

Meeting Minutes

July 5, 2023

Madison County Port Authority Board

The Madison County Port Authority meeting was called to order by Chris Wallace, Port Authority, Chairman. The meeting began with a roll call from all individuals participating in the meeting.

The following board members were present at the meeting: David Kell, Executive Director, Steve Hermiller, Steve Lelonek, Ray Martin, Scott Sims, and Chris Wallace.

Subject: Meeting Minutes – Approval – May 10, 2023

Steve Lelonek made a motion to adopt the May 10, 2023 meeting minutes Scott Sims seconded the motion.

All members voted in favor to approve the May 10, 2023 meeting minutes.

Financial Consulting Services

David Kell reported that he was in contact with Kenter Sellers to set up an agreement for the Madison County Port Authority to work with Kentner Sellers on a monthly basis to provide financial consulting. Kenter Sellers informed David Kell they are not interested in performing the consulting financial services for the Madison County Port Authority.

David has been in contact with Jared, a representative from REA & Associates in Hilliard, Ohio, who is familiar with financial consulting services. In the past Jared, has served on other Boards, and has helped Groups, and Port Authorities in the Columbus region. David provided a copy of the financial consulting agreement which includes a resolution from REA & Associates, to the Madison County Port Authority for their review. David highlighted areas in the agreement for the Port Authority to review. In the recitals area, it details what the requirements are for certain administrative services including auditing, accounting, financial control, investments, and depositories, etc. David mentioned that this is something that will be needed for the Madison County Port Authority. David continued that this agreement is standard compared to what other Port Authorities use for financial consulting services. This fee is hourly, the invoicing is normal, and the termination is standard for the notice of 180 days of written agreement to cancel the agreement. David continued that this agreement was recommended by Bricker & Graydon. David informed the board that he can continue to explore to search for other financial consulting service agreements, however with the deals that are coming up soon this is the best option. Steve Lelonek asked if this agreement was

already embedded. The reply was that this agreement has been used in other contexts, not directly for Port Authorities but for NCA Ports and professional accounting services. Another separate reason for this contract is to appoint REA & Associates as an assistant Secretary/Treasurer for the Ports rules and regulations, and that entity would serve as the contact point for auditing purposes for the State Auditor, this is one of the last administrative loop holes that can be closed, to identifying that contact person for the State. Therefore this contract is set up for a trial basis on a yearly term. This would then reaccess the level of service that is being received from REA & Associates.

Subject: Resolution Approval

Steve Lelonek moved to adopt Resolution # 2023 – 01 authorizing the execution of a consulting agreement with REA & Associates.

Ray Martin seconded the motion.

All members voted in favor to adopt Resolution # 2023 – 01 authorizing the execution of the consulting agreement with REA & Associates.

New Business

David Kell has already formally talked to the Port Authority Board, about two proposed projects. Mr. Wilcox from Wilcox Communities was present at this Port Authority meeting to discuss one of these projects. The Walker Way Project is a proposed site in Plain City, Ohio.

David referenced a previous resolution 2023 – 3, this has been previously discussed about a ground lease. Wilcox Communities submitted a deposit of \$2,500.00 to begin to start engaging the Port Authority, but does have anything formally in writing and signed to move forward. There is an existing resolution in place detailing a ground lease with Walker Way. According to David Kell the project fee, has not been negotiated. David continued that this proposed transaction structure Walker Way is to own the project site lease the ground to the Port Authority through a ground lease granting the Port Authority a lease holding interest. The Port Authority then owns the project and leases the project back to Walker Way. The leased back structure allows the project to qualify for a Port Authority facility under ORC which allows the Port Authority to exempt all Ohio sales tax. Walker Way remains responsible for the construction, taxes, assessments, insurance, maintenance and legal fees related to the project. Walker Way will be obligated to make annual direct payments to the Port Authority in the amount of \$5,000.00 per year. The term of this lease is 15 – 20 years. The fee for this project is very old based on the actual negotiated amount of building construction materials apart from the project budget so that has not been drilled down in yet. RDM would require an engagement letter between the Port Authority Board and Walker Way and Ohio Development, tying Walker Way Ohio to payment of the Ports fee, and the courts legal fees. This would also allow for a deposit agreement to where by Walker Way could be eligible for a reimbursable deposit if for some reason there is

no closing of the project through no fault of Walker Way or the Port. That will begin the ability for the Port to negotiate the ground lease project lease construction manager at risk agreement, and any bank required agreement.

Ray Martin asked if they pay the fee percentages on the taxes that they pay outside the State of Ohio. David Kell responded that he spoke to Caleb Bell about this, and it's basically based on assumption that they will. Scott Sims asked if they pay the taxes on the front end of the project or is it over a yearly term? According to David Kell taxes based over a yearly term is a lease. The other fee that will negotiated is the upfront fee based on the history.

Johnathon, with Wilcox Communities, provided an overview about the project. Wilcox Communities specializes in master planning residential development which builds and manages single story apartment home communities. Originally Wilcox Communities was condominium developers. About ten years ago Wilcox Communities saw an emerging housing need called renter by choice. Which is someone downsizing from a single family home into a condominium or patio home but also wants the flexibility of renting. As a result Wilcox Communities switched from building condo developments to apartment communities which is appealing for 50+ year old age group. Wilcox Communities has been working in Plain City for a couple of years now with the Blausler and Troyer families for this project which includes 112 acres. Johnathon provided maps to view the various types of homes such as the multi - family development with a single story apartment home community. The other two options are more traditional with single and family home developments. Wilcox Communities is proposing 226 units for the multi family. Wilcox Communities would build retain ownership and manage these units so there would be an in - house construction division and in - house property management division. There are three reasons to use the sales tax exemption program. The first is to build and to look at the product. Wilcox Communities builds about six units per acre. The purpose of this is to not have someone living too close to each other. The second purpose is for infrastructure. The sanitary and water extensions is ~ \$2,000,000.00. Wilcox likes to buy sites where utilities are nearby. The lending environment has become tighter. Wilcox Communities use to borrow 85% of their cost, now it's 75%. The final aspect is to resolve and fill the housing need in Central Ohio which is a growing market.

According to Johnathon, based on a traffic study there are plans to install a traffic light at the intersection on St. Rt. 42 and Prairie Pike, in Plain City, Ohio. This is an improvement study to widening and also install a turn lane. Steve Hermiller asked if the property was annexed and Johnathon, replied that the Village of Plain City Council approved this annexation about a week ago. There is an upcoming meeting with the Village of Plain City for a final vote on the zoning. Steve Hermiller asked Johnathon about what is the timing for the water and sewer? Johnathon replied that this development will take up the remaining capacity before the regional expansion takes place. Johnathon, continued that more than likely Wilcox Communities will probably upsize the sanitary extension which will then open up for more development in the tributary area west of Lafayette Plain City Road area. Ray Martin asked if the tributary area is aware of the new regulations that the EPA is trying to propose? Johnathon, replied yes, and Wilcox Communities is tracking this. David Kell commented that Wilcox Communities may be Grandfathered in. Johnathon, proceeded that Wilcox

Communities began fast tracking with their Engineer's to design the offsite Sanitary Extension. Scott Sims asked if this was zoned in different parcels per the sub areas? Johnathon replied that the way that Wilcox Communities sets it up is that if it's a one zoning of a PID and then there is three different sub areas within that PID so each sub area carries its own standards and allows its own in the text for each sub area. It's Wilcox Communities experience that they have already done three of these of the same product in Delaware County. Scott Sims asked Johnathon if they were going to build out other areas such as sub areas B and C within Wilcox Communities? Johnathon, is talking to multiple home builders now and the anticipation is to sell off parts of the sub areas B and C to builders and as Wilcox Communities being the master developer they would be bringing the utilities there, and set up everything from a zoning standpoint, including the turn lane and the entry road. Wilcox Communities has done deals in the past where all they put all the streets and utilities in and sell off individual lots. Since this is a large project for Wilcox Communities more than likely they would probably sell some ground to builders. Steve Lelonek commented that Wilcox Communities has a great reputation and would be pleased to see this development take place, and London and West Jeff may have an opportunity to look into using Wilcox Communities as well. Johnathon provided information that this process has been slow and that it has taken over a year for Plain City to update their zoning code. Wilcox Communities was pleased that Plain City finally approved this zoning for these apartment complexes. The first public hearing for this proposal in Plain City took place last week. There was not an individual that came forward to oppose this proposal.

Subject: Resolution Approval

Steve Lelonek moved to adopt Resolution # 2023 – 02 approving and authorizing the project lease transaction concerning the development construction equipping and improvement of real property constituting a Port Authority Facility

(II) Approving the execution and delivery of an engagement letter a deposit agreement, a ground lease, a project lease, a recognition agreement in connection with the transaction a construction at risk agreement, and an indemnification agreement between the authority and Walker Way OH Development LLC., and (III) Approving the provision of Ohio sales and use tax exemption certificates for the purchase of building and construction materials incorporated into the facility and appurtenances related thereto.

Ray Martin seconded the motion. All members voted in favor to adopt Resolution # 2023 – 02.

Sign In Sheet

Sign In Sheet
Port Authority Meeting
July 6, 2023

Apperals:

Minu- Steve LeLonek 1st
Scott Sims 2nd

2023-01 - SL 1st
RM 2nd

2023-02 - RM 1st
SH 2nd

2023-03 - SL 1st
SH 2nd

1. Steve LeLonek
2. David Kell
3. Adam Seeley
4. JONATHAN WILCOX
5. Ray A. Maul
6. Scott Sims
7. Steve Hennelly
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Signatures

Chris Wallace

Ray Martin

Steve Hermiller

Steve Lelonek

Scott Sims