

## Economic Development Committee Minutes

Honorable Council  
City of Newark, Ohio  
January 17, 2024

The Economic Development Committee met in Council Chambers on January 16, 2024 with these members in attendance:

Bill Cost Jr. - Chair  
Michael Houser – Vice Chair  
Jonathan Lang  
Mark Labutis  
Dustin Neely

We wish to report:

- 1. Resolution No. 24-07** AN RESOLUTION IMPLEMENTING SECTIONS 3735.65 THROUGH 3735.70 OF THE OHIO REVISED CODE, ESTABLISHING AND DESCRIBING THE BOUNDARIES OF A COMMUNITY REINVESTMENT AREA IN THE CITY OF NEWARK, OHIO.  
**Mr. Marmie** - Mr. Mauter could not be here this evening, Mr. Rauch has spoken with me, so instead of holding this up until he returns, plus we have an extra week, he wanted to keep this moving forward. Community Reinvestment Area, we have done one out in the Cherry Valley area, we did that for that development area, this is another one that will help the developer as far as being able to afford a project like this. I think all of you have been forwarded the renderings and information, the study. The investor did the study, it wasn't something we did, he purchased that and did that. The other thing about this, just to explain, this is not something that we have to get School Board approval, however, being good stewards and making sure that we keep in communication working with the City Schools, Julio has been made aware of it, he presented it to the School Board, talked to them about it. This is not a project that's going to generate a lot of students into this area, so it's not really going to impact the capacity of the schools tremendously or anything, we're hoping also they're going to get a benefit, hopefully with some of the revenue, the income level is going to be a bit higher as far as these residences, so they're going to benefit from the 1% income tax that could be gained by this. This only applies to those taxes that are above the improvements, just like the TIFS, it's similar to the TIFS, although it is different as far as being a reinvestment area, it's dedicated just to this area and that's why it's setting the boundaries as such. Without this it would be difficult for this project to move forward because of the increased costs of labor and other things. The individual who is putting this project forward has been good to our community. If you notice the laundry mat up there and everything, it's a very nice laundry mat, very well kept, very good presentation for that area. He wants to do the same, you saw the renderings, it's going to be a beautiful facility. Not only is it going to have the apartments in there, but also a

swimming pool, a common area or clubhouse and then also some garages for the residents. So, it's going to be a nice facility and I think it's something that Newark really does need and it would be a benefit to Newark. If you have any questions for him or for me, I'd be happy to answer what I can or what I know. It might be one of those things where I have to ask Mark.

**Motion to send to full Council by Mr. Lang, Second by Mr. Labutis**

**Mr. Houser** - I just wanted to ask a question about the dollar value of the development, do we know what the dollar value of the project will be at this time?

**Mr. Rauch** - Approximately \$26 million

**Mr. Neely** - Just a question in reference to rough completion date, beginning date, has any of that been established?

**Mr. Rauch** - We cannot move forward without getting this passed essentially, just the finances don't make sense. If this gets passed we're looking to break ground at the beginning of April and about 18 months to get all of the buildings completed.

**Mr. Marmie** - That is one of the reasons why we wanted to move this forward and get it so that he can get construction started. They started moving a little bit of dirt and kind of ran into this roadblock, so we want him to be able to complete this and get it moving, especially as soon as the weather breaks it would be beneficial.

**Mr. Houser** - Has there been any study or assessment done what the total tax benefit will be?

**Mr. Marmie** - If you just go by the \$26 million, 5% of that, but we're also looking at again, we want to look at the economic development that is going to stimulate to that area, so really, the study that he provided as far as the need and what we need in our community, something like that, the increase in revenue as far as, if we have another resident that is paying taxes into the City of Newark, those are all unknowns, but we look at it as we need additional housing in Newark, this is the type of housing that it does attract, it does not increase our City services as much because we don't have additional roads, along with if we build 173 more houses, all of a sudden we have more streets to maintain and things like that. So, it's one of those things that I'm just going to give a personal opinion, that I believe that we need this type of development. It's pretty much structured for empty nesters, not necessarily for families and so it's something we want to make sure we not only attract, but if folks move into this that are existing citizens, then that opens up their housing for those families. So, it's one of those things that will be a cyclical thing. The flat dollar amount, I mean yes it's going to increase significantly as far as the tax ticket on that, you take the 75% of that you can kind of do the math there. It's for 15 years, it's not a 30 year like our TIFS. TIFS are longer, this is shorter, not only that, it's governed, they have to set up a board, there's a lot more stipulations to it. The one out by Cherry Valley, they have to meet, they have to make sure it's not just him doing this, it has to be set up with a board.

**Mr. Lang** - Thank you Doug for bringing this forward and this kind of being right in my backyard, I think it's very much in character of what we have in that area and if you go to any of those apartment places up there, it's hard to find a spot, I can tell you that, so definitely something that we needed, we need up in that area and so has my full support.

**Mr. Marmie** - One other thing that I'm going to add, just because I'm old and I've been around, before this, the folks that were attracted to this area were folks that wanted to develop low income housing, subsidized housing, things like that, so the neighbors are very much in support of this project in comparison to what they thought, the rumors were abundant as far as they're just going to be in low income housing, no one really wants that in their back yard. We know we have a need for that and we will find an area for that somewhere in Newark, not only that, if it opens up additional housing for that, it can be a win, win with this development.

**Mr. Cost** - What I'm hearing you say is more of an upper income level development, are there any ballpark figures as far as rent and what that would be, I'm not sure who to ask.

**Mr. Rauch** - So, the 1 bedroom would be \$1050, the 1 bedroom premium would be \$1185, 2 bedroom \$1375 and 3 bedroom \$1650, which is very affordable if you consider to miles to the west.

**Mr. Lang** - In looking for similar apartments in that area, that's very much in keeping with the going rates around that area.

**Mr. Rauch** - Both John and I are from the area and want to provide something nice that's not crazy up there in terms of pricing, we know the market, we studied the market, it should be very nice housing for the price.

**Mr. Houser** - Multiple things have been said, I think this is great for Newark, I do have to abstain.

**Rochelle Volen-Smith** - This seems like it's very expensive when a lot of people really can't afford \$1,000 plus a month, I don't see where this is addressing that at all. So, I don't understand the point. We've got a lot of apartments that are \$1000 and up, why are we doing this?

**Mr. Lang** - I would love to respond as somebody who has lived in apartment complexes right next door, with the same rent, as soon as a place gets empty there's a long waiting list, there is definitely a need and there is not enough of this level of housing in the area.

**Rochelle Volen-Smith** - I would love to see us address the issue of people who cannot afford that before we do this.

**Mr. Cost** - My only comment would be to say that we definitely have a need for low income housing, we have a need for medium income housing, we have a need for upper income housing. We're just behind the 8 ball on housing all the way across. I think the point Mr. Marmie made is there is unfortunately always the attitude of not in my neighborhood, but I think it's essential that we do find an area where we can build low to medium income homes or housing or apartments, there is definitely a need for it and it needs to be addressed.

**Mr. Marmie** - I'll comment. I agree there is a housing shortage and it's not just in Newark, Licking County or Columbus, they are really struggling with housing and the numbers, the thing is, as a municipality the City wants to attract and make sure we have everything available so then the private sector can come in and develop and build those, we don't build those, we don't build housing, but what we want to do is have a community in which attracts developers to do just that. So, when we're being friendly with developers, if this is a successful project, who knows what this gentleman is going

to do next. Or else if another developer says Newark is a friendly environment and I think I could do something to help them out, this could be the spark that helps with the issues that she's commenting on, but we have to rely on the private sector to want to do that in addition to supporting them doing it. We welcome that as a City as a municipality, we're constantly welcome to developers, if it's going to be that low, that medium, that high income housing, we want to make sure we're supporting it all and we're doing it within the zoning confines that we have established already and we're making sure that it's conducive to the location where it's at and I think we do a great job of that.

**Mr. Labutis** - I think this is a great project, I'm in support of it, it's something that we need.

**Motion passed 4-0 with Mr. Houser abstaining**

Economic Development Committee stands adjourned

Bill Cost Jr., Chair