

Dennis Murray called the meeting to order at 5 p.m. after the Invocation, given by Naomi Twine, and the Pledge of Allegiance.

The Clerk called the roll and the following Commissioners responded: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine.

Upon motion of Greg Lockhart and second of Naomi Twine, the commission voted to excuse Wes Poole. The President declared the motion passed.

City staff present: Aaron Klein – Public Works Director, John Orzech – Police Chief, Rick Wilcox – Fire Chief, Matt Lasko – Chief Development Officer, Angela Byington – Planning Director, Stuart Hamilton – IT Director, Hank Solowiej – Finance Director, Trevor Hayberger – Assistant Law Director, Eric Wobser – City Manager and Kelly Kresser–Commission Clerk.

APPROVAL OF MINUTES

Upon motion of Dave Waddington and second of Naomi Twine, the commission voted to approve the minutes of the July 9 meeting and suspend the formal reading. The President declared the motion passed.

AUDIENCE PARTICIPATION

Sharon Johnson, 1139 Fifth Street, said she was a little taken back by the \$500,000 grant to a developer with Chesapeake TIF funds (Item #1) which flew under the table. Ten percent of the Chesapeake TIF money is being allowed for remodeling but she does not know what this amount is; she asked the total amount of the TIF and how much will be used to pay off debt.

Tim Schwanger, 362 Sheffield Way, said the public was under the impression the wayfinding signage program was complete and asked if signs are being relocated (Item D). The Chesapeake TIF was set up to make public improvements in and around this area and a decision was made in 2016 to expand it to include private development in downtown and on the Jackson Street Pier project. He is hearing we may not have enough money from the TIF to do this project and will have to find alternate funds. It was promised there would not be any public funds used for these projects. There may be an opportunity for the commission to look into backing away from the Chesapeake TIF and redefine how it is being used to let private developers use their own property taxes for projects rather than relying on those who fund this TIF.

Susie Wyse, 105 West Water Street, said tax incremental financing is payment in lieu of taxes which normally would go to the school system or the county. On March 6, the Tax Incentive Review Council (TIRC) met and approved a report for the community reinvestment area tax abatements. Minutes from this meeting reflect the Chesapeake TIF was created in 2004 requiring all deposits be expensed on certain municipal improvements including but not limited to land acquisition, relocation, demolition, parks, streets, utilities and public buildings all intended to promote further development within the district. At this meeting, Eric Wobser stated the purpose of the TIF was to be used for the Shoreline Drive and Jackson Street Pier projects. Rick Jeffrey (TIRC Chairman) encouraged the city to look to assist Erie County with projects and on March 16, an extensive letter was sent to Eric Wobser from Maria Muratori detailing the need for legislation to provide \$1.3 million of the Chesapeake TIF to Marous Brothers to develop the Feick Building. On March 23, these minutes were approved by the City Commission through emergency legislation although the report was not due to the state until September. At the same commission meeting, Marous Brothers were given this money and Dennis Murray stated: "Some people get concerned about these investments being made by the city, but this does not come from dollars which could potentially fund police, fire or street improvements; rather, these funds are specifically set aside for these types of investments." This would not be what the testimony given to the TIRC members was earlier in the month. In 2016, a second urban renewal area was instituted in the City of Sandusky and it was enlarged based on the fact a study was done which showed the poor conditions of sidewalks, roads and infrastructure-particularly water and sewer lines which had reached the end of their useful life. It was warned breaks could happen which

would disrupt the businesses downtown if something did not happen. The deception at a public meeting to a review committee and lack of transparency by city officials regarding the TIF money raises questions about the legitimacy of this spending. The use of liberal emergency legislation by this commission is without merit. We appear to be mortgaging our future by committing TIF funds for a number of years to private, for-profit developers without regard to the need for public improvement(s). The bill for this public infrastructure is going to come due and the TIF money was intended to be used to improve it. Susie Wyse said she does not know how much of future TIF funds may already be committed because the city is not being transparent and wonders if this could be done with less public money going to a private developer. If this is what the city really wants to do, they should not be deceptive in a meeting; rather, the city should state these buildings will not be improved or developed without contributing public tax money. She hopes this project is successful and said the drawings for the building look great and wants to make sure the city is doing what they can for the public with these tax dollars.

Bob Reardon, 401 West Shoreline Drive, urges a “no” vote on the item for use of Chesapeake TIF funds for the Cooke project (Item #1). The primary use for this money is supposed to be for public infrastructure improvements and the number one item on the State of Ohio website regarding TIF funding is traditional government projects including roads, water and sewer lines. There have already been water line breaks on West Water Street this summer and he has heard this line is over 100 years old and certainly needs replacement. There is a sign in the Chesapeake parking lot about combined sewer overflows during periods of heavy rain. These are more important than spending money for a private developer who purchased these properties on his own. He should have plenty of money to take care of the investment he made to make improvements; city funds should be used for traditional government projects.

CURRENT BUSINESS

Upon motion of Dave Waddington and second of Naomi Twine, the commission voted to accept all communications. The President declared the motion passed.

CONSENT AGENDA

Dennis Murray asked if anyone wished to remove any of the Consent Agenda items. There were no requests to do so.

SECOND READING

A. Submitted by Todd Gibson, Facilities & Properties Supervisor

APPROVAL TO REQUEST REIMBURSEMENT FROM ERIE COUNTY SOLID WASTE MANAGEMENT DISTRICT FOR CITY-WIDE CLEANUP AND YARD WASTE DROP-OFF EVENTS

Budgetary Information: Reimbursement funds, if received, will be deposited into the general fund for the Horticultural Services Department.

RESOLUTION NO. 028-18R: It is requested a resolution be passed approving a request for reimbursement from the Erie County Solid Waste Management District through the community grants program for expenses relating to the city’s cleanup and recycling events.

B. Submitted by Hank Solowiej, Finance Director

BUDGET AMENDMENT #2

Budgetary Information: Appropriation amendments are required to update the budget for previous actions of the city. Examples include, but are not limited to: subrecipient agreements and capital projects funded by CDBG; Jackson Street Pier project design services funded by the revolving loan fund; EMS fund purchases for radios, thermal cameras and other capital items.

ORDINANCE NO. 18-143: It is requested an ordinance be passed adopting amendment #2 to ordinance #18-066 passed by this city commission on March 26, 2018, making general appropriations for the FY 2018; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

C. Submitted by John Orzech, Chief of Police**DISPOSAL OF UNNEEDED VEHICLES**

Budgetary Information: There is no budgetary impact stemming from this disposal. The proceeds from the sales will be placed in the Police Department's law enforcement trust fund.

ORDINANCE NO. 18-144: It is requested an ordinance be passed authorizing and directing the City Manager to dispose of vehicles as having become unnecessary and unfit for city use pursuant to Section 25 of the city charter; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

D. Submitted by Aaron Klein, Director of Public Works**CHANGE ORDER FOR WAYFINDING & SIGNAGE PROJECT (TIME EXTENSION ONLY)**

Budgetary Information: Change Order #2 has no budgetary impact.

ORDINANCE NO. 18-145: It is requested an ordinance be passed authorizing and directing the City Manager to approve the second and final change order for work performed by Ellet Neon Sales & Service, Inc., of Akron, Ohio, for the wayfinding and signage project; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

E. Submitted by Jane Cullen, Project Engineer**AUTHORIZATION TO ACCEPT BIDS FOR CEDAR POINT WATER MAIN IMPROVEMENT PROJECT**

Budgetary Information: The estimated cost of the project including engineering, inspection, advertising and miscellaneous costs is \$407,000 to be paid with water funds.

RESOLUTION NO. 029-18R: It is requested a resolution be passed declaring the necessity for the city to proceed with the proposed Cedar Point water main improvement project; approving the specifications and engineer's estimate of cost thereof; and directing the City Manager to advertise for and receive bids in relation thereto; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

F. Submitted by Kelly Kresser, Commission Clerk**LIQUOR PERMIT TRANSFER**

A request has been received from the Ohio Division of Liquor Control for the transfer of D1 (*Beer only for on premises consumption or in original sealed containers for carryout only until 1 a.m.*), D2 (*wine and mixed beverages for on premises consumption or in original sealed containers for carryout only until 1 a.m.*) and D3 (*spirituous liquor for on premises consumption only until 1 a.m.*) liquor permits from Luco Wes Properties LLC dba Luco West Bar & Grill to Benjamin Vito Pruitt dba Benny Vito's Grill & Bar, 902 West Adams Street. It is requested the commission clerk be authorized to notify the Division of Liquor Control the city does not request a hearing on this matter.

Upon motion of Nikki Lloyd and second of Greg Lockhart, the Commission voted to accept the Consent Agenda and declare all ordinances and/or resolutions as drafted and presented to the City Commission under the Consent Agenda shall take effect in full accordance with the Section reflected in the ordinances and/or resolutions, whether it be in full accordance with Section 13 or Section 14 of the City Charter.

Discussion: Dennis Murray said the time extension for the wayfinding signage was in response to changes the city requested and these have already been completed.

Roll call on the motion: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. Roll call on the ordinances and resolutions: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the ordinances and resolutions contained in the Consent Agenda passed in full accordance with the City Charter.

REGULAR AGENDA**ITEM #1 - Submitted by Matt Lasko, Development Director****INTENT TO INVEST IN REDEVELOPMENT OF THE COOKE COMPLEX**

Budgetary Information: The city will be responsible for providing \$500,000 in grant funds from the Chesapeake TIF, subject to the above conditions.

RESOLUTION NO. 030-18R: It is requested a resolution be passed approving the city's intent to invest in the Cooke Complex project relating to the redevelopment of the Cooke Building located at 160 Columbus Avenue, 119 East Market Street and the Huntley Building located at 133 East Market Street by granting funds in the amount of \$500,000 to H2 Property Management, LLC using proceeds from the Chesapeake TIF fund; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Dave Waddington and second of Naomi Twine, the Commission voted to approve this resolution under suspension of the rules and in full accordance with Section 14 of the city charter.

Discussion: Matt Lasko said this is a Resolution for the intent to invest and a formal grant agreement will be forthcoming when the developers are ready to close their financing for the projects. H2 Properties are owned by Rick and Meghan Hografe who are making significant investments in and around the downtown. They currently own eleven buildings in downtown Sandusky and two buildings in Bay View. They traditionally have owned a combination of mixed-use buildings, multi-family apartments and commercial structures and have a significant track record which has been displayed and is evidenced with their ability to undertake substantial historically-appropriate rehabilitation projects. They also have a fully-staffed property management team in place and have developed an allegiance with Jeff Foster, their architect on the majority of their projects who is very well respected in property redevelopment and historic preservation. Some of the more visible projects completed include the Schmidt Building on East Market Street (\$3 million renovation to be completed this fall and using State Historic Tax Credits) and a building at 225 West Water Street (\$250,000 - \$300,000 redevelopment/refurbishment). This particular project is a combination of three buildings located at 160 Columbus Avenue, 119 East Market Street and 133 East Market Street to be known as the Cooke Complex. This project, in total, is about \$1 million in acquisition and \$7.6 million in rehabilitation being undertaken with all three buildings. This will bring 35,000 to 50,000 SF of leasable space, including retail, on Columbus Avenue, second story offices and retail spaces within the Huntley Building to the south. Property at 119 East Market Street will be converted into a new lobby, elevator and stairwell to service all three buildings which currently do not have ADA accessibility and will serve as the entrance into the complex. This will bring about 35,000 SF of retail and commercial space back to market and does not include the third story of the Cooke Building which could add to the square footage calculation. This could be 15 to 20 retail spaces and commercial offices being completed, rehabilitated and brought back to market in downtown. The ground floor of the Cooke Building is proposed to remain the same in terms of tenant spaces and square footage; the second story shows several leasable spaces which have the ability to be combined into larger spaces, as needed, by potential tenants. The Huntley Building would be an open air market where retail spaces are broken up and will bring spaces to market at a very affordable rate. The project is being done to a very high level in terms of rehabilitation and the tenants will be able to make use of common areas and shared spaces to help depress lease rates upon completion of the project. The proposed city portion is \$500,000 which is 5.8 percent of the project and is traditionally less than what has been invested in similar projects throughout the city. The Hografe's are applying for state historic tax credits and a financial contribution at the local level is important for these types of projects. This investment is conditioned upon the city's ability to monetize the sale of bonds and a target completion date in December, 2020. Although funds being used for this project are not traditional economic development funds, this was brought to the Economic Development Incentive Committee for review and they unanimously recommend supporting this investment on the city's behalf. Eric Wobser said in the 2015 Bicentennial Vision Plan, there is a specific recommendation to create a program to fill vacant buildings in downtown Sandusky; 2,000 persons contributed to this plan by voicing their opinions. In the 2016 State of

the City address, an initiative to upgrade vacant buildings was announced including the commitment of \$3.5 million in public funds toward the redevelopment or activation of upper floors and under-used buildings for potential office, housing and hospitality options; some structures also qualified for funding including the Cooke, Feick and Whitworth Buildings and several others. There was an article in the Sandusky Register specific to this and the city has spoken publicly and often about. The Feick Building was the first project using dollars set aside from these funds. We have tried to be as transparent as possible and the reason these funds were created is because one of the things holding back our ability to have sustainable tax dollars were twelve plus vacant buildings in downtown Sandusky when the Bicentennial vision plan was adopted. Ultimately, we are excited as twelve vacant buildings will no longer be vacant because of the creation of these programs. We feel we have negotiated as well as possible as it relates to only putting public dollars into these projects which are absolutely necessary to get the buildings done. In over a dozen years of doing economic development, the activity happening before and after is significant and is what brings more jobs, more residents and more investment into our city and will contribute to the general tax rolls for years to come. It is true \$1.8 million of the Chesapeake TIF is dedicated toward revitalization of the Feick Building and Cooke Building (if passed), but it is also true we are preparing to spend \$8.7 million for the complete reconstruction of Shoreline Drive from this fund including burying utilities at Chesapeake and reconstructing the Jackson Street Pier. This will add to a series of public infrastructure investments for the transient marina, the boardwalk around it and demolition of the Keller Building. We believe this program, which is one small piece of the overall pot of money, is a critical part of redeveloping our infrastructure for a more vibrant downtown and ultimately will improve the climate at Chesapeake and throughout the entire city. We do not want to put more resources into any project than absolutely necessary because we want to see more projects happen and know we have a lot of infrastructure needs. This is part of a long-term, well thought out and transparent process in which a lot of key decisions have been made about how to invest limited dollars in a way we thought, in its totality, would put the city in a better position heading into our Bicentennial and beyond. He and Matt Lasko toured the Cooke Building five or six times before this purchase and it is very likely the hardest building to redevelop in downtown Sandusky. The return on investment for the Hografe's is probably not what the market would yield; they are doing this in large part because they believe in the city and in downtown and this is a long-term investment for them. Because they know this is such a big investment and it is in the center of downtown, they want to make sure some of these resources help us to attract new retail tenants which is also missing, but necessary. They will be creating a rent reduction program for the first three years after redevelopment of these buildings where tenants can step up into a market-rate rent over the course of three years to offset the costs of new businesses moving into the city. Dick Brady said he has looked at this building for the past two decades and has always viewed it as an anvil around our neck and we have a philanthropist in the Hografe's, not simply a developer. Their ability to take on this renovation is a one-of-a-kind opportunity. We are not setting a precedent here today; we have used this method before and this is leverage in its purest form. This leverage is spending our dollars to revitalize what is in the heart of downtown and he is thankful the Hografe's have landed in Sandusky. Greg Lockhart said he is welcoming of development and investment to Sandusky and downtown but cautions the amount of money from public funds without enough time to vet it. This is one thing which slows him down and he has to vote no on this today as he sees it. Dennis Murray said Sandusky has a lot of legacy challenges and had thought the Cooke Building would have to be torn down and the city would have spent a lot of money to do this. Instead of spending this money on demolition as we did at the former American Crayon and the Apex buildings, we have an opportunity to leverage \$8 million of outside investment rather than having nothing to show for \$500,000 and leaving a hole in the middle of downtown. We do need retail downtown and this is an opportunity to provide for investors. There were good questions asked about other needs the city has and other investments we have made and continue to make in areas around the city. There are strict limits on where this money can be spent and TIF money cannot be used for fire or police services or on the Waste Water Treatment Plant; it can only be spent in the area defined in the legislation referenced here tonight. It seems as if sometimes all of this money washes through one pot but the state legislature has established very strict limits for good reasons not initially apparent as to

why this money has to be spent in a certain way, in a certain place and often at a certain time. Dennis Murray said he is convinced this is an appropriate investment on the city's part but is not an appropriate investment on the Hografe's part as they will not get near the required market rate of return. They are doing this for other reasons entirely and does think it is appropriate to look at this as philanthropy or a very long-term investment. When looking at tax credits the city has been able to garner and the number of buildings we have been able to rehabilitate rather than tear down, we do not need to go very far to find communities within a short driving distance with legacy buildings in disrepair or where investors are making repairs. They are losing their community's identity because they are getting hollowed out in the center. We are very lucky to have the resources we have, the partners and staff who are imaginative and creative and looking at ways to take liabilities and turn them into assets to produce jobs and income tax revenues in the foreseeable future. This is an opportunity to get our tax dollars back which otherwise may go to the state and federal government and is a way to get a very significant return on investment. Monies coming back to the community in the form of construction dollars and investment will significantly exceed this expenditure being considered tonight; for all of these reasons, this is a wise investment.

Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray and Naomi Twine, 5. Nays: Greg Lockhart, 1. Roll call on the resolution: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray and Naomi Twine, 5. Nays: Greg Lockhart, 1. The President declared the resolution passed under suspension of the rules and in full accordance with Section 14 of the city charter.

ITEM #2 - Submitted by Nicole DeFreitas, Transit Administrator

AGREEMENT WITH JOHNSON CONTROL, INC. TO PURCHASE AND INSTALL SECURITY SYSTEM AT AMTRAK STATION

Budgetary Information: The total cost of the professional services is \$19,000. The Ohio Transit Preservation Partnership Program will provide \$15,728 and the balance of \$3,272 will be paid with transit capital replacement funds.

ORDINANCE NO. 18-146: It is requested an ordinance be passed authorizing and directing the City Manager to enter into an agreement with Johnson Control, Inc., of Cleveland, Ohio; for professional services for the transit center security project; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Nikki Lloyd and second of Dave Waddington, the Commission voted to approve this ordinance under suspension of the rules and in full accordance with Section 14 of the city charter.

Discussion: Dennis Murray introduced and welcomed Nicole DeFreitas who is the city's new transit administrator and has a long track record of success in Ottawa County. Nicole DeFreitas said this security system will include cameras at the Amtrak Station as well as professional services with Johnson Controls. The Police Department will be able to view these cameras remotely and increase overall security at the facility. The total cost is \$19,000 with \$15,728 coming from the Ohio Transit Preservation Partnership (OTPP) program grant. These are the final OTPP funds from a grant awarded a few years ago. The remaining \$3,272 will be paid through the transit capital replacement fund and this is being requested for passage under Section 14 of the city charter to expedite the installation process.

Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. Roll call on the ordinance: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the ordinance passed under suspension of the rules and in full accordance with Section 14 of the city charter.

**ITEM #3 - Submitted by Todd Gibson, Sr., Facilities & Properties Supervisor
PURCHASE OF TRUCK FOR WATER DISTRIBUTION DIVISION**

Budgetary Information: The total cost of the 2018 F450 4 x 4 regular chassis cab, dual rear-wheel truck with utility service body is \$52,583 and will be paid from water funds which were budgeted in the capital improvement plan and accounted for in the 2018 rate review.

ORDINANCE NO. 18-147: It is requested an ordinance be passed authorizing and directing the City Manager to purchase a 2018 Ford F450 4 x 4 regular chassis cab truck with utility service body from Lebanon Ford Commercial of Lebanon, Ohio, through the State of Ohio Department of Administrative Services cooperative purchasing program for the Water Distribution Division; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Naomi Twine and second of Nikki Lloyd, the Commission voted to approve this ordinance under suspension of the rules and in full accordance with Section 14 of the city charter. Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. Roll call on the ordinance: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the ordinance passed.

ITEM #4 - Submitted by Aaron Klein, Director of Public Works

ENCROACHMENT LICENSE TO GUNDLACH SHEET METAL WORKS, INC.

Budgetary Information: There is no budgetary impact with this item. Gundlach Sheet Metal Works, Inc. is responsible for recording fees to the Erie County Recorder's Office.

ORDINANCE NO. 18-148: It is requested an ordinance be passed authorizing the City Manager to enter into a license agreement with Gundlach Sheet Metal Works, Inc., to provide for the use of a certain portion of the city's rights-of-way, as described in the grant of a license for encroachment, for purposes of installing awnings; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Dave Waddington and second of Naomi Twine, the Commission voted to approve this ordinance under suspension of the rules and in full accordance with Section 14 of the city charter.

Discussion: Aaron Klein said these are typical agreements when people want to put awnings over doors and this is for an expansion project.

Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. Roll call on the ordinance: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the ordinance passed.

ITEM #5 - Submitted by Aaron Klein, Director of Public Works

ENCROACHMENT LICENSE TO TALLTOWN INVESTMENTS, LLC

Budgetary Information: There is no budgetary impact with this item. Talltown Investments, LLC is responsible for recording fees to the Erie County Recorder's Office.

ORDINANCE NO. 18-149: It is requested an ordinance be passed authorizing the City Manager to enter into a license agreement with Talltown Investments, LLC, to provide for the use of a certain portion of the city's rights-of-way as described in the grant of a license for encroachment; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Naomi Twine and second of Dave Waddington, the Commission voted to approve this ordinance under suspension of the rules and in full accordance with Section 14 of the city charter.

Discussion: Aaron Klein said this is for an outdoor dining area at Jax Bar located at 123 West Market Street. The surrounding is up and was approved previously with a temporary outdoor dining permit. The Landmark Commission required the fencing to be painted or stained appropriately and is a typical permit and installation for something to be located on the sidewalk on a temporary basis. Greg Lockhart said he does not see a problem with this particular patio, but going forward, notices we have added quite a few patios and questions always are about the ability to walk around them and ADA accessibility. As we move forward, Greg Lockhart asked for regulations and/or policies to be put into place as the existing fences are all made of various materials. If we are to have patios, they should not encroach into wheelchair or walker access and is concerned about the use of patios in the future. Nikki Lloyd said this was brought up at the last Landmark Commission meeting and Angela Byington said when reviewed, the members discussed accessibility around patio enclosures and a uniform design. Although our guidelines technically state wood is acceptable, members asked to look into recommending standards for fencing materials and styles going forward. Dennis Murray said accessibility is an undeniable factor we must look at.

Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. Roll call on the ordinance: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the ordinance passed under suspension of the rules and in full accordance with Section 14 of the city charter.

ITEM #6 - Submitted by Aaron Klein, Director of Public Works

APPROVAL FOR LOAN AGREEMENT WITH OHIO PUBLIC WORKS COMMISSION FOR MCCARTNEY ROAD PROJECT

Budgetary Information: Loan agreement in the amount of \$175,000 with zero percent interest will be paid back at a term of twenty years using Issue 8 funds from the capital projects fund.

ORDINANCE NO. 18-150: It is requested an ordinance be passed authorizing and directing the City Manager to enter into a project loan agreement with the Director of the Ohio Public Works Commission for the McCartney Road reconstruction project; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Nikki Lloyd and second of Dave Waddington, the Commission voted to approve this ordinance under suspension of the rules and in full accordance with Section 14 of the city charter.

Discussion: Aaron Klein said this is for a grant application submitted last year and the fiscal year for OPWC starts in July. We were able to obtain loan funding with zero percent interest over the useful life of the projects which closed out last year. As many of these projects turn out, the resurfacing project turned into a utility project and we are moving through the storm sewer process and hope to come back with additional funding opportunity through the OWDA.

Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. Roll call on the ordinance: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the ordinance passed under suspension of the rules and in accordance with Section 14 of the city charter.

ITEM #7 - Submitted by Jane Cullen, Assistant City Engineer

DESIGN/BUILD CONTRACT WITH MOSSER CONSTRUCTION FOR WASTE WATER TREATMENT PLANT

Budgetary Information: The estimated cost of the project including engineering, inspection, advertising and miscellaneous costs is \$282,000 to be paid with sewer funds.

ORDINANCE NO. 18-151: It is requested an ordinance be passed authorizing and directing the City Manager to enter into a design/build contract with Mosser Construction, Inc. of Fremont, Ohio, for the Waste Water Treatment Plant primary digester #4 – structural and roof repair

project; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Naomi Twine and second of Nikki Lloyd, the Commission voted to approve this ordinance under suspension of the rules and in full accordance with Section 14 of the city charter. Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. Roll call on the ordinance: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the ordinance passed under suspension of the rules and in full accordance with Section 14 of the city charter.

ITEM #8 - Submitted by Matt Lasko, Chief Development Officer

AUTHORIZATION TO PURCHASE PROPERTY ON MILAN ROAD

Budgetary Information: The city will be responsible for purchasing both properties for \$87,500 and covering traditional closing costs in addition. The expenses will initially be paid for utilizing neighborhood initiative funds (specifically housing repair funds). When the single-family home is resold, the difference between the purchase price of both parcels and the sales price of only the single-family home (if there is a difference) will be expensed against the neighborhood initiative fund (specifically, neighborhood improvements) and the housing repair balance will be made whole. In the event sales proceeds for only the single-family home exceed the purchase price of both parcels, the net proceeds will be deposited into the real estate development fund.

ORDINANCE NO. 18-152: It is requested an ordinance be passed authorizing and directing the City Manager to enter into a residential purchase agreement for the purchase of property located on Milan Road and identified as Parcel No's. 57-05985.002 and 57-01857.000; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Naomi Twine and second of Nikki Lloyd, the Commission voted to approve this ordinance under suspension of the rules and in full accordance with Section 14 of the city charter.

Discussion: Matt Lasko said as part of the neighborhood plan adopted by the commission, one of the six neighborhoods selected is the South of Kilbourne neighborhood. Each neighborhood had a catalytic, visible anchor project which would be important to the redevelopment and repositioning of each neighborhood. The area South of Kilbourne and adjacent to Jaycee Park was singled out for upgrades to the park facility and enhanced visibility and accessibility, particularly the northeastern part of Jaycee Park at Baltimore Street, Finch Street and Milan Road. Unless someone is local, it is very difficult to know there is a park here. Recently, two parcels were listed under separate ownership are being marketed together. One is a single-family home and the other is a half-acre piece of property sitting behind Milan Road running parallel with Baltimore Street, south of Finch Street and Milan Road. This property would bring visibility up to Milan Road and Finch Street and has been shown on several maps to potentially be a connector node for a bike path northeastward to the Sandusky Bay Pathway. These parcels are jointly listed for \$115,000 and we are proposing the purchase of both for \$87,500. The city would have until the end of this week, if approved, to have an inspection performed prior to completing the sale. Closing will be set for the first week of August and earnest money is not being considered as part of this transaction. The city will be provided a final walkthrough two days before closing to make sure there have not been substantive alterations made to the properties. During the term of our ownership, we would look to split the lots and consolidate them. This will provide ten to fifteen feet to the single family home so they would have room for a patio or garage leaving significant room to improve the trail along Finch Street and Milan Road to Jaycee Park. After this lot split and consolidation, we plan to ask the commission to approve a listing agreement for the single-family property while the real estate market is still strong. We would bridge this with neighborhood initiative dollars which are a combination of our single-family repair dollars and our planning and improvement dollars. When we sell the house, there will probably be a difference between the purchase price and the selling price because we will be holding back a half acre piece of property. The difference is what will be taken from the neighborhood initiative

account and will be a significant neighborhood investment for Jaycee Park. In the rare event we are able to sell the property for more than our purchase price, the net proceeds would go into the real estate development fund. Dick Brady said this cost is about twenty percent less than the asking price and said Matt Lasko did a terrific job negotiating this. Dennis Murray said we look to invest money into Jaycee Park and connect it to the Mack Iron Trail. This is exciting and underscores the importance of long-term planning. We would not have picked up on the availability of this property or have thought about buying it if we did not have a long-term strategic plan in place which called for connecting Jaycee Park with this trail all the way to our waterfront. A capital plan, spearheaded by Aaron Klein and Hank Solowiej, is also in place to ensure these dollars are invested at the appropriate time. Matt Lasko thanked Talon Flohr and Angela Byington as they have been keeping an eye on our initiative plan for our parks and programs identified and Talon was the one who brought this to his (Matt's) attention when the property was listed.

Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. Roll call on the ordinance: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the ordinance passed under suspension of the rules and in accordance with Section 14 of the city charter.

CITY MANAGER'S REPORT

- Dennis Murray said the city had a wonderful weekend with the **Festival of Sail** and had great, positive attention brought to our community. People all over the state and beyond learned about Sandusky, what we have been doing and the successes we have achieved. Eric Wobser said this was a tremendous weekend and a wonderful halfway point for our Bicentennial celebration. He thanked the members of the Bicentennial Commission, Draw Events, the Sandusky State Theatre and our Bicentennial Coordinator McKenzie Spriggs. Coverage for the event spanned from Cleveland to Toledo and this was positive news from the big duck to the revitalization of the city and the sports center. This event helped to introduce a lot of people to this market who may have been here for an island or for Cedar Point in the past; they now know we have a wonderful and historic downtown as well. Event coverage reached over ten million people by traditional means and 15+ million via the web with direct hits and this put Sandusky out there for a lot of people who hopefully will be converted to visitors. A survey was done of local merchants and 88% of respondents said business was average to far above average; 76% said it was above or far above average for a specific weekend. Also, 88% of businesses surveyed said they preferred this event site on the pier as it kept the streets open to the extent possible. The city did not receive many complaints about parking and we were able to accommodate the increased traffic which was substantial. Over 30,000 persons attended the daytime festival, there were thousands more for the evening festival and this is exciting. One hundred percent of the businesses surveyed reported the customer's impression of Sandusky was either good or outstanding during the event. People were blown away by Sandusky and came from Pennsylvania, Indiana, Michigan and other states and were really surprised by what they found and will be back. Eric Wobser thanked everyone who was involved and said we will keep pushing these types of events and hopefully have a great rest of the year for our Bicentennial.
- The fifth annual **Touch a Truck event** will take place at the Paper District Marina, 611 West Shoreline Drive, on August 7 from 4 p.m. - 8 p.m. We look forward to another exciting year for the children to enjoy bounce houses, climbing walls and get inside many vehicles they see driving by every day along with food vendors and giveaways.
- **Upon motion of Dick Brady and second of Dave Waddington, the commission voted to authorize Strand & Associates to make a grant application, on the city's behalf,**

to the National Parks & Recreation Association to complete a Master Plan for Jaycee Park.

Eric Wobser said we are requesting approval for **Strand & Associates, Inc. to submit a grant application to the National Park & Recreation Association through the Great Urban Parks Campaign: Green Infrastructure in Underserved Communities Program** on behalf of the city. If awarded, the total request of \$300,000 would be applied toward developing a Master Plan for Jaycee Park which is included in the five-year Capital Improvement Plan for 2019. This park was highlighted as a key location to implement green infrastructure and reduce overflows from the combined sewer system.

The President declared the motion passed.

- The **Ohio EPA has implemented new rules expanding the public notification plan for the Waste Water Treatment Plant** regarding sewer overflow events. The plan is still being developed and will be implemented in 2019.
- The Division of Streets & Traffic successfully completed **mill-and-fill improvements on Warren Street between Washington and Jefferson Streets**. The traffic pattern has been changed to one-way and signs have been installed informing motorists.
- On July 11, the city was notified it had successfully secured its second and final, **“No Further Action” letter from the Bureau of Underground Storage Tanks**. All remediation activities are complete and the city is moving toward completing the sale of the former Sunoco Gas station at the corner of Venice Road and Tiffin Avenue along with the site of the former Hopper’s Mobile Home Park which is likely to occur in late August or September. The city wants to thank the Ohio Development Services Agency for their contribution of \$200,000 in cleanup funds through the abandoned gas station program. Finally, the city wants to thank our consultant, Mannik Group, who managed the project on our behalf.
- The Public Art and Culture Commission will be having a **Public Art Master Plan Steering Committee meeting** on July 31 at 5:30 p.m. in the first floor conference room. On August 1, there will be a **public meeting** at 6 p.m. in Washington Park for the **Public Art Master Plan**. The backup rain location will be City Hall, first floor conference room.
- The regular **Planning Commission** meeting has been **rescheduled** to August 2 at 4:30 p.m. in the first floor conference room.
- The regular **Board of Zoning Appeals** meeting is scheduled for August 16 at 4:30 p.m.
- Dennis Murray said the **Cleveland Road Parklet** is a beautiful and imaginative reuse of a piece of property and will be a wonderful addition to this neighborhood. Eric Wobser said this project is very special and Talon Flohr, along with staff in the Planning and Public Works Departments, have contributed to it. The initial plan was to demolish the overhead structure thinking it would be better to start with a clean slate, but residents in the neighborhood suggested this could be kept in the public space. The landscape architect then kept this iconic structure and is another example of working with the public to make another project better.

OLD BUSINESS

Dave Waddington asked where we are with the **NASA intake pumping facility at Sheldon’s Marsh**. Looking back, this facility was to be operational no later than the end of 2017. There have been some repairs made, but when he served on the commission previously, he recalls we would

have had to send divers down to pressure test because of the distance water would have to travel and then be pumped back to our plant. Aaron Klein said he will gather some information and report back at the next commission meeting. There needs to be divers and pressure testing and a lot of work with the SCADA system to make it operational for the city to be able to use. In its current state, the city cannot use it but only as a secondary intake. Dennis Murray said at the time, we were looking at \$7 million to develop a secondary intake so we looked at this as an alternative as it would be less expensive to utilize the existing infrastructure. If we cannot do this, we need to look at a secondary intake and abandon this particular project. Dave Waddington said he read in the newspaper a few months ago this was operational as far as turning the valve on, but as far as being pressure tested and used by us, this cannot run at capacity. Dick Brady said the city is not in jeopardy of losing our primary intake and we spent money to rebuild a secondary intake and now have deeper water than we have had in a long time. Aaron Klein said we had a project with our existing secondary intake a couple of years ago and dredged around it to make sure we could gain some depth but over time, silt and sedimentation comes back and fills in. Dave Waddington said going out into the lake, some of this was misaligned and would need to be repaired. At the time, Erie County was looking at doing a microsystem water plant for access and the city backed off.

NEW BUSINESS

Greg Lockhart said he has had a few comments from people about **diversity and inclusion with city staff** for minorities and women being integrated into our staff. So far, he thinks we are moving this way but wants to make sure we are still mindful of this direction and having both minorities and women in positions of authority. Welcoming our new Transit Director is going in the right direction for inclusiveness and most of our clerical staff were in lower or clerical positions. Diversity is not the only thing; this also comes with inclusion and this government should be reflective of the people we see in our community. Eric Wobser said we are doing better and looking at diversity although we have a lot of very strong female staff much beyond the clerical level. We always want to be more representative of gender and racial diversity and will keep working at this. When hiring, we want the best person for every job but when looking back at hires we have made over the course of time, something is wrong if it is not becoming more representative of the community which we serve.

Greg Lockhart said some of the residents in the area of the **intersection of Hancock Street and Huron Avenue** have complained about cars screeching and invited him to observe the traffic. A lot of people are coming to a rolling stop and asked if other traffic control devices such as crosswalks or flashing stop signs could be utilized. Eric Wobser said we looked at traffic counts prior to making the decision to change this intersection to a four-way stop. While walking through this intersection every day to go to work, this does not back up although there may be some line of sight issues and we can take a finer look at this to make visibility better.

Upon motion of Dick Brady and second of Dave Waddington, the commission voted to hold an executive session regarding personnel, review of the City Manager. Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the motion passed.

Upon motion of Dick Brady and second of Dave Waddington, the commission voted to hold an executive session regarding personnel, review of the Commission Clerk. Roll call on the motion: Yeas: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declare the motion passed.

AUDIENCE PARTICIPATION

Sharon Johnson, 1139 Fifth Street, asked how much the Chesapeake TIF brings in each year and how much of this amount goes toward debt. From what is in the newspaper about the Cooke property development, she questions the involvement of Nikki Lloyd and said it appears she (Nikki) has a conflict of interest with this. Hank Solowiej said \$632,000 is generated annually and

2018 and 2019 are the last two years of debt; last year the debt service was about \$420,000 but can confirm these numbers.

Dawn Weinhart, 1433 Marlboro Street, representing Lake Erie Shores & Islands (LESI), applauds the commissioners for taking the initiative to look at the Cooke property development and said LESI supports these efforts to bring more inventory for residents and visitors alike. This falls in line with their mission to grow the region's tourism economy through collaborative promotion to increase visitor awareness and make LESI the ideal place not only to play, but to work and live. They believe when a place is built where people want to visit, a place is created where people want to live and when there is a place where people want to live, an environment is created in which people will work and welcome new businesses and in turn, a place will be created where people will want to visit and we will start the whole circle all over again.

Susie Wyse, 105 West Water Street, said she is glad the commissioners are sticking up for what they believe will help Sandusky. The first tax incremental financing agreement was in California in 1952; by the 1990's, around eight percent of all the property taxes in California went into TIF's. So much of it was diverted from the schools and from infrastructure development the state had to step in and is one of the reasons for the huge budget deficit. When Jerry Brown came into office in 2011, they outlawed TIF agreements. These can be abused and overused and do create a public debt. For the infrastructure not fixed with these dollars, money will have to come from taxes and we do kick the can down the road to pay for infrastructure later. We need to make sure there is income available to repair it. We are not utilizing Rick Hografe to the full extent; we are getting money in development from him, but we should be looking at his story. This is a small town boy with a lot of intelligence who was highly educated, persevered, worked hard, made a ton of money and is very wealthy. We refer to work, live and play: we have play down and are getting the live down, but the work we really want is high tech, high paying good manufacturing jobs and this is a person (Rick Hografe) who was very successful in this endeavor. If we do not have him on every economic development board we are crazy because we really want his mind to think how to bring these businesses and high paying jobs to Sandusky. This will fill apartments and keep the economy going. The city should request this commitment from him. Eric Wobser said Rick Hografe is fully vested other than through his real estate investments. He also made a large gift to a stem program at Margaretta High School (his Alma Mater) and is actively working with BGSU/Firelands, Firelands Regional Medical Center, Buderer Drug and others to look at seeding a biotech industry for clinical testing here. Eric Wobser said he has followed the TIF agreements in California and their structure was a lot different than in Ohio. They funded development authorities and did a lot of massive things with ports and this is not necessarily an apples to apples comparison. We should selectively utilize them when absolutely critical for a larger goal.

Jeff Foster, Pato Architects, said he is a 1992 graduate of Margaretta High School and said it is very exciting to see what is happening downtown and did his Masters' thesis on this. A lot of ideas which seemed to be "pie in the sky" are now happening and said it takes a lot of trust of city officials as a lot of this is new ground and can be uncomfortable. These types of ideas do come to fruition and the city deserves to be complimented.

At 6:29 p.m., the President announced a recess of the regular session. At 6:35 p.m., the commission convened into executive session. At 7:03 p.m., the commission returned to open session.

Upon motion of Dave Waddington and second of Dick Brady, the commission voted to extend the City Manager's contract through July, 2022, and increase his salary to \$140,000. Roll call on the motion: Nikki Lloyd, Dave Waddington, Dick Brady, Dennis Murray, Greg Lockhart and Naomi Twine, 6. The President declared the motion passed.

Upon motion of Dick Brady and second of Greg Lockhart, the commission voted to adjourn at 7:05 p.m. The President declared the motion passed.

Kelly L. Kresser, CMC
Commission Clerk

Dennis E. Murray, Jr.
President of the City Commission