

MANAGER’S CONFERENCE MINUTES
Portsmouth City Council Meeting on
January 27, 2020 – 6:50 p.m.

Members present:

Sean Dunne	1 st Ward
Charlotte Gordon	2 nd Ward
Kevin E. Johnson	3 rd Ward (Absent)
Andrew McManus	4 th Ward
Edwin Martell	5 th Ward
Thomas K. Lowe	6 th Ward

Also present was City Manager Sam Sutherland, Chris Gerard for Solicitor John Haas, Auditor M. Trent Williams and City Clerk Diana Ratliff.

Discussion

Resolution to establish Energy Special Improvement District

Manager Sutherland stated that this was connected with the Pace financing program, and a committee needed to be formed if the district is established. He said developers would be able to utilize the Pace Financing. He asked Vice President Dunne to explain what he had learned from Dee Martir of Ohio Pace.

VP Dunne explained the program and essentially it addressed the issues of projects that try to incorporate sustainable energy into their development. He said one major thing was the startup cost, such as if a developer wanted to put solar panels on a building, the developer would have to lay out money all at once which would be a deterrence for the project. This program was developed in California, but Ohio was second in developing these districts. It was not a traditional loan; the payments would be switched over to a tax responsibility associated with the property tax and then the owner could pay that off over a period of twenty-years. If a developer were to install solar panels, they would pay that off annually over a period of twenty-years rather than pay \$100,000 upfront for solar panels and installation.

The city has the option to set up one of these districts which was usually prompted by one project to get the ball rolling. Once that project was agreed upon with a Pace Credit Agency, then the paperwork would be sent to us from that legal agreement and Council would have the option to pass or veto the resolution.

He said that we could call our district The Scioto County District and then municipalities that were adjacent to our city could opt to vote into that and possibly spread throughout the county. There were a host of things that would be covered under this program such as: solar, HVAC systems, different types of insulation and certain water heaters. This appears to be a great program and was done mostly on Commercial properties. He added that currently a person could get a loan for a project like this around 4.75% for a traditional loan and PACE was offering theirs at 5.5%. Councilwoman Gordon asked if it was available for “For Profit” as well as “Non-Profit”? The reply was “yes” Mr. Sutherland stated that it was for development. He said someone had asked if the City could enter into a loan with them and the answer is “no” because the city doesn’t pay property taxes and this type of loan is assessed against the property. He said that residential may be available by summertime and a homeowner could do the same thing as long as it’s energy compliant.

Councilman Martell asked if there were costs involved pertaining to the city? VP Dunne said there was a cost for setting up a District but the review he saw of the traditional format, showed that the cost would be incurred by the person entering the system. Once it was set up, there would be no annual costs to the city. Ms. Gordon asked what happened if the property owner doesn’t pay their property tax. Mr. Sutherland stated that they would default on the loan, and the loan stays with the property. Mr. Sutherland stated that Ms. Martir would answer any questions that Council may have and VP Dunne reiterated that she was very accommodating. Councilman Lowe asked what we needed to do to move this forward and Mr. Sutherland stated that we couldn’t do anything until the project owner/developer petitioned the city formally that they want to do a project, then the city could start the resolution process.

VP Dunne stated that he had asked Ms. Martir for sample legislation and she had sent a couple of items that could be incorporated into legislation, but that the city needed to wait until the first project got various legal agreements and then the legal representation would send us wording for legislation. He explained that the city was ahead of the curve, because we are now informed on what the process entails.

Ms. Gordon asked if this was just for new construction, Mr. Sutherland replied that it could be an improvement on an existing structure. Mr. Lowe asked if this was something we needed to vote on and Mr. Sutherland replied “not yet”, it was more to inform Council what would likely be coming down the road. He recommended searching the company website because they have some interesting things.

Property Tax

Councilwoman Gordon asked Auditor Williams about his comment that the schools receive 59%, the city 20%, senior citizens 1%, and “other” that included the library and TB clinic receive 2%, which meant that 82% of back taxes that were owed to the city and would benefit the city. She asked if the city could ask the county for an advance on the taxes that were owed and then the county would be responsible for collecting it. Mr. Williams stated that we could ask but they would say no. Ms. Gordon asked if it would push their hand to collect it, Mr. Williams stated that there was nothing preventing Council from asking the Solicitor to write a letter to the county. Councilman Lowe ask why the city doesn’t collect property taxes and Mr. Williams replied because the city does not assess property taxes and the county doesn’t collect income tax. Mr. Lowe commented that if we had our own person to assess property tax, we could do it ourselves, Mr. Williams stated that the city would probably never have the statutory authority to do that. Mr. Lowe gave Andy Gedeon of the Health Department permission to speak about the Land Reutilization Program, *(couldn’t hear him on the recording because he wasn’t at the microphone)*. Mr. Lowe stated one fact that he didn’t like about the Land Reutilization Program was that the county gets any property in the city and he believed that the city should be able to retain that property. Mr. Sutherland stated that Mr. Lowe was referring to the “Land Bank” which is run by the county and explained that Mr. Gedeon had been outlining the “Land Reutilization Program” which was different and it was run by the city.

The meeting adjourned at 7:10 p.m. on a motion by Councilman Lowe.

Submitted by: *Diana Ratliff* – City Clerk