

**SPECIAL MEETING OF DUBLIN CITY COUNCIL  
MONDAY, JUNE 18, 2018 – 5:30 P.M.  
DUBLIN CITY HALL  
5200 EMERALD PARKWAY**

**AGENDA**

**CALL TO ORDER**

**ROLL CALL**

**LAND ACQUISITION, DISPOSITION AND FUNDING**

**ADJOURNMENT TO EXECUTIVE SESSION**

- Discussion of the purchase of property for public purposes and the sale of public land

**RECONVENE**

**ADJOURN**



City of Dublin

**Office of the City Manager**

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# Memo

**To:** Members of Dublin City Council  
**From:** Dana L. McDaniel, City Manager   
**Date:** June 14, 2018  
**Initiated By:** Angel L. Mumma, Director of Finance  
**Re: Land Acquisition Funding**

## Summary

The purpose of this memo is to provide City Council with an understanding of the funds that are generally used for land acquisition.

### Capital Improvement Tax Fund

The primary source of funding for the Capital Improvements Tax Fund is income tax revenue – more specifically, 25% of the 2% income tax that the City of Dublin levies on residents and those working within the City limits. This allocation was stipulated as part of Ordinance No. 17-87, which authorized an increase in the tax rate from 1% to 2% to be placed on the November 1987 ballot (a measure that was approved by the electorate).

In looking back over the past 20 years of Capital Improvement Programs (CIP), generally, Council has approved an annual allocation for land acquisition. While there were some years in which no funds were allocated, \$500,000 seems to be the standard amount programmed (although there were a few years in which the amount was lower and a few years in which the amount was higher). Most recently, in the 2018-2022 CIP, Council programmed \$500,000 each year for this purpose.

While programming funds as part of the annual CIP update sets aside funds for land acquisition, Council has acquired land using funds from the Capital Improvement Tax Fund, even when the cost exceeds the annual amount allocated (utilizing the existing fund balance).

### General Fund

The primary source of funding for the General Fund is income tax revenue – more specifically, 75% of the 2% income tax that the City of Dublin levies on residents and those working within the City limits.

Given that the annual Operating Budget provides funding for the daily operations of the City, funding is generally not budgeted for land acquisition, which is more permanent in nature and therefore more appropriate to be budgeted as part of the annual CIP. However, that does not preclude Council from using General Fund dollars to fund the purchase of land, which has been done. Maintaining a healthy fund balance provides Council with the opportunity to acquire land if the occasion arises.

In the case of both the General Fund as well as the Capital Improvements Tax Fund, funds may be advanced into TIF funds to account for land purchased in order to construct capital improvements that will be funded through service payments received within the TIF districts.

These advances are repaid to the respective 'lending' funds over the life of the TIF.

#### Parkland Acquisition Fund

Section 152.088 of the Dublin Codified Ordinances established the Parkland Acquisition Fund. It was created to account for property taxes and development fees collected for the purpose of funding acquisition of recreational facilities, sites, open space, and/or parkland. More specifically, the revenue received by the Fund comes from property taxes (the City's inside millage) and fees collected under Section 152.086 (Open Space Requirements) and Section 152.087 (Land Dedication for Municipality's Portion of Recreational Facilities). Other sources of revenue include a contribution from Washington Township (\$50,000 annually from 2015-2024 in exchange for the City taking over Kaltenbach Park), interest income, and advances from other funds.

The two primary annual expenditures from the Parkland Acquisition Fund in recent history have been to pay the Metro Parks for Glacier Ridge as well as the debt service on the Coffman Park expansion. The annual payment to the Metro Parks was \$385,000, with the final payment made in 2017. In total, the City contributed \$7.7 million for this park. The debt on the Coffman Park expansion will be retired in 2020 with an average payment between now and then of \$229,020 annually.

As part of the CIP process, the City programs \$650,000 for parkland acquisition annually utilizing the funds from the inside millage allocation (not income tax funding). This allocation is intended to cover the debt service noted above along with any other expenditures of the fund, notably County Auditor deductions (the costs the county levies on entities for collecting the property tax revenues and distributing those funds to the respective entities). If not otherwise spent, the variance between the \$650,000 programmed and the amount of inside millage actually received (projected at \$726,000 based on current valuation) increases the level of fund balance.

In addition to these expenditures, the City has also used the Parkland Acquisition Fund to acquire property for parkland purposes and to purchase right-of-way needed for shared-use paths. Three notable purchases since 2009 include a portion of the Wallace property (Coffman/Brand Roads); the Margaroli property (along Riverside Drive) and the Thomas property (located along Post Road).

As of December 31, 2017, the Parkland Acquisition Fund had a fund balance of \$1,198,299.78. An advance in the amount of \$560,000 was and still remains outstanding to the General Fund and is currently programmed to be repaid in full by 2019, with \$350,000 repaid in 2018 and \$210,000 repaid in 2019.

#### *Revenue from the Inside Millage*

Each year, the Franklin County Budget Commission determines the amount of property taxes to be collected and remitted to the City based on the City's millage rates, both inside and outside the "10 mill limit". The inside millage rate was established many years ago by the State, and the outside millage is based on the voted levy for police operations.

The property tax revenues from the City inside millage (also known as "unvoted" millage) rate of 1.75 mills can be allocated as City Council sees fit, although historically it has been allocated

between the Capital Improvement Tax Fund and the Parkland Acquisition Fund. A historical look at the distribution is as follows:

<b>Year</b>	<b>Parkland Acquisition Fund</b>	<b>Capital Improvement Tax Fund</b>
<b>2001</b>	1.75 mills	0.00 mills
<b>2002</b>	1.75 mills	0.00 mills
<b>2003</b>	1.75 mills	0.00 mills
<b>2004</b>	1.75 mills	0.00 mills
<b>2005</b>	1.75 mills	0.00 mills
<b>2006</b>	1.75 mills	0.00 mills
<b>2007</b>	0.95 mills	0.80 mills
<b>2008</b>	0.95 mills	0.80 mills
<b>2009</b>	0.95 mills	0.80 mills
<b>2010</b>	0.35 mills	1.40 mills
<b>2011</b>	0.35 mills	1.40 mills
<b>2012</b>	0.35 mills	1.40 mills
<b>2013</b>	0.35 mills	1.40 mills
<b>2014</b>	0.35 mills	1.40 mills
<b>2015</b>	0.35 mills	1.40 mills
<b>2016</b>	0.35 mills	1.40 mills
<b>2017</b>	0.35 mills	1.40 mills
<b>2018</b>	0.35 mills	1.40 mills

Based on estimates provided by Franklin County in the fall of 2017, the amount anticipated to be received in the Parkland Acquisition Fund in 2018 is approximately \$726,000, while \$2.9 million will be received in the Capital Improvement Tax Fund.

The reduction from 0.95 mills to 0.35 mills occurred as part of the 2010-2014 CIP process. While minutes are not prepared for budget workshops, the staff memo dated September 3, 2009 which accompanied Ordinance No. 39-09 – Adopting the 2010-2014 five-year CIP, stated the following regarding Parkland acquisition:

*The Administration recommended reducing the inside millage allocated to the Parkland Acquisition Fund from .95 mills to .35 mills in 2010 and 2011 with .6 mills allocated to the Capital Improvements Tax Fund to balance the Administration’s proposed 2010-2014 CIP. This will also allow for more flexibility in the use of these funds for 2010 and 2011. As a result of the discussion of funding for parkland acquisition, Council requested an executive session be scheduled by the end of the first quarter in 2010 to review potential sites for acquisition.*

The minutes from the second reading of Ordinance 39-09 on September 8, 2009 reflect the following regarding the change in allocation of the property tax revenues from the inside millage:

*(M. Grigsby, Director of Finance) For 2010 and 2011, staff is modifying how those funds are allocated. Currently, .95 mills of the 1.75 mills are allocated to the Parkland Acquisition Fund*

*and .8 mills to the Capital Improvements Tax Fund. For 2010 and 2011, this will be modified – reducing the amount to the Parkland Acquisition Fund to .35 mills. This will provide additional funding in the Capital Improvements Tax Fund for the overall Capital Improvements Program, with the understanding that this still provides the ability to use those dollars for Parkland Acquisition, if so directed by Council. Staff will bring legislation to the next Council meeting, which authorizes those amounts and rates that will be submitted to the County’s Budget Commission.*

The minutes later reflect the following discussion:

*Mr. Keenan noted in regard to the change to the designated inside millage to the Parkland Acquisition Funds, staff made reference to an understanding about the flexibility of this designation of inside millage going forward – that it could still be used for Parkland acquisition, if Council so directs. If someone were to research this change in the future, where would they find it memorialized? Is it included within the document?*

*Ms. Grigsby responded that the memo indicates that putting the funds into the Capital Improvements Tax Fund does provide more flexibility for the use of the funds. In addition, the discussion tonight will be included in the minutes regarding the adoption of the CIP. She believes this is sufficient.*

*Mayor Chinnici-Zuercher clarified that Mr. Keenan’s point is that even if the allocation of the inside millage were changed, there would remain the ability to use the money for Parkland acquisition – if Council desires.*

*Mr. Keenan added that it is not stated in the documentation, and he wants to ensure this is memorialized.*

*Ms. Grigsby clarified that historically, beginning in 2001, the property tax generated from the inside millage was allocated to the Parkland Acquisition Fund. A change was made a couple of years ago to allocate some inside millage for the COIC improvements. The use of the inside millage is reviewed annually, and can be modified annually. This provides flexibility to adjust, based on current needs.*

At the following City Council meeting, held September 21, 2009, City Council approved Resolution 44-09 – Amending the Amounts and Rates as Determined by the Budget Commission and Authorizing the Necessary Tax Levies and Certifying them to the County Auditor. The allocation of the inside millage approved by City Council in this Resolution was consistent with the previous meeting’s recommendation of 0.35 mills to the Parkland Acquisition Fund and 1.40 mills to the Capital Improvements Tax Fund. There was no additional discussion germane to this background memo.

This allocation has been proposed by staff to City Council as part of each year’s CIP since the 2010-2014 CIP. This was done based on the overall capital needs throughout the City and funding that was available from other sources.

#### *Parkland Acquisition Fund Balance*

Exhibit A reflects the financial activity of the Parkland Acquisition Fund for 2015, 2016 and 2017, as well as the projected activity for 2018 – 2022. The revenue reflected for 2018 – 2022

reflects the estimated revenue based on the City's current valuation that would be received in the Parkland Acquisition Fund if the inside millage distribution remains as it currently is at .35 mills.

For further perspective, each .25 mills of inside millage generates approximately \$520,000 in revenue. Therefore, if the inside millage dedicated to the Parkland Acquisition Fund were to be increased to .50 mills, the fund would receive revenue totaling \$1,040,000. As has been stated in the past, it is important to reiterate that additional dollars allocated towards the Parkland Acquisition Fund results in less dollars that can be used to fund the expansive listing of new and capital maintenance projects that are funded from the Capital Improvement Tax Fund.

**Recommendation**

Information only.

Exhibit A

Parkland Acquisition Fund

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>
Beginning cash balance	\$ 45,088	\$ 1,670,130	\$ 1,262,100	\$ 1,198,300	\$ 1,373,760	\$ 1,688,240	\$ 2,246,240	\$ 3,011,240
<b>Revenues</b>								
Advances	2,015,609	-	-	-	-	-	-	-
Property taxes-inside millage <sup>1</sup>	701,142	710,850	720,738	726,000	726,000	726,000	726,000	726,000
Township contribution	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other revenues	5,426	2,412	-	-	-	-	-	-
<b>Total Revenues</b>	<b>2,772,177</b>	<b>763,262</b>	<b>770,738</b>	<b>776,000</b>	<b>776,000</b>	<b>776,000</b>	<b>776,000</b>	<b>776,000</b>
<b>Expenditures</b>								
Annual payment to Metro Parks (thru 2017)	385,000	385,000	385,000	-	-	-	-	-
Transfers for debt:								
Coffman Park expansion (thru 2020)	233,445	236,700	238,820	239,540	240,520	207,000	-	-
County Auditor deductions	9,714	9,592	10,719	11,000	11,000	11,000	11,000	11,000
Land acquisition	118,977	-	-	-	-	-	-	-
Repayment of Advances	400,000	540,000	200,000	350,000	210,000	-	-	-
<b>Total Expenditures</b>	<b>1,147,136</b>	<b>1,171,292</b>	<b>834,539</b>	<b>600,540</b>	<b>461,520</b>	<b>218,000</b>	<b>11,000</b>	<b>11,000</b>
<b>Ending Cash Balance</b>	<b>\$ 1,670,130</b>	<b>\$ 1,262,100</b>	<b>\$ 1,198,300</b>	<b>\$ 1,373,760</b>	<b>\$ 1,688,240</b>	<b>\$ 2,246,240</b>	<b>\$ 3,011,240</b>	<b>\$ 3,776,240</b>

\*Reflects projected activity

Outstanding Advances as of 12/31/2017:  
 General Fund: \$560,000



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# Memo

**To:** Members of Dublin City Council  
**From:** Dana L. McDaniel, City Manager   
**Date:** June 15, 2018  
**Re:** Land Acquisition and Sale of Public Land Discussion

## Introduction

As a follow-up to Council's retreat earlier this year, a Special Meeting of Dublin City Council is scheduled for 5:30 p.m., Monday, June 18, 2018, Dublin City Hall. At this meeting Council will discuss land acquisition for public purposes and the potential sale of public land. Staff is providing two information memos as background to assist Council in this discussion. This memo provides information on land acquisition and disposition, generally. A memo from Angel Mumma, Director of Finance, is also being provided explaining the funds that are generally used for land acquisition.

## Background

### Why the City Acquires Land

With the extraordinary growth the City has experienced over the past 50 years (from a population of 681 persons in 1970 to approximately 48,000 in 2018), the need for land to meet the growing demand and need for public facilities and infrastructure has been substantial. The City of Dublin acquires (or requires the dedication of) real estate for a variety of public purposes. Among the most common and frequent reasons for acquiring land (or acquiring certain interests in land, such as easements) is due to the rights-of-way (ROW) required for the City's ever growing roadway system. Generally, needed ROW is either dedicated to the City by developers during the normal course of the City's development review and approval (often via plat or a development agreement) or it is acquired by the City just prior to a pending roadway improvement (especially in the case of roadway widening). However, some major roadway projects and connections (such as parts of Emerald Parkway for example) require more advanced land acquisition planning as the transportation public need for these roadway improvements occurs before the ROW dedication that generally takes place in the normal course of private development.

Among the largest categories of City-owned land is the land devoted for parks, open space and recreational assets. Although most of the City's neighborhood parks have been secured through the City's normal development review process (and its associated park dedication requirements), the City's larger parks and recreational fields (such as Coffman Park, Darree Fields, and Avery Park) have been acquired as part of strategic planning and land acquisition decisions designed to meet the growing programmatic and other needs of the City. Most recently, a growing priority for land assemblage along the Scioto River has accelerated in order to develop Riverside Crossing Park. Unique natural assets, such as the Indian Run park area, have been secured or preserved via a scenic easement (in the case of the Indian Run Park a scenic easement was granted by the Dublin City School District), as well as by direct acquisition by the City (as in the case of the Thomas Holder property).

The City has also acquired land from time to time to accommodate its administrative and related support facilities, such as for the Service Complex and Justice Center, as well as the recently acquired Delta Energy Building. The City has also from time to time acquired land in key locations as an economic development tool in order to be able to respond quickly to unique and targeted economic development opportunities (such as the recent Amazon agreement). Additionally, the City has acquired unique sites to preserve an asset or advance a particular City goal, such as the sites of the Dublin Village Tavern and the Chamber of Commerce building on South High Street, the site of the Dublin Arts Council, key redevelopment sites in the Historic District at Bridge and High, and the land where the Chiller skating facility is located.

#### How the City acquires real estate

Frequently, the City secures its needed real estate via dedication/plat, negotiated purchase, development agreement, or condemnation (eminent domain). Eminent domain is generally the last option of the City, and is used after efforts to negotiate mutually satisfactory acquisition terms have been exhausted. In all cases, the City's offers to acquire real estate are based primarily upon an independent appraisal (although those final acquisition valuations, which have proceeded to court are often ultimately based on a legal and financial risk assessment). When acquiring land for public purposes other than roadways (such as for parks), the eminent domain process can require significant amounts of time.

#### When the City acquires real estate

The City's primary blueprint for the implementation of its capital improvement projects is the approved Five-Year Capital Improvement Program. For the ROW or temporary easements needed in association with a planned roadway project, the legal descriptions for such ROW and easements are prepared in close coordination with the actual construction drawings for those projects. Because the ROW and easement needs of roadway projects are uniquely able to use the so called "quick take" eminent domain authority, roadway projects are rarely delayed due to land or easement availability. As noted earlier, there are times when the City has acquired land for key roadway projects well in advance of its planned implementation/construction. One such example was the Emerald Parkway Phase 8 project for which the City began assembling key sites in the 1990's, decades before its actual construction. Because it was known that the eventual roadway could have substantial impacts on a number of existing single-family residential properties (along Jenmar Court), the City performed a roadway alignment study in the 1990's to affirm the future alignment of Emerald Parkway between Riverside Drive and Hard Road. Once the negative impacts were fully understood, the City offered to begin acquiring those impacted homes (at market value) at such time as a homeowner might be interested in selling his or her home. This allowed the City to proceed with critical roadway planning while helping mitigate some of the potential negative impacts of a planned future roadway, and avoiding the sudden need or urgency to acquire and relocate these impacted families from their five homes. (See depiction that follows.)



A similar early acquisition approach has been employed more recently by the City as it has advanced its plans for land assemblage to implement the Riverside Crossing Park along the Scioto River, an area that includes a limited number of existing single-family homes. This future park area also includes a residence that is within the planned location of the future John Shields Parkway Scioto Bridge.

Some City land acquisitions are much more dependent on a specific and/or often sudden opportunity, or are an outgrowth of a broader development agreement. The agreements with Columbus Metropolitan Library and the Dublin City School District, for example, related to the new library development and resulted in the City's ownership of the new parking garage site, an expanded "reserve" adjacent to the Grounds of Remembrance, and the new ROW for Rock Cress Parkway and North Franklin Street. The Ballantrae subdivision resulted in the City's ownership of the land where the Dublin Golf Course was built. In yet another early stage approach, Dublin's most catalytic early development, Muirfield Village, resulted in a vast amount of "privately" owned and maintained open space, which occurs to a lesser extent in other subdivisions throughout the City. The City's attention in recent years has been in helping ensure that these private maintenance entities (HOAs) have the capacity and resources to properly maintain such facilities.

Most of Dublin's neighborhood parks and the ROW for its streets are secured (via dedication) when subdivisions are platted and recorded.

#### What guides land acquisition priorities, locations and prioritization

Obviously, the City's long established community planning efforts (including documents such as the Community Plan, the Thoroughfare Plan, and the Master Park Plan, etc.) provide the primary long-term guidance for the location of, and ultimate need for the land required for many of the City's community facilities. The nearer term determination of the relative need for, and priority of additional land acquisitions have been ultimately determined within the City's Five-Year CIP process (in the context of all capital projects competing for the City's available/limited financial resources).

To help facilitate the thoughtful consideration of potential land acquisitions and their associated projects within the CIP process, City Councils over the years have held a number of Executive Sessions on the topic of land acquisition to:

- Better understand the City's current land assets, assess any gaps, and to review specific acquisition opportunities
- Assess the needs and possible locations for various park, open spaces and economic development sites in the context of the City's most current conditions and needs
- Determine and better understand the current and near term resources available for such acquisitions
- Discuss overall land investment priorities by type of land
- Learn of any new or emerging opportunities that should be considered as candidates for possible acquisition

These discussions may often lead to requests for additional information from Council, and they will help inform the proposed Five-Year CIP that the Administration will present to Council for its consideration later in the summer of 2018.

As the City has matured over the years, it has likely acquired real estate assets that may no longer be serving a significant public purpose, or perhaps which constituted an unneeded land residue from a larger acquisition. The City should formally review such assets from time to time and determine if City ownership is still warranted, and if not, determine what an appropriate method of disposition might be. It is the Administration's intent to "tee up" such a discussion at your June 18 meeting.

### **Recommendation**

This memo is presented for Council's information and background. Staff recommends Council adjourn to Executive Session for the purpose of discussion of the purchase of property for public purposes and potential sale of public land at its Special Meeting scheduled for June 18, 2018. Please address any questions to Dana McDaniel.