

Minutes Approved

As Circulated March 28, 2022
4/4/2022 Special Council Meeting
Elyria City Council

1. CALL TO ORDER

A special Meeting of Elyria City Council was called to order on March 28, 2022 at 5:00 P.M. by President Stewart. President Stewart opened the meeting with a moment of silent reflection, followed by the Pledge of Allegiance.

2. ROLL CALL: COUNCIL MEMBERS:

PRESENT: B. Davis, T. Callahan, J. Cerra, M. Corbin, D. Mitchell, A. Lipian K. Oswald, C. Schneider, D. Simmons, V. Stewart, P. Tollett

ABSENT:

OTHERS PRESENT: Mayor Whitfield, Safety Service Director Brubaker, Finance Director Pileski, Asst. Finance Director Farrell, Law Director Deery, Asst. Law Director Breunig, ASSD Calvert, ASSD Williams, Superintendent Korzan, Admin. Legal Counsel: Jim Taylor

3. BUSINESS OF THE MEETING:

President Stewart read the Business of the meeting:

You are hereby notified in accordance with Section 3.10 of the CHARTER OF THE CITY OF ELYRIA, OHIO, that a SPECIAL MEETING of City Council has been called for Monday, March 28, 2022 at 5:00 P.M. in Council Chambers.

The Mayor has requested a Special meeting of the Elyria City Council for the purpose of discussion of the Midway Mall development initiative. A presentation will be made by Chris Semarjian, CEO of Industrial Commercial Properties (ICP). President Stewart turned the meeting over to Mayor Whitfield.

Mayor Whitfield thanked council members for coming tonight to the special meeting an hour early of the scheduled community development and finance committee meeting. He provided context to the Midway Mall as the “front porch” of Elyria. He explained the mall as a visual that sends a message to those visiting what the City of Elyria’s priorities are as a city. The Midway Mall has been dying for over twenty-five years, and similar to many malls in areas around the country, where economics have changed and retail has suffered. Midway Mall currently has fifteen occupants in a space that was designed for well over fifty businesses. Mayor Whitfield presented two options, 1. do nothing, 2. The City of Elyria acquire the mal and develop it, however, not certain that the City possesses the resources or the expertise to actually fulfill that goal. 3. For the City of Elyria to work with a third party and help re-develop Midway Mall. The City of Elyria has an experienced and invested developer interested in the mall space that will provide information to council regarding their experience transitioning malls into industrial parks.

The guest was invited to attend the meeting at 5:30 p.m., the meeting was scheduled for 5:00 p.m. Additional discussion was held waiting for his arrival.

President Stewart expressed everyone would like the mall to succeed and to have the opportunity to have the mall grow and develop. He understands the struggle over the years. Council is inspired to galvanize the momentum of both the downtown and the mall area.

The floor was open for comments. Mr. Oswald made the comment, that he would prefer it be understood, that no one is agreeing that nothing be done, however that an understanding be provided of the requested funds to be invested. The information that has been provided appears to be risky and not fiscally responsible. He understands that there will always be a portion of risk, however requested some transparency in the ownership of these businesses and how long they have been in ownership of this property. Mr. Oswald asked for clarity in funding.

Comments from the lobby were allowed awaiting the developers arrival.

1. Bo of Uncle Bo's Slow-N-Low BBQ, 2000 Midway Mall, Elyria- Business owner, former Elyria resident that relocated from Vegas to Elyria to operate a restaurant in the mall area. Is committed to the revitalization of the mall area.

2. Larry Klipstein 995 Ohio St, Elyria- Encouraged council with the words, that sometimes it's not figures and numbers, it's faith, regarding the mall.

3. Jason Lowery 143 Timber Ridge- In agreement with taking an educated, planned leap regarding the mall. If tax dollars are to be used, ensure that money is allocated accurately. Although Cleveland Clinic is being brought up for only five percent of the space, the plan does not appear to be solid. He suggested more proof of interested companies, opposed to trusting ICP be provided. Expressed adamantly against using issue 6 dollars. ARPA dollars need to be used properly and not wasted.

President Stewart expressed the decision before council is very difficult and that information gathering is pertinent to make a sound decision.

Mayor Whitfield provided a response to the return on investment. He shared that out of 900,000 plus square feet available at the Midway Mall, the City of Elyria is only looking to develop 50,000 square feet in the first initial development, through jobs and property taxes, the return would be seventy-five percent of the investment.

Mr. Chris Semarjian arrived at 5:20 p.m.- 6675 Parkland, Solon, OH. Mayor Whitfield requested that Mr. Semarjian introduce himself to the council members. Mr. Semarjian shared that his company is a team of thirty-seven people that have been in business for over thirty years. They are an industrial and office re-developer. The company has re-developed over sixty million square feet in Michigan and Ohio, to include Randal Park Mall Chapel Hill, Upper Valley Mall, American Greetings Headquarters, Lockheed Martin and Goodyear.

Exhibit "A"- Attached

The first question posed was regarding mall ownership. ICP owns, Sears, Sears Auto Center and Dillards. The other owners will not sell, and will only move forward on a joint venture.

Ms. Mitchell stated that council is in full support of something being done with the mall, however

the money has to make sense. The question asked is what could be expected of the owners that have been in ownership for the last ten years and done nothing at all with the property. Another question was posed regarding the management of the outskirts of the mall area. The main mall area is the only area that will be managed.

Ms. Davis asked about the condition of Dillard's. Mr. Semarjian responded regarding the issue with asbestos, will need to decide the use of the mall space before a decision can be made.

Law Director Deery motion to go into executive session for purposes of discussing real estate acquisition via 41 tiff for discussion purposes only no action to follow.

Mitchell moved, seconded by Schneider to go into executive session at 5:38 P.M.

Roll Call Vote

Cerra moved, Schneider seconded to come out of executive session at 6:12 P.M.

MOTION CARRIED

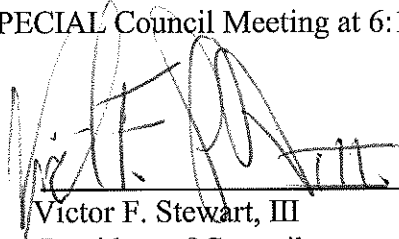
4. ADJOURNMENT:

Mitchell moved, Tollett seconded to adjourn the SPECIAL Council Meeting at 6:13 P.M.

MOTION CARRIED



Colleen Rosado
Acting, Clerk of Council



Victor F. Stewart, III
President of Council

Midway Mall developer lays out plan

Kevin Martin The Chronicle-Telegram

ELYRIA - Industrial Commercial Properties CEO Chris Semarjian addressed Elyria City Council on Monday, explaining his vision of a partnership with the city of Elyria to transform Midway Mall.

The Solon-based company has been in business for 30 years and owns about half of the mall structure including Sears, the Sears Auto Center and Dillard's.

Semarjian wants to develop and transform Midway Mall as he has with the Randall Park Mall in North Randall, Chapel Hill Mall in Akron, the former American Greetings Corp. headquarters in Brooklyn and other locations. In 30 years, he has redeveloped 60 million square feet in Ohio and Michigan.

He said the challenge of transforming Midway Mall is not unlike other malls around the country right now with pressure from the e-commerce industry.

"This basically put a lot of hurt on retailers, malls themselves are being challenged over time, and they're somewhat archaic right now. The physical mall in Elyria structurally is a nice piece of real estate. The location is between (interstates) 80 and 90, which is a good location in Elyria and easy highway access, but you really have to repurpose the mall. It's several stores right now and it has to turn into what we perceive as a business park," Semarjian said.

While Elyria is an excellent supportive community with a good labor base, the market does not have the same level of activity as Cuyahoga or Summit counties in what he calls "velocity."

If 10 companies are looking for commercial space in Northeast Ohio, Semarjian estimated two would come to Lorain County, noting it would probably take longer to reposition the mall.

"The mayor (Frank Whitfield) has done a good job of trying to position us (on) how much investment to make, how fast would you make that investment? He wanted it done in two or three years; I don't think that's realistic. If we get lucky, great, but I don't want to plan coming in the front door to promise a three-year turnaround when we think it could be five years or more."

Semarjian told Council ICP unsuccessfully attempted to buy out Namdar Realty Group's stake in Midway Mall and instead settled on a partnership with ICP as the managing partner in the mall's redesign.

"We were trying like heck to buy them out and they said the only way they would go forward was on a joint venture. We said we would consider a joint venture but we would have to be the managing controlling partner since they don't have any type of development capability, they're just owners and investors. They have no problem with that," Semarjian added.

