

Monday

June 29, 2009

6:00 P.M.

**At 6:00 p.m. a Special Meeting was held by the Sandusky City Commission in the City Building Commission Chambers, 222 Meigs Street, to discuss the Sandusky Yacht Club** with City Commissioners Pervis Brown, Bob Warner, Dave Waddington, Dan Kaman, Julie Farrar, Craig Stahl and Brett Fuqua in attendance; as well as the Charter Officers of the City Manager Matthew D. Kline, Law Director Don Icsman, and the Acting Clerk of the City Commission Carol Roth; and Economic Development Specialist Scott Schell. The audience and the news media were present.

Mr. Brown offered the **invocation** and everyone remained standing for the **Pledge of Allegiance to the Flag**.

President Stahl then requested a motion to appoint Carol Roth as Acting Clerk. It was moved by Mr. Waddington and seconded by Mr. Fuqua. The motion carried.

The Acting Clerk called the **roll** and the following Commissioners responded: Brown, Warner, Waddington, Kaman, Farrar, Stahl and Fuqua.

President Stahl said this Special Meeting was called to discuss the Sandusky Yacht Club. The Commission passed an ordinance on May 26, 2009 approving an agreement to further implement waterfront development and to terminate litigation. That ordinance was passed at first reading and not as an emergency. Prior to the Commission's contemplated second reading and vote, a restraining order was issued by the Erie County Common Pleas Court that resulted in the tabling of the ordinance. The Common Pleas Court denied the request for an injunction and dismissed the case by an entry filed on June 23, 2009. Thus, this meeting was then scheduled. The format this evening, as discussed with Mr. (Jack) Runner and Mr. (Tim) Schwanger, will allow two people from each side an extended period to talk. He will also allow any audience member a three minute time limit. President Stahl asked Mr. Kline to explain the purpose of this meeting.

Mr. Kline showed a satellite photo of the area and pointed out various properties. He said there are five issues:

1. Expanded Water Rights – Over several months, the Yacht Club was asking for additional water rights. The City has always wanted to make sure that the Tall Ships and any large naval vessel would be able to get in and out of the Meigs Street Pier. The Yacht was asking for additional use of the City's submerged land lease area. The proposal is for the Yacht Club to retain a certified naval engineer to develop a plan which still allows the large vessels to come in and go back out. The City is to review this certified plan and after acceptance, both parties would work with ODNR to either rewrite the submerged land lease or modify the submerged land lease to whatever that area would be. The submerged land lease is based on square footage of use. The City would be receiving additional funds. Mr. Kline estimated that it would be an additional \$1,000 per year. The City would receive half of that.
2. Adjustment of the height limitation – The Yacht Club is to submit a request to amend the height restriction not to exceed 120 feet. Part of the agreement is that Administration would support that request to the Board of Zoning Appeals.
3. Perry Street Right of Way – The City will be supportive of vacation of part of the Perry Street Right of Way north of Water Street. The area is approximately 19 feet by 300 feet. The vacated area will be used for additional parking by the Yacht Club. The process goes first to the Planning Commission. There is no guarantee that the agreement would vacate that, but it would say that the Administration would recommend to the Planning Commission that if and when it would be developed, it would match the south side of Perry Street.
4. On-Street Angled Parking – The City agrees to develop a plan for angled on-street parking on Water Street between Franklin and Meigs Streets. Mr. Kline said that there are a lot of issues that would need to be dealt with on development of the plan. Should the City be in a financial position to implement that plan, the City would implement the plan at their discretion.
5. Shoreline Park Sidner Garden – Complete the transfer that was previously approved to the Yacht Club.

President Stahl asked if the agreement would end litigation with the Yacht Club. Mr. Kline responded that it would.

President Stahl said he would accept two speakers from each group who could speak over the three minute time limit.

Nancy McKeen, 3316 Stonewood, said the settlement if enacted will benefit the citizens of Sandusky by increased employment with all the associated benefits including increased payroll tax revenues for the City. It will increase the public's access to the water and transient dockage. The children of Sandusky and Sandusky school district will benefit through increase real estate taxes. Erie County and the City of Sandusky will benefit financially through increased sales tax revenue. The City of Sandusky will receive greater revenue through increased dock taxes and submerged land leases. On the Perry Street Right of Way, there are currently 42 parking spaces. Once everything is enacted there will still be 42 parking spaces and there will be public walkways on the right of way. In addition, the City of Sandusky will receive a significant yearly submerged land lease payment from the Yacht Club and the development for the next fifty years. The parking, both private and public, will allow for increased employment generating additional payroll taxes and further enhancing the local economy. The additional parking will also help the shops in the Marina District and the Yacht Club generate additional revenue increasing sales tax revenue. Additional real estate will be paid benefiting the Sandusky school district. Granting the water rights to the Yacht Club offers significant benefits to the City: public access to the water is improved with the inclusion of a transient dock. The Yacht Club will pay the highest dock tax of all the marinas located within the City. The dock tax will amount to ten percent of the revenue generated by the dock and will cover the new dock and a portion of the existing dock. The Yacht Club will pay a submerged land lease for the water rights. It should be noted that the current rate paid for submerged land leases by The Yacht Club is more than double other businesses located in the City including Cedar Point. It is estimated that the water rights combined with the increase in dock taxes will generate at least \$350,000 in additional revenue over the next ten years. Additional sales tax revenue can also be expected. As far as Sidner Park, that will generate increased employment growth, increased sales tax revenue, and increased real estate taxes benefiting the children of Sandusky. It should also be noted that to establish the price of this property, the City chose the appraiser, the Yacht Club paid the appraiser's fee and the City then established a price 30% greater than the appraised value which the Yacht Club has agreed to pay. As far as the height variance, the Yacht Club has no current plans to put up a building. The Commissioners cannot grant the Yacht Club's request; it is done by the Board of Zoning Appeals. The settlement request that the City Commissioners endorsed is the recommendation of the City's planning staff in 2007 to the Board of Zoning Appeals to grant the height variance. If it is granted, significant additional real estate taxes will be paid; the Yacht Club does not have to put up a building. An endorsement of the height variance is an endorsement for the children of Sandusky and the school district. She is recommending that the Commission vote in favor of the settlement as it will increase local employment, increase City and County tax revenue and benefit the kids in Sandusky. It is time to make a decision in this matter based on what will benefit most of the citizens of Sandusky.

Tim Schwanger, 362 Sheffield Way, said he doesn't consider a \$500 submerged land lease as a great windfall for the City of Sandusky. He spoke with President Stahl about two hours ago and went over the position statement from two years ago. At that time, he said President Stahl was opposed to this situation. He wanted to know why President Stahl's attitude has changed. If the 19 feet is vacated in the Perry Street Right of Way, it is not quite clear to the public what happens to the rest of the right of way. He is hearing from the Yacht Club that the remainder is going to be vacated to Mr. Eymann then he is hearing that it will not be vacated to Mr. Eymann. Mr. Eymann stated two years ago that it was important that the Perry Street ROW be maintained for public access and public parking. He said they are not getting open honest answers from Mr. Eymann, the Yacht Club or the City. In the June 21, 2007 Board of Zoning Appeals minutes, Mr. Gacka is documented as saying that the height variance would offer additional housing for Yacht Club members. He said there is an interest of housing on the Yacht Club property. If you go to the April 25, 2007 Planning Commission minutes, it is stated that the 19 parking places is short term; long term is for a set back variance for additional housing. They are not getting open honest answers. Their objections come down to this: they recognize the Yacht Club's financial situation; it is not the Commission's obligation to bail them out. All the different studies that have been done for the City of Sandusky in reference to the waterfront say the same thing: it is very important to maintain sightlines to Sandusky Bay. If you go back to the slide that Mr. Kline showed earlier, it shows their dockage stops in the middle of Surf's Up. There is a reason for that: previous commissioners and previous city managers recognize the importance of maintaining public access sightlines to Sandusky Bay. He spoke with the Corps of Engineers. One of the things that was talked about at the high school was sightlines of Perry Street Right of Way. Back when Gary Packan and Mike Will worked for the City, there was a plan to bring that fence down, make the Yacht Club put up their own fence for security reasons and skim off some of the stone to make that sightline. A comment was made at that

meeting on the 18<sup>th</sup> that we have to have the Corps of Engineers permission to do that. He talked to the Corps of Engineers last week and permission is not needed.

Mark Norman, 1016 Third Street, said the presentation by the Yacht last week presented this as a bailout. Where does this go from here? If the Yacht Club is land locked, they are going to have issues far into the future. They are bright enough and wealthy enough to find long-term answers, not just a short-term answer. He thinks the parking for the 19 feet will allow people to readily access the waterfront and a walkway by pulling in and parking diagonally. He thinks in these economic times, it is a horrible message to send to the residents of this city especially when so many members of the Yacht Club live outside of the city.

Diedre Cole, 807 Hancock Street, said that Mrs. McKeen pointed out that public access will be greatly increased via the transient dock. She nor any of her neighbors own a boat so their public access will not be increased via transient docks. Red Raven Books is moving from downtown. Ms. Cole said that they are moving due to lack of space. Downtown property owners are holding property in speculation and not allowing people to move into larger spaces because they are anticipating a great movement with the Marina District. She said the Commission needs to take an honest look at what is really going on.

Bill Taggart, Wadsworth, Ohio and member of the Sandusky Yacht Club, said that his wife and he spend about 100 days living on their boat at the Yacht Club. He estimates that they spend \$20,000 a year in Sandusky, contributing to the City economy while expecting and receiving little or nothing in the way of city services. He is told that about 90% of the dockers at the club are not from the immediate region. There are about 200 docks at the club which means there are about 180 outside families contributing to the City's economy. That is about \$3.6 million that is pumped directly into the City creating employment and revenues to support local businesses. The citizens of Sandusky and members of the Yacht Club are big winners. The benefits for each are: the City of Sandusky receives a settlement of a lawsuit which if likely to be allowed to proceed to finality, would be very, very expensive for the City. The Yacht Club has asked for damages and the treasurer's best calculation to this point has accumulated to \$4-\$6 million. The Yacht Club does not wish to pursue this line but will if they must. Wishing to be good citizens, they have instructed their attorneys to find a settlement which will cost the citizens of Sandusky nothing and instead bring in significant amounts of monetary benefits for decades into the future. The Perry Street Right of Way has 42 parking spaces and will still have 42 parking spaces plus an additional 19 spaces which will allow the Yacht Club to book larger parties which will result in the need for additional staff. The Yacht Club will get something that it desperately needs and the City will come out as a winner as well: more jobs, more revenue. The water rights - under the Yacht Club's existing water lease, no one but the Yacht Club is permitted to build docks in the open balance of their harbor. The City cannot do it, Mr. Eymann cannot do it, but the Yacht Club can and has promised to pay ten percent of the dock lease income to the City. There is no cost to the City and a significant monetary benefit. The Yacht Club will also pay additional submerged land lease taxes to the City and the citizens get a 70 foot transient dock. The benefits: a significant revenue stream to the City which can be spent for the benefit of the citizens of Sandusky, a stream of revenue projected to go for decades into the future and a free dock to visiting boaters. The cost to the City is nothing. The Sidner Gardens - the City gets to sell a small unusable piece of property which is on shoreline property; the Club gets the opportunity to square off its property and provide a little additional space for families utilizing the pool area. The height variance - the City has proposed to support the Yacht Club's cost of zoning appeals on this. The cost to the City: nothing. The Club can request a zoning variance which will raise the value of its property to make up for declining shore front values in the hopes to attain a lower rate in its mortgage when it comes due. Cities work so hard to bring additional business to their location. Is it not wise to support one which is already a major employer and a good citizen especially at the cost to the City? Everyone comes out a winner in this settlement.

Sharon Johnson, 1139 Fifth Street, said she went to the presentation on the Yacht Club. She could not believe what she was hearing. She said it is not the City's responsibility that the Yacht Club is in a bind. The City does not have any plans on what the Yacht Club is going to do with the land. It is the least the City could expect from them. As far as the diagonal parking, she does not like it. If the Yacht Club is going to build a condo or whatever, they should provide themselves with parking that does not overflow into the city streets. She said it will be dangerous for people riding on the bike path. The Surf's Up has been closed a long time. Now they are saying it is decreasing the value of the Yacht Club. Has anyone talked to the Yacht Club's bankers to verify what they are telling the City? She hopes the Commission will think it over before making a decision. She also questioned the information that Mr. Icsman passed out. Mr. Icsman explained that it was a copy of the ordinance that was presented at a previous meeting.

Mark Gacka, Treasurer, Sandusky Yacht Club, said as litigation remains pending, he has been very conservative in the estimates that he generated on the tax revenue to the

City. He has estimated that the City of Sandusky will receive a total of at least \$1,265,000 in taxes over the next ten years. The Yacht Club will be paying the highest dock tax rate in the City of Sandusky which will amount to ten percent of the gross dock revenue generated by the additional docks. That amount over ten years should be at least \$75,000. The City will also have revenue from submerged land lease which will come from two sources: one is the property that will be vacated on the Perry Street Right of Way and the other is the expanded water rights. He estimated it to be \$45,000 over ten years. The Yacht Club's submerged land lease is at least four times higher than most businesses in the City of Sandusky and the general area including Cedar Point. When the settlement is enacted, the citizens of Sandusky will enjoy greater employment opportunities and employment taxes along with additional sales taxes for the County and the City's portion. Those are estimated to generate \$260,000 over the next ten years. The County will also see significant additional sales tax revenue. If the height variance were to be granted by the Board of Zoning Appeals and when the land is purchased from Sidner Gardens and the additional parking is granted, the school district and the children of Sandusky can expect an additional \$385,000 in revenue over the next ten years in the form of increased real estate taxes. The Yacht Club does not have any current plans to build buildings on its property. However, if the height variance is granted, you can expect that the value of the property will be significantly increased which will result in the increase in the real estate taxes. The agreement does not require any public financing for future diversion of tax revenue. It does allow for immediate economic expansion in the City of Sandusky. The additional \$1,265,000 in increased tax revenue for the City is conservative. It is not indexed for inflation. The bases he used for increased employment and sales taxes is at the lower end of the scenario of the economic activity increase that can be expected from the agreement. The social and financial impacts are the increased employment opportunities to the citizens of Sandusky; these cannot be calculated. The jobs that will be generated and created will offer comparable wages to manufacturing companies in the area with a comparable benefits package. Isn't it better to increase the revenue to the school district and the children rather than sitting idly by while the school district revenues fall? What are the benefits of educating our kids versus the future cost of not providing those opportunities? He thanked the Commission for their time and said he would be happy to answer any questions.

Mrs. Farrar asked how many full-time positions they have. He said there are 55 full-time and with part-time the total is 110. Mrs. Farrar asked if the full-time employees receive benefits. He said one example is of a full-time employee with two small children whose husband works for Automated Component Holdings. She told him that she dropped the Yacht Club's healthcare and assumed Automated Component Holdings' healthcare benefits which was a mistake because they received less benefit than they would have under the Yacht Club's package. Employees have access to both retirement and healthcare. Mrs. Farrar asked how much of the 10% dock fee the Yacht Club pays during the regular season. He said that does not start until the agreement is put into place. He said the Yacht Club is at a competitive disadvantage to the other dockage in the area. There are cheaper docks in the area because of the cost of the submerged land leases the Yacht Club pays and the dock taxes.

A.J. Oliver said he is concerned about the 120-foot variance. When the New Sandusky Fish Company comes to the City and wants to build to 120 feet, what does he recommend the City say to them? Mr. Gacka said he is not in a position to recommend anything. He is here representing the Yacht Club.

Wesley Poole, 1939 East Oldgate, asked why the Yacht Club is paying more than everyone else in submerged land leases and taxes. Mr. Gacka said they want to be good citizens and they feel that they are not asking for anything that they don't have a legal right. They want to pay the taxes. They felt the amount that the City requested of them at the time was fair so they paid it.

Sharon Johnson asked if this goes into a lawsuit and they are broke, how can they afford an attorney to fight. Mr. Gacka responded said he didn't say they were broke. He said they want to help the City and expand so that they are in a better financial position. He didn't know who said the Yacht Club was broke. Mrs. Johnson responded that he said their notes might be called-in in December. Mr. Gacka said that their line of credit could be called, but the bank has not told him that. Lines of credit are being pulled left and right. That is some of the reasons that businesses are leaving today. Mr. Gacka said they are not broke; they are not going bankrupt. They are trying to expand their opportunities to the members and the citizens. This offers immediately, if passed, additional revenue to the City and the Yacht Club is going to hire more people. The bulk of their employees are residents of the city. Mrs. Johnson asked if the Yacht was paying for the land. Mr. Gacka said 19 feet will be vacated and the submerged land leases that they currently have and the ones in the area normally run for fifty years. He assumes they will pay for fifty years; it hasn't been negotiated. He said people are misinformed in what is being given versus what the Yacht Club is paying for. The Yacht Club is paying for everything.

Mark Norman said it is arrogant to say they want to be good neighbors, but if you don't do what they want, they will sue. He said the Yacht Club cannot decide what is best for the citizens.

Tim Schwanger said he was confused because someone mentioned the 70 foot dock will be for transient dockage. The information he saw on the 18<sup>th</sup>, the transient dock would be in the Meigs Street slip. President Stahl said he believed all along that the transient dock would be in the Meigs Street slip. He said he believes ODNR gives grants for that. Mr. Schwanger said the Yacht Club could not get the grant. President Stahl said the City would have to apply for the grant. Mr. Schwanger said that is his point; the City does not need the Yacht Club agreement to do transient docks. President Stahl responded that there is a previous agreement between the City and the Yacht Club, that the City cannot do it without the Yacht Club's approval.

Paul Schills, Sandusky, asked what type and how many jobs. Mr. Gacka said there would be one management job and additional waiters and waitresses; about 25-50 additional employees.

Wesley Poole said there have been a lot of projections of jobs. He asks that the City sit down with the Yacht Club to verify where the projections come from.

Diedre Cole said \$385,000 over ten years does not put one child through school. Fifty-five full time positions sound like minimum wage jobs. She said the real issue is the 120 foot height variance. If the City allows the Yacht Club to build one condo, the City can't stop them. She personally feels that her child would rather see the waterfront.

Mrs. Farrar asked Mr. Gacka how many of the 55 full time employees are wait staff. Mr. Gacka responded about 15-20. He said the wait staff earns more per hour than an Automated Component Holdings employee due to the 20% mandatory tip; it doesn't take many tables to make that per hour. Mrs. Farrar asked if they have had employees that have been with them for a long period of time. Mr. Gacka said some have been there over 20-25 years. There is very little turnover.

Mr. Waddington said he had several questions. The Yacht Club's legal counsel believes that the property must be vacated and split between the Yacht Club and the City. The City is under no legal obligation to be forced to grant this. December, 2006 the City Commission in regular session passed a pre-development agreement with the Marina District. He said he spoke with Don (Icsman) today regarding abutting property. He said there is a procedure it has to go through before it comes to the Commission. He would prefer not to vote on this tonight. He thinks there is a purpose for the Planning Commission and Zoning and it is their job. He doesn't want to sidestep their duties. He asked Mr. Icsman if there had to be notification on the abutting property. He has documentation from the Yacht Club from 2001. He read a portion of the documentation. He said he spoke with Mr. Icsman today. He is not saying that he is against what the Yacht Club is doing, but he would like to follow the right procedure.

Sharla Johnson, 1025 Jay Street, and member of the Yacht Club, said she has been a lifelong resident of the City. She has always voted for downtown waterfront development. Her husband and she have raised three daughters. Her daughters have all gone to college and the oldest one is the one who has moved home. That daughter has second guessed her decision to return here. Her second daughter tried for three years to come back to this community but ended up in Columbus because Sandusky doesn't have anything to offer. The third daughter will have her masters in 2010 and does not look to be returning to Sandusky. The Commission has an opportunity to do the right thing. She is a member of the Yacht Club. She is not a millionaire and she does not own a boat, but she enjoys the time she spends at the Yacht Club. It is time to end it with the Yacht Club. It has gone on too long.

Frank Fosco, 129 Cedar Point Road, and member of the Yacht Club, said the Yacht Club is an entity that has been in the City for 100 years. It has beautified the waterfront before anyone else. The transient docks on the Meigs Street Pier couldn't have been thought of if it weren't for the Yacht Club's breakwall. The Yacht Club is one of the most public places in the City. He said the Commission should look at the big picture.

A.J. Oliver said he was here to call for a new kind of politics in the City of Sandusky and Erie County. He was here to call for politics in which they consider proposals on their merits and they have a reason to debate the merits, they respect each other. There's been a lot of that tonight and there's some fiery rhetoric as well he guessed. He sent an e-mail to the Commissioners earlier today asking them to table this ordinance. The reason he's asking to table the ordinance is because what he's seen in respect to this process, is some old style politics. If he disagreed with any of them about anything, he's not going to complain to their wife, he's not going to take it out on their kids, he's not going to threaten their livelihood, he's not going to go after their jobs, but there's some old style politics. He's not going to try to get at them through the clubs they belong to; he's not going to do that. And the people who do that, that is wrong. Can they agree on that? Unfortunately there are some over zealous people in the Yacht Club, several of them. He's spent a lot of money at

the Yacht Club, he likes the Yacht Club and he's a big fan of the place, but he thinks they've got a couple of over zealous people that got out of hand and went to an organization which he was a proud member, and tried to get him to be silent about this process or else be kicked off the board. He told them at the time, there is no way that's going to happen. He's sorry, but that's improper and it's not the first time that this has happened to the City of Sandusky. You know he's a big boy and he can take it, he's retired and he don't depend on Sandusky for his income. But if this can happen to him in this situation, it can happen to anybody. He wondered was there anybody else in this room who's felt this undue pressure. He bets there are. And by the way, if they're out there watching this on TV or are listening to it on the radio or see it in the paper, and they want to contact him and tell him their story about being unduly pressured by local politics, he would consider highly improper pressure, get in touch with him and he would tell their story, he would get it out there, and he would keep their name confidential. Because he would tell them this has got to stop. It's poisonous. And lastly, he would guess he'd say that before you try to silence him or somebody like him, you might want to think twice before you do it to a U.S. Army SA Vietnam Veteran.

Nick Glinnis, Gatesmills, Ohio, said he has been boating in this City for 25 years. It is his summer home and he loves the place. He is one of the 90% that doesn't live here but spends a lot of money here. He has talked to several business owners, Sortino's 800 Club, The Better Half and Eastside, where they wait for them to come in; the cash flow they generate out of pocket. He lives in Gatesmills, Ohio on the east side of Cleveland. Their property values have just gone down 11 percent. Everyone's property values have gone down; it doesn't matter where they live. In Gatesmills there are 1,100 homes. They have no businesses. They just cut out garbage service in his town. They are having financial problems. Gatesmills Council would probably wish that they had something on the agenda like this where a business would come and try to make ends meet, do the right thing and put more money in the general budget. Please do the right thing for everyone.

Brian Boissenault, 704 Castaway, Port Clinton, Ohio, said he would like to refute one thing that was said. Mr. Oliver made an inference regarding dragging another club into this; that club is not in between this. Mr. Oliver is free to say whatever he wants to say, but he cannot speak for another organization.

Jack Runner, Sandusky Yacht Club, said they have heard a lot of different numbers over several months that have multiple meanings. He said he ran into an old friend that grew up on Madison Street; he doesn't live in Sandusky right now. He said they were talking and his friend said he doesn't get it, has everyone forgotten from where we've come? He said back in the 60's when they were children he remembers when the area of the Sailing Club was called the Sledge Basin. He said it was called that for all the appropriate reasons. He remembers when Battery Park was a rat's nest and a cesspool; no one wanted to go down there. Back in the early 60's we did not have the Maritime Museum, the Senior Center or a large public parking lot; the Ruby Fish Company was there. Surf's Up wasn't there in the 60's and the Yacht Club's property wasn't the nicest back then. Mack Iron wasn't as nice then as it is today. He remembers Cliff Bickley having fishing boats; it was not a place for kids to play. What happened? Economic development is what happened. There were partnerships between private industry and public entities. If it weren't for the Pfeifer family, we wouldn't have Battery Park today. The City finally realized the error of their ways and realized they could not compete with private business and run a marina appropriately. They looked for a partner. Fortunately, the Pfeifer family stepped up and invested a lot of their own money. They created a very nice venue. We wouldn't have anything to argue about if it wasn't for the people who came before us and invested heavily in this region of Sandusky to make it worth something to have an argument about. Battery Park is a beautiful facility today. The City invested in Surf's Up. The Yacht Club was one of the very first corporate members of the pool. The Yacht Club used the fact that they had one of finest swimming pools in the state of Ohio as a reason not to build their own pool. Their guests utilized that pool more than anyone else. They understand the economics of why the pool closed. He said to look at those properties and how they developed; not only did the Pfeifer family step up and help this community so did the Murray family. He asked if anyone remembers what happened with Brown's Boats. He remembers Paul Everett trying to start a boat company down there. Mr. Everett sold boats out of there for a few years before he finally had to move to Huron. He could not control the environment or temperature inside that building. He could not manufacture the hulls the way he needed. The Murray family came along and knocked that eyesore down. They built a beautiful building right on the shore and put in a beautiful harbor. The demographics of that harbor are no different than the Yacht Club. He said they are not the enemy. They are not the guys who come to every City Commission meeting. There are about a half a dozen to a dozen people who come every two weeks. They take issue with everything the Commission does. It doesn't matter what the Commission does, they take issue. He is not questioning their rights. He is telling them that he did not vote for any of them. All seven of

the Commission are there for a reason, all for the same reason. They all have the right motivation to pursue the seat that they sit in. They represent the 25,000 in this city; not just the half dozen to a dozen with special interests. They do not have the luxury of representing only a ward where they represent a small group of people. All seven have to answer to every one of the 25,000. They are supposed to hold their best interest in the palm of their hand and do the absolute best job that they can do for every one of the 25,000 people who live here. That is all the Yacht Club is asking them to do. They are asking them to be smart, do their job and give it the thought that it should. For 2 ½ years they have talked about it and given them 101 reasons why they should do this. He wants the Commission to do it right and get it done. The Commission can vote tonight, get it done and move on. The Commission needs to stand up for economic development in the City of Sandusky. He isn't just talking about the Yacht Club and what their plans are. They are no different from any other business. The Commission needs to support the Marina District, the Paper District and everything that is growing and going on in this community. It needs to get better, not worse. They need to look forward, not behind. He is tired of the rhetoric; it is empty rhetoric. He is sick and tired of hearing about sightlines. He said Mr. Schwanger stood up on the Tuesday after Memorial Day and said they don't need the Yacht Club's dock plan. Mr. Schwanger held up a plaquer that had docks coming north off of the Surf's Up property. The Sandusky Register printed it in the paper for him. He stood up in a meeting that the Yacht Club hosted at the high school and said public docks don't block views, but private docks do. He is done.

Mrs. Farrar asked if the Yacht Club plans on staying around for another 100 years. Mr. Runner responded that they don't have any place to go. Mrs. Farrar wanted to make sure that they are staying so that the City doesn't make an agreement with them and they turn around and sell it. Mr. Runner said they have a lot of committed individuals that plan on staying there.

Tim Schwanger said everyone up there is pretty smart. When he made a comment about transient dockage versus seasonal dockage, there is a humongous difference. A half a dozen docks coming off of Surf's Up or in the Meigs Street Slip is different than having a seasonal dock. Most of the Yacht Club members don't even go out on their boats; it is a second home for them. When he says two-story boats, he is speaking from personal experience. He has been at the north shore of Surf's Up, the boats are two stories high. Everything they have come forward with is based on facts, not fiction. He said they have heard about the schools and about the money. Sometimes it is not about the money; it is about the quality of life for all of the citizens of Sandusky. When you take a look at the studies that the City has paid for and the Commission approved, they all point to the importance of sightlines. He goes back to Mr. Kline's slide that shows the Yacht Club's docks ending in the middle of Surf's Up. There is a reason for that: Jerry Lechner was one of the best City Managers as far as public access. The Yacht Club put the breakwall in to protect the marina that they have right now. It does not give them right or entitlement to continue the growth of docks which would impede the public access and the esthetic views of Sandusky Bay all the way to the Meigs Street Pier. He asked the Commission to vote their conscience, take his facts, do their homework and base their decision on the facts.

Mr. Fuqua said he had comments. To begin with there is one thing that he does not necessarily agree with that Mr. Schwanger said. He agrees that it is not the City's responsibility to bail out the Yacht Club, but it is the City's responsibility to assist its businesses as well as private citizens because although these businesses are not private, they are corporate citizens. The City has a responsibility to assist their corporate citizens especially in economic times of need. That doesn't mean giving them millions of dollars like the federal government has done, but the City does need to assist them in anyway they can. The threat of a lawsuit does bother him. The threats have to stop. Continued threats do not sit well with him. He thinks there is a way to settle this. Things have to change on both sides in order to reach a settlement. He is not ready to vote on this tonight. The Commission needs to set this aside and continue to think about it so that he can vote his conscience. Two and one half years has been a long time, but he thinks the Commission may need a couple more weeks. He has had a conversation with President Stahl about some tweeks here and there to the settlement. He thinks they are good ideas and both sides need to listen so that they can come to a settlement.

President Stahl said they need to find a framework that will work for everyone. It may not make everyone happy. The deeper we get into this issue; he needs to inform everyone on his thoughts on this issue. He believes this could be a foundation of an agreement. He believes the City should transfer 19 feet of Perry Street to the Yacht Club. The Yacht Club makes very compelling points on their claims of ownership with or without the Marina District. While the Commission can support this action, the Planning Commission is the decision maker. Or, the Commission could give the Yacht Club the right of way to utilize the 19 feet. Second, he believes the City should live up to the deal negotiated and

approved by the City Commission last summer to sell the small piece of land adjacent to the Yacht Club. Third, the height issue speaks for itself. Final approval rests with the Board of Zoning Appeals. The Yacht Club leadership believes it will help with their debt equity relationship and their ability to succeed in these economic times. He understands the request. Fourth, while the City would financially benefit from leasing additional dock space to the Yacht Club, it could limit the view from the pavilion area. He understands this could financially benefit both the Yacht Club and the City and therefore support up to an additional 55 feet to be leased from the City with appropriate ODNR approval once it is approved by a marine architect and the ODNR. He would support this with two clauses: if the Yacht Club ownership would ever change, the lease would terminate and this would be the absolute final lease request from the Yacht Club. Fifth, transient dockage would be an excellent option at the pavilion area. This should be explored and the Yacht Club should agree. Further, he really believes that a vibrant marina district should be beneficial to the Yacht Club and he believes it will happen. He believes it is appropriate to open the pavilion area to the public as soon as appropriate fencing can be installed. He thinks that should be done this summer. He strongly believes that a vibrant Sandusky Yacht Club is important to the City and he is appreciative of their openness. The financial issues the Yacht Club is facing are theirs and its members. He wishes them all the best. He appreciates the many comments he has received on this issue. He believes what he mentioned might be the format for a good agreement that everybody can live with. He would also like to see the fence at the foot of Perry Street come down.

Mr. Warner said he has heard both sides for the past couple weeks. The Commissions' job is to foster businesses in the City of Sandusky and promote economic development. And, to take care of as many citizens as possible along the way as they see fit. He could vote tonight, hold his head up and it wouldn't bother him. He agrees with Mr. Waddington and President Stahl that maybe the Commission should look at it a little bit more. He believes the Yacht Club has been more truthful than they have any time in the past. He would love to have this over tonight, but he doesn't believe the votes are there.

Mr. Brown said he has serious problems with this. The City is a dying city and is begging for people to come in. The Commission is not going to get anyone coming into this city doing what we are doing now. He doesn't care who is right, but the City looks totally incompetent. It is the City's responsibility to help out businesses. The City has a business right now that is asking for nothing but a little piece of property. The City does not need that land. If they can use that to help stimulate their business and to bring more tax dollars, the Commission should be willing to at least meet them halfway. The City has to do something. This is not the way of doing it.

Mr. Fuqua said after listening to what President Stahl has read and after having had an opportunity to look over it, ***he would like to make a motion that the Commission brings this proposal to Mr. Icsman and let him write up legislation the Commission can vote on. The motion was seconded by Mrs. Farrar.*** President Stahl asked for discussion.

Mr. Waddington said that Mr. Fuqua has had an opportunity to read it, but he has not laid eyes on it. President Stahl responded that they talked about it that morning. Mr. Waddington said he did not know that it was going to be presented tonight. President Stahl thought it was an ideal framework to bring up. He said they were only voting for Mr. Icsman to bring in legislation for the next meeting in two weeks. Mr. Waddington suggested that maybe one or two commissioners and someone from the Yacht Club meet to work out something on which everyone could agree. President Stahl said after this is voted in, he would be happy to sit down with him and someone from the Yacht Club. Mr. Waddington said the information is second hand. Mr. Fuqua said he didn't see the difference in anything else they have voted on. The Commission has never had to sit down and have meetings about legislation they get in their packets. Mrs. Farrar said she takes offense that it is implied that there is something going on in secret.

Mr. Kaman said he supports three of the five points on the Yacht Club. He questions the plan for condos. Bob Warner last meeting questioned the Sailing Club's liquor license details. Where are the details for the condos? If there are no condos, put it in writing. He asked to get rid of the first three paragraphs; they are still there. He would like to see the plans or the wording for no condos. He wonders how President Stahl can be as heavily involved in this as a 50 year member of the Yacht Club. He questions the Commission's integrity when they are indeed acting before our other committees. Several weeks ago the Commission said they follow the committees then they turn around and micromanage the Brownfields Committee. This is a good deal for the City and the Yacht Club. He agrees with the Commissioners who said it is the Commission's job to throw life rings. He has yet to hear from Mr. Icsman. He does not want to throw them an untethered line. He wants to make sure it is being done right. He agrees that it will help the City and the Yacht Club. It is not public property. They are not giving away a city park. They know that the parking places are going to be parking places. He feels that it is not close yet. They should not vote on it

tonight. They need to get other people involved for the looks and the integrity. He wants to know if this motion is appropriate.

President Stahl said he was given the legal opinion that yacht club membership was not a reason alone not to vote on an issue. He has dropped out of the Yacht Club. The Board of Zoning Appeals is the final arbitrator of the height issue. He asked Mr. Icsman if the motion was appropriate. Mr. Icsman responded that it is not appropriate. President Stahl asked what would be appropriate. Mr. Icsman said that the complicated fact is that there is litigation. The Commission can agree amongst themselves what is appropriate, but it has to go back to the Yacht Club. The only thing that has been approved is what is on the table: there is an ordinance and an agreement on the table that has a striking resemblance to what President Stahl has articulated. He has not seen it in writing. It would be more efficient and certainly acceptable to take the framework to the extent that it differs from the agreement that is already on the table and the lawyers have seen and approved and make those changes. It will need to go back to the Yacht Club's attorneys if they are changing substance to this agreement. President Stahl said if they ask Mr. Icsman to take the language they have tonight and pass the language in some form or fashion, Mr. Icsman could work it into the agreement and talk to the Yacht Club's legal counsel to see if it is acceptable to them. Mr. Icsman said if this is a suggestion they can certainly make a motion and have him do that. He needs to see what they are talking about. **Mr. Fuqua rescinded his motion. Mrs. Farrar rescinded her second.**

**Mr. Fuqua moved to do as Don says (to have Mr. Icsman take the framework of the suggested changes and work it into the tabled agreement). Mrs. Farrar seconded.**

*President Stahl asked for discussion.* Mr. Waddington asked if he could join President Stahl in the talks with the Yacht Club. Mr. Icsman said that clients are certainly able to talk to each other. Lawyers are involved because of what the Yacht Club did, not because of what the City did. He said when you engage in hyperbole it sometimes gets you into trouble. President Stahl asked if it would be appropriate to ask counsel for the Yacht Club if Mr. Waddington and he could join the talks. Mr. Icsman said it can be coordinated.

President Stahl asked for a roll call on the motion. **The Acting Clerk called the roll as follows: Yeas: Brown, Warner, Waddington, Kaman, Farrar, Stahl, Fuqua, 7. Nays: 0. The motion carried.**

*President Stahl asked for any other discussion.* Mr. Warner said he would like for the Commission to remember that all of the committees are advisory committees. They advise the Commission, the Commission gathers more information and makes a decision. The Commission is supposed to take the committees' advice under advisement. It is on the Commission to make the decisions.

Mr. Warner said the last thing he would like to talk about was to remind everyone that this weekend the City Greenhouse is celebrating its 100<sup>th</sup> anniversary at the Fourth of July Festival. He said there are a lot of people who made that happen. There are Commissioners who kept that greenhouse open and they should be recognized. He also wanted to recognize Mrs. Ruth Parker, Baileys, Corsos, Barnes, Mulberry Creek, Nanette Guss, Mary Jane Hahler, and Jean Schroeder.

The meeting adjourned at 7:55 p.m.

ATTEST: \_\_\_\_\_  
 CAROL A. ROTH  
 ACTING CLERK OF THE CITY COMMISSION

\_\_\_\_\_  
 CRAIG H. STAHL, PRESIDENT  
 SANDUSKY CITY COMMISSION