

THE FINANCE Committee held a meeting on Monday, March 27th, 2023 beginning at 7:10 P.M.

FINANCE MEMBERS PRESENT: Committee Chair Stewart, Tollett, Cerra, Davis and Schneider

CD MEMBERS PRESENT: Committee Chair Callahan, Mitchell, Oswald, Schneider, Lipian

OTHER COUNCIL MEMBERS PRESENT: Simmons

OTHERS PRESENT: Law Director Deery, Mayor Whitfield, Safety Service Dir Lundy, Asst. Dir Williams, Asst Dir Calvert, Finance Dirs. Pileski and Farrell, CD Manager Almabayyed, Engineer McKillips, Building Official Farkas, Fire Chief Pronesti, Police Chief Pelko, Public Works Sup. Conner, Water Team Leader Jacobs

1. The matter of applying for and, accept if offered, a grant/forgivable loan from Ohio EPA for renovations and expansions of the Water Pumping Plant.

Referred By: Water Team Leader Jacob *(this matter will go to Utilities on 4/12/2023)*

Water Team Leader Jacob said the Water Team has applied for five million dollars for the renovation and expansion of the water pumping plant. This could be a grant, a forgivable loan or a matching grant. It's from DEFA / Ohio EPA. It will be reviewed and if the City qualifies they'll offer it to us. What is needed at the plant is they want to be proactive and take care of the plant before they would need repairs done as an emergency. They want to expand the capacity of the plant so they can sell more water in the future which would bring in more income and will keep the water rates lower.

Mr. Cerra asked if this comes back as a matching funds grant and if the funds aren't there, can they refuse it?

Mr. Jacob said it would be at council's description if that would happen. Mr. Jacob said he would want this to pass as an emergency since they have already applied for this grant.

Mr. Cerra moved and Mrs. Davis seconded to recommend an ordinance authorizing the Mayor to apply for and accept, if offered, the 'said' Grant.

MOTION CARREID

COMMITTEE REPORT WRITTEN

2. The matter of a professional service agreement with Makovich & Pusti Architects for architectural development services for the City.

Referred By: Assistant Dir Calvert *(this matter will go to Utilities on 4/12/2023)*

Dir Calvert said they are requesting to enter into an agreement with Makovich and Pusti to provide architectural services. This is similar to the contract from last year. \$100,000 is requested for this service which will come out of the Issue 6 Economic Development Fund, which was approved in the budget, however the contract hasn't been approved yet. At this time, they are requesting authorization to enter into that agreement. They have used this company quite a bit and they are available this evening. We have worked with them on several types of Economic and Community Development projects. They have been helpful in visualizing and reimagining spaces such as the Midway Mall and the Shane Building. They are currently looking to use their services for a pocket park this year and a number of other projects.

They are also used when they try to provide a 'sales pitch' to a potential developer. It's to help the developer see the future that we see. It makes them feel more confident that the City is going in a direction toward redevelopment on these things. We've had great success on moving projects forward based on those visualization services. We also use them for technical things. They have been an asset to the City. We have requested \$100,000, we typically do not spend that much. Last year they spent only \$10,000. The year prior was just under \$50,000, so, it does vary.

Chair Stewart asked if the committee would be able to see what projects they are working on and what they are spending those dollars on. Maybe a periodically updates.

Mr. Oswald asked if the hourly rates changed?

Kiernan Wiese of Makovich and Pusti, 111 Front Street, Berea spoke and said their rates did change slightly just to adjust for inflation at an average of 4%.

Mr. Cerra moved and Mr. Schneider seconded to recommend an ordinance authorizing the Mayor to enter into the 'said' agreement for 'said' services.
MOTION CARRIED COMMITTEE REPORT WRITTEN

3. The matter of Amendment No. 1 to the Agreement with Black & Veatch Consulting for customer assistance programs for water & sewer bills.

Referred By: Engineer McKillips *(this matter will go to Utilities on 4/12/2023)*

Mayor Whitfield began by saying it's been discussed about establishing some sort of customer assistance program for utility charges for residents. Councilwoman Davis brought this to the forefront. They have had meetings and gone thru what this could look like from a short term and a long-term stand-point. Engineer McKillips will present a proposal for long-term customer assistance program that would structure what the program would be and how it would be sustained long term and help think about it from a financial planning standpoint so we don't miss out on any projects. We currently have a short-term recommendation but they are also asking Black & Veatch to vet the short-term solution as well. What they are focusing on will be seniors for discounts. They will maximize the number of residents eligible at 5,000. They would have to opt in. We would continue to offer the Homestead discount program. If we do a \$10 sewer discount for 12 months for 5,000 customers we would be looking at around \$600,000 that would be needed to close the gap. For the sanitation portion they would propose a \$13 discount for 12 months for 5,000 residents and that would be \$780,000 and that would request that funding through the ARPA fund. This is about providing relief to our seniors who are on fixed incomes and as increase costs are affecting them. Black & Veatch will decide if we need to reimburse the sewer fund. Engineering has an idea about reimbursing the funds internally from one of the stronger funds. Eligibility would be based upon age for this year. And B & V will look at how we can serve residents with lower incomes and disabilities. We'll do the short term while working on the long term with Black & Veatch.

Engineer McKillips said the Mayor provided a lot of the details. Black & Veatch has worked with the City for several years on the rate models beginning in 2017 and they worked with the City on negotiations with the US EPA and DOJ. This amendment would provide them to assist us in creating an assistance program for seniors and or low income. They will provide thoughts in subsidizing the sewer portion of the discount for this year. Another option would be to supplement the discount using stormwater funds.

The wastewater group does a lot of work on the stormwater system and we don't currently subsidize their work with our stormwater. There may be a possibility to do that.

Chair Stewart asked where the additional funds would come from?

Dir Pileski said it would be split between water and wastewater. The stormwater fund could handle it, if need be. Reimbursing the sanitation fund with ARPA money would be okay. The sanitation fund is struggling, it loses money every year. They haven't been able to purchase trucks out of that fund, last year they purchased 2 trucks out of Issue 6 fund and 1 truck out of the ARPA fund for a total of \$900,000. At some point in time we will have to take a hard look at the sanitation fund and what we're doing.

Engineer McKillips said the time frame would be that Black & Veatch would like to have their study done by the end of June which would give time to review and get it in the works for next year, 2024.

Mr. Lipian reminded everyone that a source of assistance for seniors is the Lorain County Office on Aging to refer that information to any resident who may need assistance.

Mary Siwierka, 119 Fresno Ct. wanted to say she is familiar with the Black & Veatch study, she was director when that started. An important element is to look at what is adjusting off. She would be curious as to what the collection rates are and what is being sent over to the county for collection, she thinks those are routine. They cannot continue to move those over and it's been routine and that should be looked at by Black & Veatch, the uncollectable, what's being written off, what's being adjusted, etc.

Mrs. Davis moved and Mr. Schneider seconded to recommend an ordinance authorizing the Mayor to enter into the 'said' amendment with Black & Veatch for 'said' programs, emergency clause is requested.

MOTION CARRIED COMMITTEE REPORT WRITTEN

4. The matter of advertising for bids and award a contract for the 2023 West Ave. Water Line Replacement Project, monies are appropriated in the 2023 budget.

Referred By: Engineer McKillips *(this matter will go to Utilities on 4/12/2023)*

Engineer McKillips said this is a replacement project of the water line on West Ave, between 3rd St. and 8th Place. They are looking to getting it in place prior to any resurfacing of that area. They have an OPWC project for that area to get funded.

Mr. Cerra moved and Mr. Schneider seconded to recommend an ordinance authorizing the Mayor to advertise for bids and award a contract for the 'said' project.

MOTION CARRIED COMMITTEE REPORT WRITTEN

5. The matter of a new roof for the Elyria Police Department.

Referred By: Safety Service Dir Lundy
This matter was tabled and placed in 'Pending Items'.

6. The matter of the purchase of radio equipment for the Fire Department.

Referred By: Mayor Whitfield

Mayor Whitfield said the radio's have become a hot topic and they appreciate council approving this into the budget to utilize \$400,000 of ARPA Funds. Today they are asking for authority to enter into this contract to make the official purchase. This is an urgent need and a life safety issue and he trusts the dozens of firefighters around the county who said this is the right system.

Mr. Oswald asked the commissioners are still working on trying to get money for this and would we get reimbursement for what we pay for this.

Chair Stewart said if we utilize our funds to pay for this, we would not be able to be reimbursed, is that correct?

Dir Pileski said if Mr. Stewart is referring to an email, could the money be appropriated in some other line item if the commissioners chose to move ahead with the Harris radio. We could re-appropriate the \$400,000 if we don't spend it. But if we purchase the radios we could still be reimbursed and it would be re-appropriated at that time. We would have to be reimbursed to appropriate another \$400,000 or just be reimbursed by the ARPA fund if that were to happen.

Mr. Tollett said there is a pending lawsuit by the rate by the county contractor against the commissioners which could have an effect on the outcome of this.

Mr. Cerra moved, Mrs. Davis seconded to recommend an ordinance authorizing the Mayor to enter into contract for 'said' radio equipment through State Purchasing or equivalent, emergency clause requested.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

7. The matter of appropriating funds to create an Elyria Housing and Employer Labor Placement Program.

Referred By: Ward 1 Council Member Lipian

This matter was tabled and placed in 'Pending Items'.

8. The matter of using \$200,000 of ARPA Funds for The Building Department.

Referred By: Ward 4 Council Member Oswald

Mr. Oswald said after the discussion with issues with downtown building inspections and making sure the Building Dept. has enough money to attack some of these problems. He didn't know how money they may need. He spoke with the Finance Dept and went over some numbers. A reminder council passed an ordinance to increase Building Dept. fees recently.

Dir Farrell said the Building Dept payroll has \$608,000 in salary & wages last year and there is \$909,000 budgeted this year. Mr. Farkas said that was enough to eliminate the need to use ARPA Funds in their dept. Mr. Farkas asked to hire a new property maintenance person and a part-time person. The request was multi layered in request to adding the additional fees because they have a staff shortage. He wants to raise those current wages to keep those certified personnel and are versed in the department. It also included to hire a secretary of again a higher position to keep that person in lieu of an entry level wage. He's been through 9 transitions with secretarial staff. If they hire staff to do the downtown inspections, it will not be done in a year, it would be at least 2 possibly 3 years. He thought if this money were gifted to the department, what else could it be used for? Perhaps overtime.

With Their current workloads doing this downtown inspection project wouldn't be feasible unless they worked overtime, though he got a mixed review on that. Money isn't everything. Would this money only be used for this downtown project or could he use it for demo's? There are commercial buildings that need to be demolished. He doesn't want to say yes to this if he can't rely on council to grant and continue additional funding for years to come.

Mr. Oswald said that he sees there is an extra \$300,000 with a total of \$466,000.

Fin Dir Farrell said \$300,000 is in wages and \$100,000 in benefits. Looking at \$400,000 in the General Fund and money brought in from building permits from 2021 to 2022 after the increases went into effect went from \$283,000 to \$474,000. They're budgeting \$36-\$37 million dollars in payroll on a \$30 million-dollar revenue stream. When the cash balance goes away, sustainability for the services that we're providing currently there will be a broad discussion of that.

Chair Stewart said there is an issue with the property maintenance, but those conversations will continue and the sustainability of how this program would go into effect and where will we be once this money is gone.

This matter will go into 'Pending Items' and will be revisited at a later date.

9. The matter of the purchase of a Sutphen Aerial Platform Apparatus for the Fire Dept.

Referred By: Mayor Whitfield

Mayor Whitfield said this is one of those long-term pieces that have been discussed. It's an aerial truck from 2009 that needs to get replaced. We need to discuss about how we're thinking about paying for this in regards to all the ARPA requests. He made a request to press pause for a second and allow to have discussions from all the departments and residents, as to what everyone would like to see filled using the ARPA Funds. We also have this tax levy on the ballot that could change a lot of things. He would make a commitment to talk about the discussion around the ARPA and create a comprehensive list of needs that should be considered for funding as well as the mechanisms to fund them. Some things make sense to distribute the cost across multiple years. He was hoping it would be just discussion to talk about the need for this apparatus and pros and cons.

Law Dir Deery said typically when it comes time for council to contract for a vehicle due to supply chain issues and she would request this be considered as emergency clause.

Chief Pronesti has already expressed the need as far as the age of the current apparatus and that the need is to get a similar type that they currently have. He said he has dedicated himself to the Fire Dept for 34 years and everything he does is based on experience and based on what is right for the City. He knows what the City needs and it's based on tactical assessments on the fire ground.

Mr. Tollett said Chief Pronesti is who council goes to for guidance. Sutphen who produces these fire trucks started making them in 1890 and are the largest company of its kind in the world. The exact model we are looking to purchase is also being bought by Davenport, Iowa, a city similar to the size of Elyria.

Chief Pronesti said there was a report done in 2009 and things have changed since then. The staffing has changed and has grown and has good leadership.

They just hired the 70th and 71st firefighter. This apparatus has to take the place of a rescue truck. They have to carry the proper equipment.

Chair asked Fin Dir Pileski about the funding options.

Mr. Pileski said the Sutphen Co. has proposed a preliminary price of \$1,819,968. That is the cash price. There are 4 options; 1.) down-payment of \$454,991.25, they will knock off \$13,554.98, 2.) down-payment of \$909,980.50, they would knock off \$27,009.90, 3.) down-payment of \$1,364,973.75 they would knock off \$40,664.84, 4.) payment of the full price, they would knock off \$54,219.79, bring total cash price to \$1,765,745.21. Interest rate fees would be in excess of \$400,000. A 10-year bond issue, coupon rate is somewhere around 4% which would be \$460,820 in interest over 10 years. We would use the debt proceeds to make the discounted cash price.

Mr. Tollett said we're better off using ARPA Funds and showing residents that we're being frugal with the money.

Chief Pronesti said the turn around on this apparatus from the time it's ordered to the time we receive it will be 32 months, so it could be 36 months. He thanked the committee for showing their confidence in him. It makes the Department feel better.

Law Dir Deery asked if the figures quoted are locked in?

Answer is Yes.

Mr. Tollett said they should make the funding portion part of the motion.

Mrs. Davis asked if we can pay half when they place the order and the other half when it's delivered?

Dir Pileski said we can do that but the discount won't be as much, that was option #2, which would give a discount of \$27,109.90.

Mayor said his request was to look at these numbers and discuss them and get feedback and to continue the conversation and to come with a proposed list of other needs that need to be considered and which option to use to purchase this. We need to think about where is our cash going and how are we tying up cash and thinking about other needs.

Mr. Tollett renewed his motion that we spend the 1.7 million of ARPA Funds and we will have \$500,000 in savings. This motion is Option 4.

Dir Deery said the motion would be to authorize entering into the contract, it is State Purchasing or equivalent and to fund it utilizing ARPA Funds and emergency clause.

Mayor Whitfield said we would be cutting a 1.7 million dollar check for something we won't see for 3 years. That is why he was asking for time to consider how we might pay for this so it we won't spend these funds when there's so many other things needed. He said he could get something back by May 1st. He was curious what the sense of urgency is because Chief Pronesti said we have until May 1st. He's sure this company would be willing to lock an additional week or two if we ask them. He doesn't think there is a need to rush on this. And they need to work on a comprehensive plan for how they can fund this purchase.

Chair Stewart said they have had this discussion throughout the budget process. We have the funds to utilize, we should use the ARPA dollars and this is an asset that we're going to be utilizing for many years to come and we should move forward.

Mayor Whitfield asked what about when there's more request and now we've already spent these funds and there's a list of other things that need to be funded as well. He said again, all he's asking for is time to consider how they will fund the purchase.

Mary Siwierka, 119 Fresno Ct. spoke as a citizen who lives in this community and wants to make sure that the best equipment is available for each department. The point that was made by Mr. Tollett is that the City will be saving nearly a half a million dollars in interest. The City has the dollars and she would urge the committee to order the truck.

Dir Lundy wants to make sure everyone understands that The Mayor is supportive of this. There is a levy on the ballot in May and that may change how we look at a lot of things. All the mayor wants is a little time to study it, we just came out of the budget cycle and we just want to have this conversation.

Mayor Whitfield said that is where he is at in terms of seeing how this levy goes. He recognizes that we do need to make this purchase. But he just wants a short window of time to figure out the right mechanism to pay for it.

Mr. Tollett said he would like to move forward with taking a vote. He feels the taxpayers will see that they made an extremely prudent and informed decision.

Mayor Whitfield said the recommendation of option four and cutting the check for that full amount right now and then waiting three years is a rush decision. Yes, it saves a lot of dollars on the overall purchase but it ties up the money for 3 years, let's make this decision the right way.

Mr. Cerra said he's not opposed to waiting two weeks.

Mr. Lipian agrees to wait for two weeks.

Dir Deery asked Fin Dir Pileski if these four funding scenarios in principle change?

Dir Pileski said he would defer to the chief. But he said we could consider this, if we were to issue bonds there's a timeframe for that also. If we were to finance the truck and he would have to issue bonds and the ordinance will take 30 days to go into effect and another 30 to 45 days to go to market and get the coupon rate/price and if we issue the bonds which will take 60 to 90 days after the ordinance passes, that is something to consider. So, the bond proceeds would be used to pay for the truck up front. And then we would pay the bond payment over 10 years. so, we will be paying interest for 3 years before we have the truck. If we pay cash using ARPA, we won't have an asset for three years, but also if we issue bonds to pay and then have to pay the bonds back over 10 years even before we get it.

Discussion continued on the different funding options.

Mrs. Davis asked Mayor Whitfield is he has a list of the other projects that he would like to talk about?

Mayor Whitfield said that he wanted to present a comprehensive list and that some of those things he's working on will be impacted by decisions that are made tonight.

Mrs. Davis asked what the increase for the cost would be if we wait until May.

Chief Pronesti said his Assistant Fire Chief Norris can speak on that.

Chief Norris said he spoke to the committee about 2 and a half years ago in regards to the fleet situation. At that time, they asked for 2 pumpers and an aerial and the committee approved the pumpers. When they started considering for the aerial device, the price at that time was 1.4 million dollars and waiting time was 16 to 18 months. Since covid that time is now 30 to 36 months and the cost is now 1.8 million. The percentage was about 6 percent annually now they don't do it annually, they do it incrementally throughout the year and when the prices come out they pass those onto the customer. Track record shows that those costs would be substantial.

Asst Dir Williams said he would request, that since there is nothing that will happen between now and then, we'll still be able to meet the May deadline, all they're asking is a few additional weeks and it will not change prices or interest, it won't impact anything.

They will be able to present something more comprehensively. They've talked about if they would use \$500,000 of ARPA or \$500,000 from Issue 6, there are lots of options. Option 4 may be selected but it would be based on a presentation that would be presented to the committee. Holding off for two weeks is a reasonable request.

Mayor Whitfield said he just want to have those conversations about the use of ARPA funds and to be able to make those presentations.

Mr. Tollett moved and Mr. Stewart seconded to recommend an ordinance authorizing the Mayor to enter into a contract for the purchase of the 'said' apparatus for the Fire Department and to be funded utilizing ARPA Funds in the amount of \$1,765,745.21.

Roll Call Vote was taken;

Tollett = AYE, Cerra = AYE, Davis = AYE, Schneider = AYE, Stewart = AYE

MOTION CARRIED

COMMITTEE REPORT WRITTEN

10. The matter of using \$1,300,000 of ARPA Funds to purchase 3 Sanitation Trucks.

Referred By: Council-at-Large Member Tollett *(this matter will go to Utilities on 4/12/2023)*

Mr. Tollett said going back to 2022, we know we had the need and not the want for the trucks. There was one removed from the budget last year and we now have an immediate need for 3 additional trucks. This is a one time shot for using ARPA funds. This is a one-time opportunity. We need to continue the need to assist the sanitation fund. This purchase for the sanitation dept. will assist in maintaining our rates to the residents. We have options, we can purchase outright, 1.3 million dollars and will be in the same range of \$350,000 estimated or write a check and save that money and hold the rates the best we can. These new trucks will replace the older trucks which are at the very end of their lifespan. We need to purchase 2 side loads and 1 rear load. Once these are order it will be 24 to 28 months before we receive them.

Dir Pileski said if we add one million dollars to debt payments, a million dollar borrowing of the sanitation fund he wouldn't be able to do with the current rates, we would probably have to make the payments out of the general bond retirement fund, which is the fund that we typically pay for debt that has no specific source, in this case it would be sanitation and there is not enough money coming to pay for these trucks. He reminded the committee that he cannot use ARPA funds for paying debt.

Mrs. Davis said we owe \$350,000 on a truck that we can't pay on and we're going to buy more?

Dir Pileski said we're not borrowing if we pay cash out of ARPA funds. But if we borrow, the payment will have to come out of the Sanitation fund, which cannot be done or it will have to come out of the general bond retirement fund and that takes up some cash that we can use toward the payment of a building or whatever needs we might have that might be on that list. He doesn't know the needs for the trucks, it's just that the sanitation fund has been struggling for some time and he doesn't believe they've increased rates since 2019 and since then wages have gone up over 10 percent, cost of fuel has gone up and the cost to dump at the landfill goes up each year. We will have to take a look at the sanitation fund and the operation, itself.

Mr. Stewart said we are trying to put assets back into the city where there's a need and he is in support of this.

Mrs. Siwierka, 119 Fresno Court said she agrees with discussion on this topic. They need to start as to whether the City should still be in this business. Until the City owns a landfill, we'll never be able to meet the obligations that we have. She said there will need to be a discussion, as Mr. Pileski said, and it will need to happen sooner rather than later to decide if this will continue. There have been studies done and we eliminated the commercial pick-up. It will be a difficult decision someday.

Mr. Schneider moved and Mrs. Davis seconded to recommend an ordinance authorizing the Finance Director to appropriate \$1,300,000 of ARPA funds for the 'said' purchase.

1 NAY (Davis)

MOTION CARRIED

COMMITTEE REPORT WRITTEN

This matter will go the Utilities Committee on April 12th.

11. The matter of using \$500,000 of ARPA Funds for Police staffing and potential emergency equipment needs.

Referred By: Council-at-Large Member Tollett

This matter was tabled and placed in 'Pending Items'.

12. The matter of using \$500,000 of ARPA Funds for Fire staffing and potential emergency equipment needs.

Referred By: Council-at-Large Member Tollett

This matter was tabled and placed in 'Pending Items'.

13. The matter of the 2023 Permanent Appropriations. [Standing Referral]

Referred By: Finance Directors Pileski and Farrell

Finance Dir Pileski said they have a little clean-up work on the budget and the discussion of the two items which just passed this evening. In the issue 6 tax fund there were some trucks ordered for the Street Dept in 2021 and we never rec'd them until early this year and the PO had been closed so we need to add \$173,736 to the 2016 .50% income tax fund in the capital needs dept capital outlay account.

There two items in the Chestnut Commons Connector Road fund which is the fund set up for the construction of the road. At the end of last year there was \$215,443 left in that fund and it needs to be appropriated in the capital outlay and that is for ongoing legal fees, we're still in the lawsuit. In the debt service, we have the 5.2 million dollars note that is outstanding and will come due and it will be rolled in its entirety because of the lawsuit and so far, there are no TIF money coming in because obviously there has not been any development.

We're rolling in the 5.2 million service. And adding \$7,500 to the fire and police pension funds to operating and maintenance and that's for us to record the cost of property tax collections charged by the county. And in ARPA revenue fire fund will appropriate the 1,765,746 for the new truck and in ARPA revenue fund, 1.3 million dollars in capital outlay for the sanitation trucks.

Mr. Cerra moved and Mr. Schneider seconded to recommend an ordinance authorizing amending the 'discussed' permanent appropriation changes.
MOTION CARRIED COMMITTEE REPORT WRITTEN

Chair Stewart asked for a motion to Adjourn this meeting.

Mr. Cerra moved and second by Mr. Schneider to adjourn this evening's Finance Meeting. The meeting adjourned at 8:55 P.M.
MOTION CARRIED

Respectfully Submitted by,

Colleen Rosado, Secretary/Administrative Assistant

1. Approval of the Joint Committee Meeting Minutes ~ January 9th, 2022

Motion made by Mrs. Mitchell and seconded by Mr. Schneider to approve the 'said' meeting minutes.

2. The matter of a Development Agreement with ABC Development for Infrastructure Improvements within the City.

Referred By: Assistant Safety Service Dir Calvert

Dir Calvert said they have an agreement drafted in support of the development of Eaton Point which is south of Chestnut at the corner and adjacent to where the Panera and Mattress Firm are located. There will be a Sheetz Gas Station and an Aldi Grocery Store. The Aldi store will be almost 21,000 square feet with an estimated construction cost of 3 & 1/2 million dollars and an estimated value of 4 & 1/2 million dollars and it will create 11 full-time and 9 part-time jobs with an annual payroll of \$600,000. Sheetz gas station will be a little over 6,000 square feet with construction costs of 4 & 1/2 million dollars and an estimated value of 6 million dollars. It will have 18 full-time and 18 part-time jobs with an annual payroll of approximately \$700,020.

They are requesting the Development Agreement which will allow the City to enter into a TIF agreement which will help support the development of infrastructure for that project. It will be the extension of the road where that will provide access to Sheetz and Aldi's. The developer is here to explain their plans.

Greg Slyman, managing partner of ABC Development, 3955 Center Road, Brunswick, Ohio and Bob Achary of ABC Development.

Mr. Slyman said they have been working on this property on the corner of Rt 57 and Chestnut Ridge Road for a number of years. The diagram of the proposed project was brought up on the monitor so the committee members could see it and it was also on the large screen so the audience could see it. They are working with the City to look at the Joint Development Agreement for the road construction and the costs of the infrastructure. They would put in a cul-de-sac to help with traffic. They are working with the neighbors to create a public road of which that TIF would offset about 40 per cent of the cost and the other 55 to 60 percent will be paid for by ABC Development for access for those two users.

The drawing on the screen is showing lot 1 approximately 3.1 acres is where the Sheetz would be. And south of that is where the Aldi will be and that is also 3.1 acres. These will be accessed through the new road, Eaton Point Drive which is about 1.8 acres and that's the initial phase 1 of this project. They've gone through the lot splits, rezoning, design review and now they're ready to move forward. The next image on the screen showed the entire Phase 1 which will be opening up that entire south eastern corridor. The roadway will stop just south of the Aldi's store. We currently have 36 acres under contract. They have been in discussions with the Jacob's Group who own the property south of that. They also have interest from a couple larger retailers that they're working on.

Chair Stewart asked when the traffic study was done?

Mr. Slyman said that there was one done in 2016 with Mannequin Smith. And they have done their own traffic study with TSC in 2020 and they worked with the City

on that one which encompassed the overall development. They understand the traffic concerns. Once this process gets into the next phasing there will be access onto RT 57. That is south of where the current Marshall property is, the storage units. As they move the development toward the east there will be a connector to Cletus Road and that's right along Rt. 10. There will be multiple access ways into the development, which will be about 117 acres when it's fully built out. This is the overall vision for the property and again, this is the initial phase.

Chair Stewart asked how the phasing and the traffic will impact the area mentioned. There have been many issues at these intersections. He asked if the process has been started for the entryway on Rt 57. Would that be a right turn only as it's heading north into this phase?

Mr. Slyman said they have approval from ODOT for right in – right out. As the development continues to the east that will eventually be a full access intersection. They've been working with the City on this traffic study for a few years. They understand what the concerns are. Once they get the access onto Rt 57, they believe some of those issues will be addressed.

Law Dir Deery said there is an image of a traffic light there where the connector road would meet Rt 57 so that's the ideal situation, is that correct? Has ODOT approved an actual intersection with a traffic light at this time?

Mr. Slyman said yes, that is correct. ODOT has not approved that intersection yet, just the break access.

Chair Stewart asked when they anticipate this? Is it dependent upon this phasing here?

Mr. Achary said, yes. Phase one is strictly the first two buildings, Sheetz and Aldi's. The next phase would continue south which would include the access item onto Rt 57 which would probably be a right in and right out. They would have to go back to ODOT to revisit full access.

Mrs. Mitchell said they have already addressed her concerns and they've already gone to ODOT and they have approval for right in and right out. She stated that the traffic over there is horrendous as it is and we keep piling more things into the area. We have so many other areas, like the West side, that have ample space and she would like that to be considered. Her main concern is the traffic.

Mr. Achary said he agrees with that. But as far as the retailers, they want the gravity of all the other retailers together. The success of the Walmart is creating this success of the area.

They have worked very close with the City Engineers with the traffic issues. They do have approval from the Engineering Dept. to build the road. It really will open up a larger development. There are retailers that are interested in Elyria. They're looking for the right places to be. The gravity has moved away from the mall. They still want to be able to sell to the residents. These retailers are interested in this area because of the traffic and the ease of getting in the area. He said he has driven all around Elyria including the west side with multiple retailers and talked about other opportunities in Elyria and if you look in the development agreement, he's still working hard to try to bring additional retailers to other areas of Elyria. The Sheetz and Aldi are focusing on this intersection because of the traffic and they would not consider any other areas at this point. As we make headway in the city, it will attract more.

Mrs. Mitchell said that the Aldi's on the south side will be closed after this one is built. That will create a food desert for those residents on that side of town and the Mayor has been very vocal about that. Aldi is under lease at the south side location for another 5 years. He doesn't know what their plan is.

Mr. Oswald said he sees the street going back from the Sheetz and to the Aldi's and then it turns into a cul-de-sac on the first rendering. Will that cul-de-sac go away and will the street continue onto the second phase?

Mr. Slyman said yes.

Mr. Oswald asked where are the storm water, sanitary, gas etc coming from? The other side of Chestnut?

Mr. Achary said there is an existing sanitary line that is on Chestnut Ridge and they have approval from the City to tie into. That will support Aldi and Sheetz. They've been talking with the City about the trunk line on the other side of Rt 57 and eventually bringing that over which would need to be brought over to serve the rest of that area, to the larger development.

Mr. Lipian echoes the concerns of councilperson Mitchell. When we look at the economic concentrations in the City transitioning from downtown to Midway Mall to Chestnut Commons, they've swept up businesses with them to catch others and have noted that traffic. He thinks it would be good for the committee to get ahead of the problem of the possible food desert and be proactive and engage in relationships with the owners of the Aldi Building in the 5th Ward and not to wait for it to close if that's going to happen. And to regularly engage with food service businesses that could set up in the 5th Ward and get ahead of that problem. It's proactivity versus reactivity. Thinking of the Friendly's Building in Ward One. He has calls placed to the owner of that building trying to find someone who would be interested in it. We have to consider the wards that might be impacted by the shifting of economic activity.

Mr. Schneider asked if the Sheetz would be a right in and right out?

Mr. Achary said that will be full access. They will align that with the bank parcel across the street at the City's request.

Mr. Lipian asked this question to Mr. Corbin asking if there are talks of a restaurant at the corner of East Broad and Chestnut at the land that is currently for sale?

Mr. Corbin said that he heard from a source that was a possibility. That was about 6 months ago. He had phone calls from residents saying for the City to not repair Chestnut Ridge so they could keep the traffic at a minimum.

Mrs. Davis said there was a traffic study in 2016 and another one in 2023 and then they did their own and is there anyway we could have another one?

Dir Calvert deferred to Engineering for the traffic study question.

Engineer McKillips said the last traffic study that was done by the developer was by an Engineering Firm called TMS and they do traffic studies. She would state that it was an actual traffic study and it was done in 2019. Is it necessary to update it at this point? It would've been close to today's activity.

Mrs. Davis said that a car wash and other activities have been added since 2019.

Mr. Tollett said in 2019 the Reaser Parkway wasn't there. It's a relief outlet for that area so it would seem what we lost with the car wash we more than gained with the connector road.

Engineer McKillips said that connector roadway was completed at the end of 2020. So, it wasn't considered with that most recent traffic study.

Mrs. Mitchell asked why we aren't using that land along Reaser Parkway. The thought of a right out onto Rt 57 with no stop light is very scary. People fly down Rt 57. She is not against development in the City, she loves to see the City moving forward. When she said the west side, she was not referring to the mall area. She was referring to the West Ridge and Murray Ridge area. There's all kind of land available. Let's promote it, it's available.

Mr. Schneider said since this master site plan has been revealed this evening, that we should consider another traffic study because we know what the future holds for this area.

Mr. Oswald said we could do study after study after study and we could still forecast wrong. So, if we plan on a lot of growth with good businesses. Maybe the Jacob's Group could figure out to possibly get an actual intersection to come out onto Rt 57. He wants development to continue.

Mr. Lipian agrees with Councilman Oswald; his inclination is to move forward with a cautionary tale that we need to begin planning and consider the ways this is going to impact us moving forward. He thinks if the traffic study didn't include the Reaser connector road that means the outlook of the traffic forecast would likely be better than the report states because we have that additional street and that does provide relief. If traffic starts flowing down the Reaser Point Crossing because of the Aldi and Sheetz, it's possible that will attract businesses to set up shop on Reaser Point Crossing which would be good for the area.

Chair Stewart asked if any issues or concerns were found with the TMS study?

Mr. Achary said it was obviously the volume. The study focused on solutions which were the right-in and right-out on Rt 57 for Phase 2. Then the Cletus Road connector was not in the original study. There is not question when Phase 2 proceeds they will have to revisit the traffic study which would include the Reaser Point Crossing, the car wash and any other development that happens between now and then.

Mr. Cerra said in all fairness, anyone who's gone to Avon Commons, that traffic is horrific too, but people keep going there and the buildings keep being built. What kind of time line are we looking for Phase 1 and then Phase 2?

Mr. Slyman said the Phase 1 construction is planning to start in the beginning of March for the road.

The Phase 2 will take some time, it will be a minimum of 36 months up to 60 months. There are some infrastructure issues related specifically to the sewer. There will need to be significant investment to create that we'll have to create some very strong demand to put the money into that. This is a prime economic driver for the City of Elyria. They have been involved with this since 2016 and that's when it was Eaton Township. They worked with the former Mayor to bring that into the City Of Elyria because they knew that getting it into Elyria it would help to develop it the proper way. They would like to continue to annex additional properties into Elyria if that's what the City would be interested in.

Mr. Oswald asked what area are in Eaton Township?

Mr. Slyman said the 36 acres of property that was annexed for their development and the other properties are extensions. As they continue to add parcels and they

have an agreement, in theory and they have a great relationship with The Jacob Group, they're ready to go. There are some additional parcels that are end parcels of the property near Rt 10. The hope would be to be able to continue to build off of what they've already annexed.

Mr. Tollett said he's a huge Sheetz fan and they're on the cutting edge for electric charging stations, which Elyria lacks. It's the future.

Mayor said this has been a great discussion. Some of the committee's concerns have been shared with the developers. He wants everyone to recognize that this is considered to be a safe first step for this development. It's getting some momentum and demonstrating the City's interest and the developer's investment and willingness to help us develop this space.

He said the City has multiple food deserts which need to be addressed. Part of the agreement will have the goodwill effort to assist us with those food desert efforts. There will be an announcement coming soon and a partnership to help address that.

There is an education of how these retailers choose their locations, it's unique. It's a data driven process. Maybe we can get creative in ways to see where we want to see development.

Chair Stewart said this is a prime piece of property and this development will happen eventually. He said in Avon, they have multiple lanes and it's still congested. Ours will be one straight lane on Chestnut Ridge and one left turn on Chestnut going into the complex. It's not multiple lanes heading in two directions. There was a study done in 2016 about widening the road and putting in a roundabout and considering those Michigan lefts and there were concerns about that. He thinks this is a great opportunity, but he has concerns about the traffic in the short term in regards to this.

Mayor Whitfield shares his concerns about the big macro vision in terms if we would try to do this without the right-in and out or full intersection, it would be chaotic. That's why they thought it would be strategic to just start with these two projects that wouldn't overwhelm the system and at the same time they've put in a Capital request to get an earmark to build the sewer infrastructure so that the it can grow more.

Chair Callahan said these have been healthy discussions and all members had excellent questions and concerns. Most important is that the developers are listening to the City and hear our concerns and working with us.

Chair Callahan asked for a motion:

COMMUNITY DEVELOPMENT:

Motion was made by Mr. Oswald and second by Mr. Lipian to authorize an ordinance authorizing the Mayor to enter into the 'said' agreement.

MOTION CARRIED COMMITTEE REPORT WRITTEN

FINANCE:

Motion was made by Mr. Cerra and second by Mr. Schneider to authorize an ordinance authorizing the Mayor to enter into the 'said' agreement.

MOTION CARRIED COMMITTEE REPORT WRITTEN

1 - NAY (Stewart)

COMMUNITY DEVELOPMENT:

Mr. Schneider moved and Mr. Oswald seconded to recommend an ordinance authorizing the Mayor to enter into the 'said' lease agreement.

MOTION MADE

COMMITTEE REPORT WRITTEN

FINANCE:

Mr. Schneider moved and Mrs. Davis seconded to recommend an ordinance authorizing the Mayor to enter into the 'said' lease agreement.

MOTION MADE

COMMITTEE REPORT WRITTEN

Mr. Lipian moved to adjourn the Community Development portion of this evening's meetings and that motion was seconded by Mrs. Mitchell.

The meeting adjourned at 6:50 P.M.

MOTION CARRIED

The evening's meetings continued with The Finance Committee.

Respectfully Submitted by,
Colleen Rosado, Secretary/Administrative Assistant
/CMR