

**DUBLIN CITY COUNCIL
WORK SESSION
MONDAY, SEPTEMBER 26, 2022
COUNCIL CHAMBER
5:00 PM**

Minutes

Mayor Fox called the September 26, 2022 work session to order at 5:03 p.m.

Present were: Ms. Alutto, Ms. Amorose Groomes, Vice Mayor De Rosa, Mayor Fox, Mr. Keeler, Ms. Kramb, and Mr. Reiner.

Staff present were: Mr. McDaniel, Ms. Readler, Mr. Stiffler, Ms. Kennedy, Ms. Murray, Ms. Hoffman, Ms. O'Callaghan, Mr. Ranc, Ms. Rauch, Ms. Weisenauer, Chief Paez, Ms. Blake, Mr. Farrar, Mr. Hammersmith, Ms. Noble .

Also present: Isaac Kwon and Chris Lankenau, Urban Partners

Capital Improvements Program (CIP) Part II

Mr. Stiffler shared information on two follow up items: the cost to delay debt financed projects and CIP placeholders.

Debt Financing

There are two variables to consider with debt financing. One variable is the financing costs (interest rate projection), and the other is the construction costs including labor and materials. Interest rates are still historically low even with recent increases. The best predictors for future rates is the Federal Reserve fund rate. Consensus is that rate will be at 4%+ with no reductions in 2023. That does not directly translate to interest rates that Dublin would pay. Additionally, construction salary increases in June 2022 increased in an annual rate of 4.3%. The rate of growth is slowing.

Vice Mayor De Rosa clarified that this does not indicate a drop in price for construction materials, but rather a slow growth.

Mr. Stiffler shared debt financing cost examples. \$10 million debt financed for 20 years in 2023 with a base estimate of 3.5% would amount to \$13,919,033. He provided a table showing project costs for delaying a project 1 to 4 years. The tables demonstrate that costs will likely not decrease.

Vice Mayor De Rosa asked if there are any other projects that should be considered for debt financing other than Riverside Crossing Park. Mr. Stiffler stated that there are items that could be added for discussion. Mr. McDaniel stated if there are other projects Council is

interested in, this is the process in which to discuss those. Vice Mayor De Rosa asked about Fiber to the Home. Mr. Stiffler stated that it was in last year's CIP and it is in process. Vice Mayor De Rosa stated that she could see progress happening in 2023 and 2024 but it is not included in this CIP. Mr. Stiffler stated that Fiber to the Home is underway and will come to Council for a decision as soon as reasonable. If Fiber to the Home is something Council wishes to bring forward faster, staff can look into that as part of the CIP process and possibly financing that in year 2 or 3 instead of year 5.

Placeholders

Mr. Stiffler stated that historically the City has used placeholders to demonstrate support for a project without making a specific financial commitment. Placeholders are usually signals to partners that have not yet committed to the project. Dublin can make a financial commitment without negotiating the particular financial agreement. Some examples are Hyland-Croy Road Corridor Improvements as well as Tuller Road to Emerald Parkway over 270 Crossing. There are enhancements for Darree Fields. Staff is proposing a \$7 million placeholder in 2027 for projects that may be identified as part of the Park's Master Plan process. Staff would propose that \$3.5 million be paid from Recreation revenues to be identified and \$3.5 million be financed through debt. It is important not to short circuit the ability to have the debt financing conversation. Staff is looking for guidance as to whether Council would like to proceed with adding this project placeholder with the funding plan. Adding this placeholder would unbalance the CIP in 2027. Policy options to remedy this include delaying South High Streetscape Enhancements from 2026 and 2027 to 2027 and 2028; delaying firewalls from 2027 to 2028; or any reduction of \$225,000 or more in any year.

Ms. Amorose Groomes stated that she had asked for placeholder money for projects generated from Parks Master Plan. She is appreciative of the conversations with Mr. Stiffler. She asked whether Council is willing to wait 5 years for any recreational expenditures and if so, that might have an impact on the study that is being done.

Vice Mayor De Rosa confirmed that the discussion is really on the debt payment on the \$7 million. The City does not necessarily execute on every CIP item so she feels that amount could be brought forward. It is not a matter of taking things out but refining the amounts.

Ms. Alutto stated that there are a lot of things that could be pushed back a year that would not be catastrophic. If this is put into 2027, we may not wait until 2027. The CIP is a planning document and not necessarily a rigid plan. We have moved things from year to year. There is plenty of room for that discussion. It is a little late in this planning process.

Vice Mayor De Rosa stated that the message of placing things in the CIP and then not doing them is not one she is comfortable with.

Ms. Kramb asked when the action project would come forward. Mr. McDaniel stated that there is a Council goal to look at events and opportunities to create expansion for

tournaments, etc. for sports fields. We do not know exactly what the project is yet. The earliest under construction would maybe be 2025. CIP is a plan and items can shift based on priorities and needs. Ms. Kramb stated that this is still at least one year out.

Mr. Reiner stated that we will have the Parks Master Plan in January and different priorities may arise from that. He likes the idea of having the money available.

Mr. Keeler agreed with his colleagues and stated that the CIP is a planning document that is subject to change. Aspirationally, he would like to see the \$7 million placeholder move up. He would like to accelerate that project. He sees a decent return on investment. If he could move Riverside Crossing Park dollars to Darree Fields or a sports complex, he would do so. Bridge Park is already leaps and bounds ahead of other communities and we are grossly lacking in the athletic complex area.

Ms. Kramb suggested making the placeholder broader like a park enhancement.

Ms. Amorose Groomes stated that this is a wise conversation if we really intend to do something relative to the park study.

Vice Mayor De Rosa stated that she is in favor of moving it forward. Ms. Alutto agreed.

Consensus was provided to staff to advance "park enhancements" two years from 2027 to 2025 and share the impacts.

Mr. Stiffler confirmed Council is in favor of being more aggressive with revenue assumptions in lieu of cutting projects. Ms. Alutto stated that it has to be both revenue and expenditures. Vice Mayor De Rosa stated that she would prefer to see the absorption rate. It could be a combination. Mr. McDaniel asked Council to consider any obvious changes they could suggest to staff. Mr. Keeler stated that staff is feeding Council the information in order for Council to make decisions.

Ms. Kramb asked about fiber to the home and future funding. Mr. Stiffler stated that the appropriation has already been made but if there is a new funding source, that would have to be input. She asked about the crossing over 270 and any matching grants. Mr. Stiffler stated at this point, funding has been put in that is necessary for the land acquisition. We will have an opportunity to revisit the funding in the next 2 years. There is a lot of revenue that is not in this CIP. TIF and tax revenues are fairly conservative. Mr. Stiffler asked Council to consider any project with funding of more than \$600,000 in 2025 through 2026.

Fiber to the Home Update

Mr. McDaniel stated that there continue to be very positive discussions with the responders to the request for proposals (RFP). More details will be forthcoming.

Housing Study, Phase 2

Ms. Noble introduced the Housing Study topic and consultants (Urban Partners). She shared that staff has been working on this topic for more than a year. It evolved from a national and local need for housing. The Mid-Ohio Regional Planning Commission (MORPC) conducted a regional study approximately two years ago and the City of Dublin then conducted a local housing study. Much of the discussion this evening will be a data analysis.

Isaac Kwon, Principal, Urban Partners, provided an overview of the preliminary findings from the housing study. A longer document will be presented to Council with their final findings. Guidance received from Council was to do an inventory of existing housing and do a deep dive into the data. Urban Partners used a study area which includes an area larger than corporate limits. They spoke with 70+ stakeholders getting a diversity of opinions on housing. They will also share some best practices.

Chris Lankenau, Principal, Urban Partners, shared information on demographic trends pulled from the 2020 U.S. Census. Dublin's population has increased and the largest demographic is school age children while the largest growth rates were in the senior population. An interesting note is that just 7.4% of Dublin residents work in Dublin.

Mr. Kwon shared a housing market analysis for 'for sale' homes. This is the core of the project. Records were examined from a 5-year period (2017-2021) for the study area. The median sale price was \$320,000; median sale price per square foot was \$154.02; and the median living space was 2,021SF. Home prices have increased 22% since 2017. The key takeaway is that the prices have been increasing and new builds have been getting larger. A chart showing the price comparison for sing-family housing between the study area and the City of Dublin was shared. Dublin is 52% more expensive than the study area. For the study, homes were organized into small, medium, large, and very large homes. Homes that were sold in the last five years built in 2010 or later. The majority of new homes are over 2,700SF. That has an impact on price and land use. The condominium market is 25% of all sales in the study period. There are all kinds of types of condos. Much of that data is impacted by Bridge Park.

Mr. Lanenau shared the analysis for 'for rent' homes. The study area has 72 milt-family rental communities with 13 in Dublin proper. 34% of all of those units were built in the last 10 years. There is a very low vacancy rate of only 1.2%. A healthy market is a 5% vacancy rate. In the last 10 years, there has been a significant increase in price per square foot. The highest commanding rents are in Bridge Park. Those units are smaller which brings up the price per square foot. The quality has remained high throughout the decades. A peer comparison was done with communities that resemble Dublin in some ways (size, population, etc.). Dublin is a high employment center. It captures a low percentage of low-income households. Dublin is high with median owner cots and gross rent.

Mr. Kwon shared growth projections and future housing needs for the City of Dublin. Growth will have an impact on housing needs. According to MORPC, Dublin is forecasted to grow by more than 40,000 by 2040. To accommodate the households/population, Dublin needs 4,850

housing units by 2040. Because of changing demographics, 23-26% is anticipated to be housing seniors will occupy. The forecast is for robust growth.

Mayor Fox asked about Dublin's past pace of growth. Mr. Kwon responded that a survey of building permits was conducted but needs to be refined.

Ms. Amorose Groomes asked for the same numbers for the entire study area. Mr. Kwon stated that the study area is growing at the same rate or more than the City of Dublin.

Vice Mayor De Rosa asked for available inventory by type. Mr. Kwon stated that would have to come from Census data and that can be somewhat unreliable. Based on the data they have, a profile can be created by type. Vice Mayor De Rosa stated that from a policy standpoint, it is difficult to know what to build unless the existing inventory is known.

Mr. Laneneau provided information on stakeholder engagement. They spoke with major employers, elected officials, civic groups, MORPC, transportation, realtors, builders, etc. It was very informative. Design standards are commendable but do add to housing prices. Some employers mentioned that employees are having difficulty finding housing. Schools are a great asset to Dublin. There is a concern about multi-family units bringing more school children but experience shows the opposite. They tend to be smaller units and either younger professionals or empty nesters. Families with children usually are in purchased homes unless for temporary situations. Bridge Park is a great amenity. They asked where people believe new housing should go. There was feedback about repurposing underutilized areas but there needs to be a balance with preservation.

Mr. Kwon shared the initial key takeaways as follows.

Demographic/Economic Trends

Dublin is continuing to grow but at a slower rate than the study area. Dublin is a dominant corporate node in the region. The fastest growing group is 65+. That is a continuing trend for the next 20 years. Despite relatively high household income levels of the study area, significant percentages of households are cost burdened (17.7% owner occupied and 32% renter households).

Housing Supply

Most of Dublin's developable land areas have been built out. Home prices have risen 22%. Compared to study area, Dublin homes are 52% higher. Home sizes are increasing. The vacancy rate is shockingly low (1.2%).

Peer Communities Comparison

Dublin is a leading employment node, especially for corporate and professional services jobs. Only 7.4% of Dublin workers are residents and that number seems to be dropping. Dublin is one of the least diverse in terms of household income.

Population Projections, Future Housing Demand

Dublin is forecasted to add 11,000 residents by 2040. In order to keep pace, Dublin will need to build 4,850 housing units. Dublin's senior households will grow by 38% by 2040.

Mr. Kwon shared the 5 draft action strategy themes and looked for feedback.

1. Planning for Future.
2. Ensuring economic competitiveness.
3. Accommodating seniors.
4. Optimizing land use.
5. Enhancing the sense of community.

Mr. Keeler stated that he would still like to understand Dublin's role in the region.

Ms. Alutto stated that she is not surprised by a lot of these findings. Fair market rent has jumped 12-20% in one year alone and is not sustainable in most households. A larger percentage of people are being burdened by the cost of housing. It would be great to see more residents being able to work in Dublin.

Ms. Amorose Groomes stated that none of this is surprising except for the number of people working and living in the City. Biggest question is what does Dublin want our role to be in the region and who we aspire to be. We have begun a journey of intermodal transportation. External is more difficult because it is a regional undertaking.

Vice Mayor De Rosa stated that she learned a lot from reading this. It was well organized. It is important to see what we actually have today. She would put the Sense of Community theme first. The City has previously made the policy decision regarding the percentage of different land uses. She does not like the phrase "accommodating" seniors.

Ms. Kramb agreed with what had been said. She stated that knowing what Dublin has and the trends over the years would be helpful. It would be interesting to know the percentage of 65 and older that are still working.

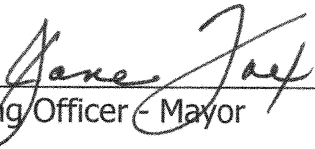
Mr. Keeler stated that probably half of the seniors want to age in place. The largest segment are middle-aged people and they are of the highest income levels. He would like to know what kind of housing is best for them. He would also ask what is possible. We have only so much land available. Dublin has to figure out what we want to be.

Mr. Reiner stated that seniors are telling him that they are better off in their house because the cost is so high for new built senior housing. People living in Dublin that cannot afford to live here is troublesome. The idealistic vision for Bridge Park was to cut down on cars. Mr. Kwon stated that seniors and young working professionals have an overlap on what they are looking for. People in Bridge Park just got outpriced.

Mayor Fox stated that the opportunity here is to take data and begin to work on challenges. Dublin has significant challenges like what we want to become. Time is also a challenge because developers are approaching with what they would like to build and as they build, we are adding pressure to education system.

All members shared the need for further discussion.

There being no further discussion, the work session was adjourned at 6:49 p.m.



Presiding Officer - Mayor



Deputy Clerk of Council