figure. Albers said he thinks that has changed in the last draft to 35%.

Regarding the Route 33 Economic Development Alliance, Shupe said that at the JAN 23 meeting Bill Yaple and Gary Weltlich said that the 33 Development Alliance was going to market the JEDD. She said she has been an active member of that alliance and that never had been discussed. She said the 33 Alliance will be marketing the 33 Corridor and not the JEDD. This has caused confusion to business owners when funds are sought to market the 33 Corridor.

Discussion regarding the Boving properties, Smith said Mr. Boving will not be any part of the JEDD. Shupe asked why the trustees would support it if the largest land owner objects to it. Smith said that's the reason for the public hearing. The trustees want to know how people feel about the trustees looking at this JEDD. Shupe said because the county has already been proactive in this area and has the water and sewer ready to go, and we have the 33 Development Alliance that has monies already collected for marketing; so there is no valid need for the JEDD. She if the proponents want to implement the JEDD, then you need to be honest with our constituents and tell them that this is an opportunity to increase our General Fund revenues and not hide behind the guise of economic development because in this particular case the JEDD does not enhance economic development in Fairfield County. She said there are some situations where a JEDD could, however in this case with utilities already there and marketing already there, a JEDD is not needed.

Smith discusses the Rickenbacker development coming in behind us from Ashville.

Mitch Obrien said a JEDD may not be the right tool for this area. Albers said other types of tools would not protect against annexation. Petty said he wondered if the Alliance and JEDD would conflict and has raised the issue before. Shupe said it has already. Petty said the interchange area could be developed on our side and we don't want to see Carroll annex it. He said he will never vote for a TIF along Winchester Road because it would give away tax revenue. He is looking at this as a way to safeguard the general fund and protect against annexation.

Sabatino said he has not met one citizen that is in favor of the JEDD, only elected officials.

Vogle said one of the properties that county will provide services to can not go further than the Carroll lagoons.

Craig Bigus of Violet Twp asked who is paying Albers' wage tonight. Albers said Bloom Township is paying for his services. He asked who is paying for the initial agreement. Albers said each entity is paying but Violet Twp has had Al Schrader, Esq. do the JEDD drafts. Bigus said he is a victim of the CEDA which he said is a bad agreement. He said Bloom Twp. can share in the revenue of the JEDD but could eventually share in the liability.

Sabatino said Violet Twp admitted to 2000 acres in the JEDD but he said it comes out to over 3600 acres.

Bigus said it might be 7200 acres. Sabatino said there is a trick in there that if you sell your land, to do a subdivision, you have to do a P-D zoning. He said the trick is the contracting parties agree to require the land owners to agree to join the JEDD to do a P-D zoning that doesn't allow residential anyhow. Albers disagreed with the interpretation. Bigus said owners' property values will be affected. Bigus would like to see this brought to a vote of the people. Albers said if the property owner agrees to join the JEDD district, if it has proper zoning, there is no requirement that it go before the voters to achieve the JEDD Agreement. Bigus said that is a clever way to avoid having it voted on.

Albers said that is the reason to put in a provision to not force a property owner into a JEDD, unlike a CEDA. Bigus asked the trustees if they were afraid to have it voted on. Randles said no; that is why this is a public hearing.

Bigus said the CEDA has been in litigation for six years. He urged the trustees to place the JEDD issue on the ballot.

Shupe read from the 1/23/08 BT minutes where Wetlich said he wants to see the ability of the majority to be able to bring in land owners blocking them into the JEDD.

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Wolfinger said in the future, all land owners should be notified of the public hearings. He was informed all of the sites where the public hearing was advertised including on the Bloom Township Website, displayed at the township office, and in the Lancaster Eagle-Gazette.

Sabatino said JEDDs can be done for only one business, then starts out small, and grows like a cancer. He said the IRS began just to pay for the War and now look at it.

Smith thanked everyone for coming and then adjourned the public hearing.

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Joseph E. Smith  
Chair

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Carol J. Moore  
Fiscal Officer