

Honorable Council
City of Newark, Ohio
March 27, 2012

The Service Committee met in Council Chambers March 26, 2012 immediately following the Finance Committee meeting. These members were present:

Jeffrey M. Rath, Chair	Ed Houdeshell
Duke Frost	Ryan T. Bubb
Shirley Stare	

We wish to report:

Resolution No. 12-25 authorizing and directing the service director to enter into an agreement with Newark Development Partners, a Community Improvement Corporation, as an agency and instrumentality for commercial development in the city of Newark and to enter into the Code of Regulations for Newark Development Partners with the members of the Community Improvement Corporation was considered.

Stuart Moynihan, Economic Development Coordinator, said the Community Improvement Corporation (CIC) is going to consist of two members from the city of Newark, which will be the public side of the partnership and the Licking County Chamber of Commerce, the private side. We expect the CIC is going to work with a large number of private and public partners throughout the city as they go forth with development projects. The CIC is intended to be a public-private partnership committed to improving economic development throughout the city and to identifying and pursuing actionable items, which go to achieving that goal of improved economic development.

The CIC will be run by a board of directors on which there will be ten seats; the city, as the public side, will have four appointments to that board and the chamber, on the private side, will have six appointments. I expect one to be made by the county commissioners.

The resolution allows the service director to enter into agreement between the city and the CIC itself once the board is in place. The agreement defines what the CIC functions will be. Possible functions would be getting sites development ready, maintaining an inventory, creation of marketing materials for Newark, involvement in direct business attraction activities, selling, acquiring or leasing property, making loans or holding ownership in personal businesses, taking on development related debts, and developing a small business incubator locally.

Mr. Frost asked how the members' expenses would be compensated. Do we actually have bylaws?

Mr. Moynihan thinks expenses will be taken out of the general budget and the board of directors will establish bylaws.

Lesla Best said there is already a county CIC. How much money is the city paying?

Mr. Moynihan replied that has not yet been determined.

Mr. Rath stated there is no compensation, just reimbursement for expenses.

Typically across America board of directors, other than the executive director, are not paid except for reimbursement of travel expenses explained Mayor Hall. There will be private funding in this also.

The majority of this will be private funding explained Mr. Rath.

Mrs. Floyd said if we vote in favor of this and become part of the CIC, a board of directors will be appointed. They then will hunt for an executive director and set up a budget.

Mr. Guthrie questioned what council's roll is going to be.

Our default practice is that they would come to council for approval replied Mr. Moynihan; according to the *OHIO REVISED CODE* any CIC is required to have at least 40% public officials serving on that board.

Was the list of functions taken from other CICs asked Mr. Rath?

They were taken from previous discussions the city had in the past replied Mr. Moynihan.

Mr. Guthrie said we would probably want this CIC and its rules to be reflective of our community and to reflect some level of openness. He hopes the bylaws are going to say something about public scrutiny as to what's transpiring. Are the meetings in any way going to have public oversight?

These are public meetings stated Mr. Moynihan; the clause about meetings not in the state of Ohio would apply in the rare circumstances when the board of directors are out of state at a business attraction event. This would essentially create the CIC in perpetuity; we have no financial commitment at this time by signing this document.

Who decides on renewal of the agreement asked Mr. Frost? Once we're into this, can we terminate it but then it's still alive after we give notice of twelve months of termination?

It will stay in place but the CIC would not have authority to spend city dollars without city council's appropriation of those dollars explained David Rhodes, Director of Public Service. That's the real check and balance. Funding would be a yearly budget item.

Mr. Rath asked if the city would have an opportunity to provide input when the bylaws are established.

I don't know that we have editorial privileges over those bylaws but could certainly request a presentation to council explained Mr. Moynihan.

Motion by Mr. Bubb, second by Mr. Houdeshell to send to full council.

Mr. Guthrie suggested the Downtown Newark Association be given the opportunity to have at least one voice on this CIC board of directors.

Those names could certainly be submitted for an appointment; however, they would have to come from the chamber's appointments, as those would be from the private side as business owners explained Mr. Moynihan. The public side needs to be elected and appointed officials from the city.

Motion to send the resolution to full council carried by acclamation.

Jeffrey M. Rath
Chair

