

Dennis Murray called the meeting to order at 5 p.m. after a moment of silence offered for Frank M. Fosco who served on the City Commission from 2000 – 2003, the Invocation, given by Dick Brady, and the Pledge of Allegiance.

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

City staff present: John Orzech – Police Chief, Dave Degnan - Fire Chief, Aaron Klein – Public Works Director, Angela Byington – Director of Neighborhood Development & Planning, Matt Lasko – Chief Development Officer, Stuart Hamilton – IT Manager, Don Rumbutis – IT, Justin Harris - Law Director, Trevor Hayberger – Assistant Law Director, Casey Sparks, Assistant Planner, Hank Solowiej – Finance Director, Eric Wobser – City Manager and Kelly Kresser – Commission Clerk.

Upon motion of Dave Waddington and second of Nikki Lloyd, the Commission voted to approve the minutes of the August 8, 2016, meeting and dispense with the formal reading. The President declared the motion passed.

AUDIENCE PARTICIPATION

Sharon Johnson, 1139 Fifth Street, said she is not in favor of the proposed City Hall relocation (Item #2) and said we are repeating history as there is no parking downtown. People will not walk to City Hall from the Jackson Street parking lot. Some people do not know what the financial facts are and the rent will be a little over \$20,000 per month, the security deposit is the first months' rent, city grants total \$450,000 and \$150,000 is coming from CDBG Capital projects and \$300,000 from economic development capital projects which are Issue 8 funds. There will not be a cost to the taxpayers and the \$80,000 is being paid to the developer as soon as he starts construction. If the developer cannot meet the GAP financing, the city will give them another \$400,000 in grants. The paperwork states there may be a one hundred percent tax abatement at ten to fifteen years deferred. The rent will be a 1.5% increase for the seven years the city will be renting.

Rick Scheel, representing the South Central Block Watch, 1912 Hayes Avenue, said this group is in opposition to the City Hall relocation (Item #2). Some of the members feel if the city has this type of money to spend, it should address neighborhood quality of life issues first including better housing and neighborhoods, jobs, street and sidewalk repairs and more aggressive economic development, crime prevention, additional fire staff to prevent fire stations from closing and park improvements. The members do not feel this should be passed as an emergency and at the very least, should be placed on the ballot for a vote. The existing City Hall should be updated and repaired as needed and no new debt should be added. Members also feel this deal is not a good one for the city or the taxpayers and a good example is the proposed \$32,000 per year fee for maintenance. If this is a newly constructed facility, it will not require much maintenance in the first year, but it will in year twenty or thirty. Since Dennis Murray and Nikki Lloyd have abstained from voting on downtown development issues, they (Block Watch members) should abstain on this vote.

Dennis Timple, 553 Bimini Drive, said he stands in opposition to the proposal for City Hall (Item #2) and has serious concerns since the previous attempt for the marina developer was never vetted. This man had only tried one project which was a failure within one year; the city also sat on a check which the city treasurer resigned over. There was a ruling/agreement by the Eastern Division United States District Court filed on September 10, 2016, involving Frank Russo, Marous Construction and the U.S. Attorney General's office. Part of this ruling involves an agreement made by the U.S. Attorney's Office stating they will not bring criminal charges against Marous Brothers Construction and others for violations of federal law. The city clearly has not vetted them and it is time we wake up. Rent is proposed to be approximately \$20,000 per month and the value of the properties involved are: 234 Columbus Avenue - \$68,050, 236 Columbus Avenue - \$212,810, and the former bank building - \$284,710, according to the Auditor's Office. The LLC is not on file in the State and an LLC of Ohio for the previous developer for the marina district has never been found. A person from Seattle, Washington filed the

paperwork for the LLC and asked why someone would do this if it were for a legitimate business in Ohio. This is ridiculous, the city needs to do their homework and the issue needs to go on the ballot as there is way too much corruption already.

PROCLAMATION

Naomi Twine read a Proclamation declaring August 19 through Labor Day (September 5) as the **Drive Sober or Get Pulled Over 2016 Crackdown Weeks**.

PRESENTATION

Eric Wobser said with regard to the **City Hall relocation**, this is the sixth public meeting about this topic since the City Commission asked staff to evaluate options for City Hall about six months ago. This had been evaluated several times during the past ten years and the City Commission has not yet acted, but with the current deterioration of the facility, it was time to take a serious look at this. The city brought in an architect to analyze the previous studies, the existing condition of the building, and has met with department directors to analyze and evaluate the current and future needs of City Hall. This group made recommendations concerning City Hall and the relocation of a joint property for the Police Department and Municipal Court. Three options for City Hall included staying where we are and renovating or constructing a new facility or revisiting the proposal from 2009 to rehabilitate two existing buildings on Columbus Avenue and Washington Row. A recommendation to work with Marous Construction is being brought back after negotiations with them. In addition, the city has met twice with members of the Bayfront Corridor Committee, the Audit/Finance Committee and has held a public meeting about the project. Three representative are here this evening from Marous Construction: Chip Marous, John Spears and Chris Auvil. Eric Wobser said he worked with this developer while in Cleveland and can say they have made an incredible impact in real bricks and mortar and are a very reputable developer in Cleveland.

Chip Marous said Vintage Development started in 1983 in downtown Willoughby as there was a mall built in Mentor which decimated their downtown. A public/private relationship was formed to restore old buildings which is tough, but they ended up purchasing and rehabilitating 15 buildings in downtown Willoughby. Through this process, they were met by people who thought they were wasting their time and money, but once people started going into Willoughby and things started happening, this changed. They had some of the same issues as Sandusky, but worked through them and started doing other projects with investors. In the last 25 years, there has been a tremendous turnaround. They have had issues with parking, but have worked through them and valet parking has been a big success for people using the downtown for retail, offices and restaurants. Vintage Development headquarters are in a rehabilitated building downtown; Marous Brothers Construction is near the airport in Willoughby. They are working on a 25-acre project in Willoughby and the Riverwalk across from Andrews School. Phase I was for 200 apartments and Phase II will be office and retail spaces which are currently underway and Phase III is a senior living facility. Altogether, this is a \$70 million development deal. Another project is Battery Park in Cleveland where the original alkaline battery was produced and was the first Brownfield site cleaned up. A PUD was put together along with roads and infrastructure and units are still selling each year. With a private company relationship in these kinds of projects, the city and the State of Ohio are contributing over \$60 million to make this successful along with billions of dollars in investment. In Ohio City, a 60 unit building is being constructed and they are working with the Ohio City Corporation. The Marshall project came about when the City of Cleveland asked Marous Brothers to take over the project and involves city and county money through grants and tax abatements. Historical rehabs are difficult and it is all about managing risks. Marous Brothers Construction was started by him (Chip) and his brother along with a third brother who joined later as well as two sons. This company knows how to manage the risks on historical renovations and have done this all over the country including the Shoreway on the East side of Cleveland which was a \$22 million project. There was a hotel in Detroit which sat vacant for over twenty years and has been developed into a \$130 million project with high end condominiums. The Cleveland Arcade was also rehabilitated and at one time had been ranked eighth in historical buildings in the State of Ohio. They have worked on very difficult building rehabilitations which looked like they should have been condemned and have over 36 years of

experience with these kinds of public/private partnerships. They were all taught early in life to do things right or not do them at all and this has been part of their success in business.

Chris Auvil, In-House Design Service Manager for Marous Brothers, said the new City Hall would consist of three properties including the former bank building on the corner of East Washington Row and Columbus, the Kingsbury Building and the Whitworth Building both on Columbus Avenue to form a campus. Adjacent to this is the Erie County Administrative building and the Erie County Courthouse to the Southwest which all surround Washington Park. This creates a municipal center and it would be great to include City Hall. Parking has come up as a potential issue and Chris Auvil said he is aware the city has spoken to Erie County about utilizing the parking garage. In the 1920's the Kingsbury Building extended to the corner and the bank building divided this, but it was kept intact. Chris Auvil showed some exterior and interior photographs of the buildings and noted their beauty including a skylight in the Whitworth Building and an ornamental lions head on a fireplace in the Board Room of the former bank building. There are three colors which identify mixed and independent uses which do not share space, but share buildings. Retail, City Hall and residential uses are all proposed in these buildings. There would be an administrative office on East Washington Row and there would be a public entrance on Columbus Avenue. The stairs and elevator connect the buildings vertically. The mezzanine level would house the City Commission office and board room. Nine one bedroom apartments and nine two bedroom apartments will be above the second floor in the Whitworth Building. The third and fourth floors of the former bank building are for an expanded City Hall with administrative offices. The buildings are integrated but once past the first floor, they are separated from city hall and residential spaces. The windows in the bank building are proposed for restoration with new glass and are painted with the original historic green, the front façade storefront would be restored in a more historic fashion, and a new administrative and historically-appropriate entrance would be added both on East Washington Row and Columbus Avenue. Masonry will be installed and new windows along with restoring the existing tin in the buildings on Columbus Avenue. The new City Commission Chambers would have a more contemporary, open and inviting feel to it with restored tin ceilings, new lighting and a nautical, simplistic feel with wood stain and natural colors. There is a skylight which will be restored in the Commission Chambers. Chris Auvil said they have been talking to different markets about the space in the former bank building to purchase sundry items and prepared food and the windows will be open to the park and have an airy feel. A deli counter and seating could also be included for people in the area to utilize.

John Spear, CFO for Vintage Development, said the total project development cost is approximately \$11 million with \$3.8 million of senior debt, \$5.7 million of developer equity including incentives and the city's portion is \$1.5 million. Vintage will be applying for State Historic Tax credits on September 30 and this is a critical piece of putting this together. John Spear said there have not been many applications provided by the State in this area and he feels very good about getting this. He has spoken with representatives at the State Historic Preservation Office and at the Department of Development Services Agency and their chances are very good. Approximately 51,300 SF of space will be developed and 21,600 SF is for the City Hall space. Starting rents are \$11.25/SF on a triple net basis as there are some reimbursements for taxes and insurance estimated to be rather minimal at this point. Three retail spaces are 8,800/SF and in the upper floors, nine two bedroom apartments and nine one bedroom apartments will encompass approximately 21,200 SF.

Wes Poole asked about the downtown area in Willoughby which the Marous Brothers developed and Chip Marous said these boundaries are from Spaulding Street down to Mentor Avenue. Wes Poole said he has been to Willoughby several times and has toured the Marous office space and is glad to be doing business with them. As far as vetting, there is not a problem getting a quality product with Marous. Greg Lockhart said he recognizes Marous Brothers as leaders and innovators in the community and was there when they started in Willoughby and they did in fact attract a lot of people downtown and they will give a great effort to this project. Greg Lockhart asked if this will be a triple net lease and if all tenants will be responsible for maintaining their space and Chip Marous affirmed this. Dick Brady said he spent a considerable portion of the weekend reviewing the documents provided and reminded himself this is a

Letter of Intent, not construction specifications, and this is very important to note. Construction specifications are very finely tuned but this is a loosely knit document which is binding, but allows us to proceed forward to the next step. We will get to the point where we have specific instructions concerning HVAC, plumbing and electrical work to be done and cautions anyone looking at this to view it as anything other than a Letter of Intent. Dave Waddington said this is a first reading which gives us three weeks to consider and hopes some meetings will be set up between now and then for the residents. Dennis Murray said these have been established for September 7 at 12 p.m. and September 8 at 6 p.m. at the Sandusky Fire Station. Nikki Lloyd asked about the square footage in the apartments and Chip Marous said they will be 800 SF – 1,500 SF. Nikki Lloyd thanked everyone for the planning and design work done and said it is a difficult job to take an old building and repurpose it into new space and Marous has done a great job integrating many things into the three buildings. Naomi Twine said a lot of work has been put into this project and the city is committed to fulfilling it. Dennis Murray said the Marous Brothers were never charged nor were they investigated or convicted regarding the documents mentioned this evening (by Dennis Timple). They were named because of a family relation and the Marous name was never besmirched. Chip Marous said this was his father-in-law and his company never did work for the County or for Frank Russo. Dennis Murray apologized for his (Chip Marous) being slandered this evening.

CURRENT BUSINESS

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

SECOND READING

ITEM #1 - Submitted by Jane Cullen, Project Engineer

PROPOSED RENAMING OF GRANT STREET TO ORLANDO PACE DRIVE

Budgetary Information: The item has no budgetary impact.

ORDINANCE NO. 16-135: It is requested an ordinance be passed **changing the name of Grant Street, extending from Hayes Avenue to Camp Street, in the city, to Orlando Pace Drive.**

Upon motion of Naomi Twine and second of Wes Poole, the commission voted to pass this ordinance at second reading. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed at second reading.

ITEM #2 – Submitted by Matt Lasko, Chief Development Officer

LETTER OF INTENT FOR CITY ADMINISTRATIVE FACILITY

Budgetary Information: The budgetary impacts of entering into the Letter of Intent (LOI) resulting in the development of the project and relocation of city administrative functions is outlined in detail within the attached LOI. However, it is important to note that the financial commitments of the city outlined in the LOI are conditioned on several major benchmarks being achieved. However, there is one non-conditional funding commitment contemplated within the attached LOI which is the commitment to provide \$80,000 in non-refundable predevelopment assistance to Vintage to offset a portion of the space planning, architectural and cost estimating services that will be required to secure funding commitments for the project. These funds would be due in two equal installments of \$40,000 due on or before September 15, 2016 and November 15, 2016. These funds are to be paid from the city's capital account.

PASSED AT FIRST READING: It is requested an ordinance be passed authorizing and directing the City Manager to enter into a Letter of Intent with Vintage Development Group, LLC related to the redevelopment of property.

Upon motion of Dave Waddington and second of Nikki Lloyd, the commission voted to approve this ordinance at first reading.

Discussion: Matt Lasko said this is a 50,000 SF project totaling \$11 million and according to the Letter of Intent (LOI), the city would be a tenant for 21,500 SF of space. The project has multi-faceted financing with several sources of tax credit equity including new markets, state and

historical tax credits, senior debt, significant owner equity and a city contribution. The 21,500 SF of space would be made up of a combination of the ground floor of the Kingsbury building and the upper three floors of Calvary Temple. The initial lease term anticipated is for 30 years and the monthly rent would be \$11.25/SF which is \$20,220 per month subject to a one and one half percent annual rent increase. The LOI considers several purchase options for the city including an option to purchase after seven, twenty or thirty years. The city would have the option to purchase this leased space for \$2,000,990; we also the ability to purchase the real estate at the end of year twenty for ninety percent of the fair market value, or at year thirty for eighty percent of the fair market value. There is a modest security deposit of \$20,220 (equal to one months' base rent). The cost of utilities would be the responsibility of the city although we anticipate savings on these costs with moving to a rehabilitated space as opposed to the current space. This is anticipated as a triple net lease where there would be operating reimbursements from the city for taxes, insurance and maintenance at \$1.50 per SF. The initial city down payment would come as lessee improvements of just over \$1 million which would go toward the cost of the City Hall buildout and pay down of the lease. There is also \$450,000 which would specifically be reserved for the private portion of the project. The city will occupy forty percent of the space and this money would be targeted for the 18 apartments and the three retail bays. We will have room to grow and currently the city has just under 50 employees who will be relocated in this space; the drawings allowed us up to 78 employees in the existing footprint. We would also have the option to utilize the ground floor retail space for lease if available or needed. This LOI is a binding agreement in the sense it is a first step in moving forward to obtain financing, construction cost estimates and specifications between now and the end of March, 2017. The next step would be to bring back a very detailed lease and construction specifications to be considered for a fully executable lease. This is when the final numbers will be in place for the members of the Audit/Finance Committee and City Commission to consider. We have the ability to purchase this real estate at the end of seven years and there is a request for \$80,000 for final space design, architectural drawings and construction specifications which would come from the city's capital account. The annual lease payments, coupled with the operating reimbursements, come to just about \$270,000 per year which is proposed to be split three ways: one third from the city's general fund, one third with water funds and one third with sewer funds. We will not incur additional debt as the city has debt rolling off to cover its portion of the lease payment for these seven years. Once added together at current estimations of construction costs, \$6.15 million is the cost at the end of seven years and is a combination of the down payment, the seven years of rent and operating reimbursements, and the outright purchase of the real estate. The study performed by DS Architecture regarding the current City Hall site provided a range of \$5.8 to \$6 million on the high end, but there may be fluctuations with this as the State may want us to do something different architecturally with windows or other items. Dennis Murray said he wished to address some of the questions which have come up. City employees will have the ability to park in the downtown parking garage which could easily accommodate them and understands the County Commissioners are excited about the possibility of this space being used the way it was always intended to be. Matt Lasko said there are about 280 parking spaces within the parking garage and typically these are generally thirty to forty percent occupied. Also, in the block between Jackson and Wayne Streets from Washington Row to Market Street, including this stretch of Columbus, there are approximately 250 on-street parking spaces within a two-minute walk of the proposed City Hall. This is roughly 500 spaces which is a significant amount to provide for public parking. The city also has a dedicated fleet of ten to twelve cars utilized by the Building and Code Enforcement Divisions and we are still trying to find out the best spot for these whether in the parking garage or the Jackson Street parking lot. Eric Wobser said in addition, Dick Brady assessed these parking spaces today and at approximately 2 p.m. and there were 238 vacant spaces within a two-minute walk and we have also tried to look at things using Wes Poole's parking background. The on-street parking spaces provide a lot of opportunity and ultimately the goal will be to move daytime employees and nighttime employees out of the on-street spaces and into the lots and the garage to keep them turning over for visitors to City Hall and to the businesses. Dennis Murray said part of the concern is about relocating the Police Department and Municipal Court into downtown and this is a separate component and is the reason to move slowly. We need to receive feedback and provide answers and this is not something that will be fully formed all at once. We need to work with the Marous Brothers and

talk to financing entities and there are a lot of steps to accomplish something this important, but it is worth the time. A Statement was made there will be no cost to the taxpayers but of course there will be as there is also a cost to the taxpayers for the current City Hall and its renovation; what was actually said is there will be no additional taxes and this remains true. Renovating this building is not free and relocating is also not free and there will be considerable expense whether we stay or move. There is a difference between old bones and bad old bones and his understanding from DS Architecture is the Meigs Street building has bad old bones and the buildings we are discussing downtown have good bones and are worthy of investment. Matt Lasko said DS Architecture brought a few things to light regarding size and potential complications. The space we are in currently is very inefficient and some people are in much smaller offices than necessary while others are in much larger offices than necessary. There are very wide corridors which cut down on usable square footage and is the reason we can go into a smaller and more efficient space. One important thing to point out is with the type of construction in this building, a lot of the walls are load bearing which makes tearing down walls very cost prohibitive. There would be more of a blank slate with the Kingsbury Building and the Calvary Temple spaces as city offices could be built out more efficiently. Dennis Murray asked Matt Lasko to clarify the financing of the tenant improvements in the commercial spaces. Matt Lasko said in the commercial buildout of spaces, it is not uncommon for there to be tenant improvements and one million dollars would not be enough to do this for the city's use or purpose. As a partial down payment on the interior buildout, it is not atypical for a commercial tenant to pay some of these costs. Dennis Murray said there are some who believe the city should not take on debt and asked Hank Solowiej to comment on this. No matter what we do, we will need to take on debt and just like financing a home is normal, so too is debt financing. Outside of the mandated debt for sewer and water, of which a large portion will be rolling off the city's books, it is totally appropriate for long-term public improvements to be used by today's generation for future generations. We will all share in the obligation to fund these spaces. Hank Solowiej said looking at the city's long-term debt, seventy five percent is related to EPA-mandated water and sewer improvements and we do not have a large amount of general obligation debt. A large amount will fall off in the next three years which will give us some capacity. Adding debt and spreading the costs over a period of time while interest rates are low is not a bad thing and the city had a refinancing last year which saved us money on interest alone. We have a good rapport with Moody's and the bond market and do not have concerns about going out into the market for this. Dennis Murray said as far as participating in this vote, the Ohio Ethics Commission indicated he is able to participate. The Law Director is also of the same opinion as there is no direct benefit to him (Dennis) only a benefit to the community as a whole and will participate in the vote. Dennis Murray said he takes these issues very seriously and they are important to him to consider and has checked on a lot of things in the downtown area and is comfortable proceeding. Nikki Lloyd said she is also comfortable voting on this and will not receive a direct benefit by relocating City Hall. Wes Poole said we have discussed the finances and looked at the drawings, but have not discussed the benefit to the citizens in relocating City Hall into the downtown and asked what improvements will be made to the services we provide at this location as opposed to the current facility. Eric Wobser said one major benefit is avoiding the crisis of continued disinvestment in this facility and the most potentially damaging choice would be to remain in this facility as opposed to building new. The option to relocate to these buildings was the preferred option. There is no option, based on these recommendations, which does not include investing significantly into the current City Hall. We also have to maintain the other city facilities owned by the city to serve our citizens. The downtown sites will serve the citizens well as our current facility does not have a good intake system and sometimes people wander from office to office until people find the right office. The central intake area on the first floor of the Kingsbury building also focuses on putting our most customer based divisions or departments here to put people into contact with those people need. Ultimately, this will also protect the employees who now have a lack of security. In addition, we will be able to leverage private investment in downtown which ultimately will create badly needed living and retail spaces and their ripple effect into adjacent buildings including increased property values. Ultimately, this potentially provides an opportunity to look at the existing land and its long-term use and the potential to grow our tax base and improvements our public park spaces. Wes Poole asked what this will bring in long-term projections for the parking load. Eric Wobser said parking is

one thing looked at during the Bicentennial Visioning process and demonstrated we have a lot of ability to absorb downtown development into the existing parking spaces. The empty upper floors of downtown make it less vital for those looking at the first floor businesses as there are not as many bodies who would potentially be spending money at these locations. We know there is ample parking to absorb upper floor development into this block and there are approximately 2,400 spaces in the total downtown; of these, about 240 spaces were vacant today, 80 of which were on the street and 140 in the parking garage. If City Hall were relocated here, approximately 55 spaces will be dedicated for employees in the parking garage. Peak visitation at City Hall is estimated to be approximately 40 visitors, but it would be very rare to have 95 parking spaces utilized at any one time. There may also be people who car pool or walk and this will decrease the demand for parking. The downtown is not “over-parked” at the moment and we will accommodate parking needs which exist so as to not lead to a problem with parking. Wes Poole said he does not have this kind of faith and usually likes to deal with numbers rather than simply thinking we might have the ability to do something and suggests moving City Hall downtown does a couple of things which are not positive for the citizens. There is adjacent parking at the current City Hall while employees will be competing for parking spaces in the downtown. A two minute walk from Jackson Street to pay a water bill is just exercise and this does not apply to everyone and these numbers are not very accurate. If looking at the numbers, the parking garage may actually be doubled parked which adds to the load and this also does not include the 200 spaces from the Jackson Street Pier which has been discussed for change in parking. The planning for this makes him uncomfortable and he is happy to participate in putting something in the building which does not compete with future businesses. When these buildings are filled with tenants, this will not work. People who live downtown could get accustomed to parking in the parking garage but they cannot park on top of city employees’ cars. Wes Poole asked if there is an agreement with Erie County for use of this garage and Eric Wobser said he spoke with the County Administrator Pete Daniel who indicated these spaces are free and open to the public and are fifty percent or more under parked. This would require a contract for our municipal fleet of vehicles and they are open to having this conversation although the city has several lots under its control already. In addition, there are 95 spaces in the Jackson Street parking lot. No decisions have been made about the Jackson Street Pier and if the designers recommend to reduce parking, we can replace ferry parking far away from City Hall and one will not impact the other. Wes Poole suggested he has 35 years of experience with parking and thinks this is just wrong and these generalities are not likely to work out. Parking for the Pelee Island ferry boat is not the biggest use of spaces on the pier and they are lucky for 20 vehicles to disembark and these people go elsewhere. Wes Poole said he is not convinced this is a good idea and will probably vote no, but hopes further discussion the next few weeks will answer some of these concerns. These things should have been discussed long before this and there are way too many gaps for him to support this and does not think they will be covered in the next two weeks. Wes Poole said the talking heads and smart people have decided we are going to do this, but does not know if we even should. Dennis Murray said he disagrees and we are going through the process and there are a lot of steps to this. In addition, the city did not receive acceptable proposals for the Jackson Street Pier and for the time being, this is being shelved. The concepts called for the elimination of a relatively small number of spaces and more of a redesign of trees and grassy spaces, but it is not in the works at the moment. Dick Brady said this is a sensitive issue, but the \$80,000 of out-of-pocket expenses to be reimbursed are a fraction of what the contractor’s real out of pocket expenses will be. Matt Lasko said what is acknowledged in the LOI consideration is these expenses are for costs related to additional space design, additional architectural drawings, and more detailed construction cost estimates, etc. so we can shop these when applying for tax credits and talking to banks. Chip Marous said before getting to the tax credits, they will have over \$300,000 invested in this project and the \$80,000 is what they may recoup; by the time they get to construction, they will have almost \$800,000 of soft costs invested and they are trying to make sure the LOI is binding. Greg Lockhart said he agrees we are not getting enough information when getting items on the Agenda from staff. This is something the city should be vetting and getting public input on before moving forward and we have only had a small amount of discussion. It makes him uneasy to leave this building and go into a condo where we do not have much control over the facility other than occupying and it being subject to the landlord. We have operating and maintenance costs and wonders what these will be in

comparison to what we pay now. Matt Lasko said just over \$1 million will be going toward lessee improvements for construction dollars and \$450,000, regardless of whether we move into the space as a tenant. There will be pre-development dollars as well. Matt Lasko said under this LOI, the cost will be \$1.50 per SF or right around \$30,000 annually as reimbursements for common area maintenance and taxes and insurance will be adjusted at the end of every calendar year based on the square footage for what is being leased. This would be split by water (1/3), sewer (1/3) and the general fund (1/3) and the debt coming off the city's books for an energy efficiency project. Greg Lockhart asked what it would cost to operate and maintain this annually and Matt Lasko said there would be ongoing maintenance not unlike what we have in the current City Hall. One of the benefits is we are responsible for the interior space, but not for the building envelope including roofs, windows and masonry which would become the responsibility of the developer or property owner. We have a maintenance staff working on the interior and if we needed to replace a carpet tile (for instance), this would be the city's responsibility, but costs related to the building envelope would be the responsibility of a third party. Greg Lockhart asked if the city will be the first tenant in the building and Chip Marous said this will all be built out at the same time. Greg Lockhart asked what the benefit is to the citizens and has spoken to a lot of people, but not to anyone who is in favor as there is a lot of doubt and speculation. Dennis Murray said from his perspective, the advantage is the same as replacing a car with 200,000 miles; it will not continue to last, will need to be replaced and we will need to do something eventually with the building we are in. More importantly, it frees up the current City Hall space for higher and better purposes and allows for development in the downtown. Matt Lasko said one of the things we know from the DS Architecture study is continuing to stay in the Meigs Street facility and making patchwork improvements is not the path to take. There was an option for new construction and those costs came in slightly lower than moving to the downtown buildings; however, we are shifting a significant portion of interest cost onto the developer and building owner so our outright purchase price is \$2.99 million. If we built a new facility and still used the \$1 million as the down payment toward our construction costs and to entirely bond out the cost of construction - this is a significant interest expense on \$6 million as to potentially bonding out the purchase of \$2.99 million. This is in addition to the hundreds of thousands of dollars of interest expense the city would be carrying which the landlord would be carrying in part. There is also significant construction risk coming with the city potentially building or renovating this space ourselves. Under the LOI, the cost overruns as they relate to the roof, windows and mechanical systems are the responsibility of the landlord. Greg Lockhart asked what would happen if the city does not purchase this in seven years, rather we wait twenty years because financial times are not so good or because the city staff expands or contracts and how this would allow us to grow. Eric Wobser said currently we have 43 employees relocating and we have the ability to grow to 58 employees before optioning into additional space. We have a right of first refusal for additional space and we can grow for generations. We do not believe the footprint is an issue and this is built for the long-term. Another benefit is energy efficiency would be better at the new facility and less of our costs will go toward paying utilities will allow us to put these dollars into services. The Meigs Street building will fail at some point without significant investments. Aaron Klein said it is important to note in the DS study, they did not just look at financials; different items were detailed about both the benefits and disadvantages of each location. Things such as community perception and enhancement, a temporary facility during construction, inefficiencies of renovating our current facility, building function and efficiency, site security both during and after construction, ease of community access, public inconvenience during construction, vacant and underutilized properties and neighborhood revitalization were all ranked. Some may not have a direct benefit which is seen immediately, but there is a long-term benefit to the residents and the community as a whole. This is a non-financial benefit which may not be seen right away. Aaron Klein urged everyone to look at this document to view the project as a whole. Matt Lasko said one of the things mentioned is we know over the next six to eight years, there is significant debt capacity rolling off the city's books including the City Service Center and the Fire Department debt and this will allow us to take on additional debt through a bond issue. The LOI is structured in a way it would only make natural sense to take this option at the end of year seven. This is a unique way of structuring a deal for a municipality although it is becoming more common in densely urban areas with significant challenges. We wanted to structure the potential lease to bring down our upfront costs right away. It is typical, and the smart option in

seven years would be to exercise this option to purchase. Eric Wobser said the additional numbers show the debt service would be less than what our rent would be at that time (approaching \$300,000 annually) and it would make economic sense to pay less to own than more to rent. Dick Brady said this project has a piece which is very difficult to quantify and that is what it does to the adjoining block and those around the corner. His perception is this is the kind of project which can be a catalyst to light a fire throughout the downtown and a rising tide truly does lift all boats. It is hard to put a dollar figure on this, but maybe this is where it starts for downtown all over again. Dick Brady said he had concerns about parking also but if the alternative to having a parking problem is filling buildings downtown, he would welcome it. We need to figure this out now and this is what the period between today and the next vote is for. We are on the precipice of moving forward with something very important to the city and he is encouraged to making this happen. Wes Poole said he agrees filling buildings is the ultimate goal and it is not enough to guess about feelings and beliefs as parking is done with numbers and the customers who dictates their needs. Wes Poole said we went through this when the Sandusky Mall opened and people decided to continue with things as usual with their parking meters and when customers were given a choice, they went where it was most convenient. As far as the statement that a parking problem is a good thing, Wes Poole said this is a saying some people use and sometimes it may have value. The difference is, when comparing with the City of Cleveland, the reason people go downtown is because they have arenas and sporting activities to go to. People will not come to Sandusky for retail establishments like Subway and drive past four places outside of Sandusky where they can park in front of the door. The people who are going to fill these buildings are going to say they will do the kind of study he does about parking close to assess whether or not their particular customers will walk four or five blocks to get there. If we were capable of managing employees parking in outside lots and managing on-street parking, we would have already done it. There is no reason for anyone opening a small business downtown to believe we are able to manage the parking as we have not been successful. Nothing has been presented by staff that this has been thought through and there is not a management plan. We should have had these discussions a long time ago to work out all of these details. Wes Poole said there is a big separation with locations of businesses in other communities in relationship to City Hall. All of the activity on Fourth Street and by House of Blues in downtown Cleveland is on the south side of the mall and Public Square and the City Building and courts are on the north side and parking does not conflict. The City building is at the edge of the downtown in Willoughby and has its own parking and the courts are four or five blocks away. Wes Poole asked where places are which cities are competing for retail for space and are successful. Nikki Lloyd said this is a great opportunity to make sure we do not lose another historic building and we will lose people wanting to enjoy our quaint city the more we lose block by block. This will allow a smoother transition process while trying to renovate this building which is spatially and energy inefficient and people would have to be in another location while renovating. Leaving this site will make a very valuable property available for development. Nikki Lloyd said she does not see a parking issue and knowing times are changing, parking for successful cities is not the same as it used to be. The ideal situation of creating a mixed use facility and not everyone needs parking at the same time. Typically, office employees would need parking during the day and residents could be in apartments above and would work at the same time and require parking in the evening. As far as the Jackson Street Pier, this is mostly weekend parking and if timed right, there is plenty of parking in town. We do not need a spot for everyone 24/7 and we need to make sure we are creating a space, not losing a building and need to bring more people to a centralized location and work together to make all of this happen. Dennis Murray said a lot of work will be done to ferret out all of the details. Greg Lockhart asked if there are any other costs if we were not to enter into a lease agreement. Eric Wobser said none outside of the \$80,000. Matt Lasko said unrelated to City Hall, and under full disclosure, the city did engage Marous Construction to provide professional historic services on the expansion of the historic district for \$12,000. This will be offset through a grant with the Ohio Historic Preservation Service Office.

Roll call on the ordinance: Dick Brady, Dave Waddington, Dennis Murray, Nikki Lloyd and Naomi Twine, 5. Nays: Wes Poole and Greg Lockhart, 2. The President declared the ordinance passed at first reading.

ITEM #3 – Submitted by Amanda McClain, Housing Manager

TRANSFER OF PROPERTIES FROM LAND REUTILIZATION PROGRAM

Budgetary Information: There is no cost associated with the transfer of these properties other than the total amount of staff time expended to prepare the property deeds and transfer title.

ORDINANCE NO. 16-136: It is requested an ordinance be passed declaring that certain real property owned by the city as part of the land reutilization program is no longer needed for any municipal purpose and authorizing the transfer of said property to the Erie County Land Reutilization Corporation for the purpose of utilizing grant funding from the Ohio Housing Finance Agency for the Neighborhood Initiative Program; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Matt Lasko said we have historically transferred real estate to the Erie County Land Reutilization Corporation for demolition which created a cost savings to the city. The City, Erie County and the Erie County Land Reutilization Corporation now have a partnership to manage this Neighborhood Initiative program. This will be one of many transfers for demolition. These seven parcels will be demolished with state and federal dollars and assuming \$10,000 - \$20,000 per demolition, this is a cost savings of between \$70,000 to \$140,000 for the City of Sandusky that otherwise would have been used for other resources. This is a first step for what we hope will mean the demolition of 100 – 150 homes. Nikki Lloyd said with the savings, it is already covering the employee cost for Scott Schell who is doing this work for the City and Erie County. Matt Lasko said this new arrangement has already paid for eighteen months of personnel costs. Dennis Murray said this will not affect the city's Mow to Own program.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed in accordance with Section 14 of the city charter.

ITEM #4 – Submitted by Casey Sparks, Assistant Planner**MORATORIUM FOR MEDICAL MARIJUANA**

Budgetary Information: There is no impact to the general fund.

RESOLUTION NO. 038-16R: It is requested a resolution be passed imposing a temporary moratorium on medical marijuana cultivation, processing and retail dispensary facilities within the City of Sandusky, Ohio; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

Discussion: Greg Lockhart said he understands why we might want to issue a moratorium with the state passing legislation to legalize marijuana. Trevor Hayberger said this is for the zoning and planning aspects of cultivating, processing and dispensing marijuana. This will allow for one year to evaluate prior to the protocols, rules and procedures being adopted by the State of Ohio and is the purpose of the moratorium. Greg Lockhart said this seems to be reactionary rather than prudent. Trevor Hayberger said this is proactive and if something does come up, we would not have an instance where someone could be grandfathered. Greg Lockhart said this commission is just hearing about this under emergency legislation and things of public interest should be discussed with the commissioners prior to voting. Trevor Hayberger said there is a 90 day window and Dennis Murray said we do not want these to start popping up anywhere in the city and this should be subject to appropriate rules in terms of where and how growing and cultivating can be done. Trevor Hayberger said if the State Pharmacy Board issues a card to someone in the next six months, this legislation would not prohibit them from possessing it. Wes Poole asked if between now and the end of the moratorium there will be public comment and Trevor Hayberger said this is the point and to pass this prior to protocols being set up. Wes Poole asked if planning concepts will be brought forth and Trevor Harris said they have spoken to a lot of medical providers and even though marijuana is being legalized in September for medical purposes, a lot of medical facilities will still not allow or prescribe it. There is still a constant conflict with state and federal law and medical reimbursement and this is a

complicated process. The purpose for the moratorium is to make sure any steps we take are consistent with the State. Wes Poole said it would have been nice to have the research and detail prior to this to allow the public and commission to discuss it. Casey Sparks said the point of the moratorium would be to allow time for citizens, the Commissioners and members of the Planning Commission to comment on what would be best for the City of Sandusky and address these issues.

Upon motion of Naomi Twine and second of Nikki Lloyd, the commission voted to approve this resolution under suspension of the rules and in accordance with Section 14 of the city charter. Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the resolution: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the resolution passed in accordance with Section 14 of the city charter.

ITEM #5 – Submitted by Matt Lasko, Chief Development Officer

ABANDONED GAS STATION CLEANUP GRANT IMPLEMENTATION – 2513 VENICE ROAD & 1651 TIFFIN AVENUE

Budgetary Information: The cost for professional services and underground storage tank removal under the proposed agreement is \$100,000. The cost of said work under the proposal is to be paid with the \$100,000 abandoned gas station cleanup grant awarded to the city. If the cost of the proposed work exceeds \$100,000, the city proposes to utilize the EMS fund for any overages and would request, as required, City Commission approval to approve any change orders required due to construction cost overages.

ORDINANCE NO. 16-137: It is requested an ordinance be passed authorizing and directing the City Manager to enter into an agreement for professional services with Mannik & Smith Group, Inc. for the underground storage tank removal project at the former Sunoco Gas Station property located at 1651 Tiffin Avenue; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Dennis Murray said this will put this land back into productive use and the city has a \$100,000 grant to pay for the project.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed in accordance with Section 14 of the city charter.

ITEM #6 – Submitted by Marvin Randalson, Transit Administrator

GRANT APPLICATIONS FOR CY 2017 RURAL TRANSIT PROGRAM AND BUS & BUS FACILITIES FOR SANDUSKY TRANSIT SYSTEM

Budgetary Information: The 5311 Rural Transit program funds comprise 46% of the STS budget and without this funding, the system would not be able to operate. The required local matching funds will be generated from multiple local sources and the maximum local match required will be \$952,223 of which it is anticipated \$250,000 in fare revenue, \$529,900 in contract revenue, \$22,323 in capital replacement fund revenue and \$150,000 in city general revenue funds. The 5339 Bus and Bus Facilities grant will require \$45,800 of local match funding of which \$30,800 will be capital replacement fund revenue and \$15,000 in Community Development Block Grant funds.

- A. **RESOLUTION NO. 039-16R:** It is requested a resolution be passed authorizing the filing of a grant application with the Ohio Department of Transportation through the U.S. Department of Federal Transit Administration for the CY 2017 Rural Transit program grant for the Sandusky Transit System; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Marvin Ranaldson said we apply for grant funding each year to support the STS and will receive a little over \$400,000 in capital funds in 2017. Unfortunately, our grant was reduced by 17% for 2017 due to budget constraints in Columbus and public meetings will be held in the near future about this. Dennis Murray said there are no budget constraints in Columbus and they have an enormous amount of money and they are not investing in public transportation. State Representatives will not do their jobs and find adequate money to take us into the 21st century.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the resolution: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the resolution passed in accordance with Section 14 of the city charter.

- B. [RESOLUTION NO. 040-16R](#): It is requested a resolution be passed authorizing the filing of a grant application with the Ohio Department of Transportation through the U.S. Department of Transportation Federal Transit Administration for the Buses and Bus Facilities program grant for the Sandusky Transit System; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: These resolutions highlight the dire straits STS is in and what our efforts should be to reach out to other communities which receive a direct or indirect benefit. We cannot wait for another seventeen percent reduction. Dennis Murray said he completely agrees and we cannot provide adequate transit services if we exist only on a geographic model and we are providing county-wide transit services for a city-funded program. He is hopeful there is a new openness to partner into a countywide service in 2017 which is how this is handled in many communities our size.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the resolution: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the resolution passed in accordance with Section 14 of the city charter.

ITEM #7 – Submitted by Marvin Ranaldson, Transit Administrator

CONTRACT FOR TRANSIT SERVICES WITH CAC OF ERIE, HURON & RICHLAND COUNTIES, INC.

Budgetary Information: STS will receive \$8 per one-way trip from the Community Action Commission of Erie, Huron & Richland Counties, Inc. for the length of the proposed contract. The funds collected will be used to offset the capital, planning and operating expenses through the 2016 5311 Rural grant program.

ORDINANCE NO. 16-138: It is requested an ordinance be passed authorizing and directing the City Manager to enter into an agreement for transportation services between the City of Sandusky and the Community Action Commission of Erie, Huron & Richland Counties, Inc. for services related to the Sandusky Transit System; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Nikki Lloyd and second of Naomi Twine, the commission voted to approve this ordinance under suspension of the rules and in full accordance with Section 14 of the city charter. Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed in accordance with Section 14 of the city charter.

ITEM #8 – Submitted by Dave Degnan, Fire Chief**AUTOMATIC AID AGREEMENT WITH PERKINS TOWNSHIP FIRE DEPARTMENT**

Budgetary Information: This will not impact the general fund as there is no cost involved.

ORDINANCE NO. 16-139: It is requested an ordinance be passed authorizing and directing the City Manager to enter into an agreement for automatic aid for the interchange of fire protection services with the Perkins Township Trustees; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Greg Lockhart asked why we formalized this agreement versus using our mutual aid agreement which we have always had. Dave Degnan said this is similar to the mutual aid agreement we have through Erie County. He and the Perkins Fire Chief spoke and there was interest in an automatic aid agreement which does not mandate us to provide any more services than we do currently. If there is a confirmed structure fire, the on-scene commander will get there and call out for mutual aid, if necessary. If there is a delayed response, our Incident Commanders would immediately call for aid and the dispatcher would automatically be triggered to tone out Perkins Township. This will also help with the insurance service ratings for fire departments as there would be at least one fire engine with two trained fire fighters responding to any fire. Wes Poole said we have not quantified how much change this means to our insurance rating to justify and personally does not think it is a good idea to have a formalized contract when what has been done previously has worked very well. There is no advantage to this and we have an obligation to provide service to this community. Although mutual aid is a good idea, having a non-professional deciding whether to dispatch a million dollar fire truck with three guys on it is not good. Dispatchers have no personal investment in the outcome we have no control over the work they do and we are best dealing with the professionals at Perkins Township. It costs us to send a truck across town at breakneck speed and people may come to expect help will come, but not *know* that it will come. We have issues with maintaining Station #7 and sending a fire truck to Bogart Road because a dispatcher said there was a fire is not good. Dave Degnan said there were 19 fire structures in the city last year and between January 1, 2000 and today, we provided mutual aid to Perkins 134 times for both fire and EMS. Perkins has provided mutual aid to Sandusky 233 times during this same period of time. The fire departments have realized we need more people on a structure fire and do call each other for this purpose. Dennis Murray said he assumes Dave Degnan would not be bringing this to the Commission unless in his (Dave Degnan) professional judgment it would make our city safer. Dave Degnan said this makes all cities better and will alert Perkins Township, but there is always an ability to tell them we do not need mutual aid.

Roll call on the motion: Dick Brady, Dave Waddington, Dennis Murray, Nikki Lloyd and Naomi Twine, 5. Nays: Wes Poole and Greg Lockhart, 2. Roll call on the ordinance: Dick Brady, Dave Waddington, Dennis Murray, Nikki Lloyd and Naomi Twine, 5. Nays: Wes Poole and Greg Lockhart, 2. The President declared the ordinance passed in accordance with Section 14 of the city charter.

ITEM #9 – Submitted by John Orzech, Police Chief**PURCHASE OF ONE SUV FOR THE POLICE DEPARTMENT**

Budgetary Information: The cost of the vehicle will be purchased with \$24,000 from capital funds and the remaining \$2,676 from the K-9 donation account (863 1050 556 50) for a total cost not to exceed \$26,676.

ORDINANCE NO. 16-140: It is requested an ordinance be passed authorizing and directing the City Manager to purchase one 2017 Ford Utility Police SUV through the State of Ohio Cooperative Purchasing program from Statewide Ford Lincoln of Van Wert, Ohio, for the Police Department; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Dick Brady asked if it would be John Orzech's inclination to have all SUV's in his department and John Orzech said this makes more sense to him. Impalas are no longer an option and Troy Vaccaro and he are making a choice what the city will go to next. Our cruisers have approximately 140,000 – 150,000 miles and we have a little time between now and next year to make this decision. Greg Lockhart asked if the city has a community policing vehicle and if this might be an opportunity for them to have one similar to the D.A.R.E. vehicle. John Orzech said the city no longer has a D.A.R.E. vehicle and the Community Impact Officers use whatever vehicle is available to them. Wes Poole said he does not have any concerns about what is chosen for a police vehicle but it sounds like our decision for vehicles is based on maintenance and hopes we are purchasing them on their utility for providing service. John Orzech said that was not his intention; the vehicles we are getting are widely needed and the officers prefer them because of the compactness of cars with all of the equipment in them. SUV's can travel just about anywhere in town through any kind of weather.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed in accordance with Section 14 of the city charter.

ITEM #10 – Submitted by John Orzech, Police Chief

PURCHASE OF MATERIALS FOR FIRING RANGE STRUCTURE

Budgetary Information: The total cost for the one 30' x 40' x 12" post frame building package and accessories is \$15,267.86 will initially be paid with the Forfeiture funds account (863 1140 540 90). The Erie County Sheriff's Office has committed \$10,000 toward this project.

ORDINANCE NO. 16-141: It is requested an ordinance be passed authorizing and directing the City Manager to purchase one post frame building package and accessories from Country Metals, LLC of Shiloh, Ohio, for the Police Department; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Dennis Murray said he is glad the county is contributing as much as they are toward this project. John Orzech said we wanted to get going with this project and has met with the EHOVE instructor to look at the site and get preparations started.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed in accordance with Section 14 of the city charter.

ITEM #11 – Submitted by Aaron Klein, Director of Public Works

AWARD OF CONTRACT FOR BIWW IMPROVEMENTS

Budgetary Information: The estimated total project cost based on bids, including construction, inspection, bidding services, advertising and miscellaneous expenses is \$1,780,900 which will be funded by an Ohio EPA low interest Water Supply revolving loan account for this project as requested for approval in companion legislation. Tentative approval has been granted by the Ohio EPA for this loan but approval by the City Commission is required prior to formal approval.

ORDINANCE NO. 16-142: It is requested an ordinance be passed authorizing and directing the City Manager to enter into a contract with Mosser Construction, Inc. of Fremont, Ohio, for the Big Island Water Works new powder activated carbon system improvements and fluorescence equipment for algal toxin plant optimization project; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Aaron Klein said this project was first presented one to one and one half years ago to help with the algal blooms and TTHM's. It will be completed in the spring and will increase the carbon absorption process at BIWW. The original Engineer's estimate was \$2.2 million and bids came in at \$1.6 million.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed in accordance with Section 14 of the city charter.

**ITEM #12 – Submitted by Aaron Klein, Director of Public Works
LOAN AGREEMENT WITH OHIO EPA FOR BIWW IMPROVEMENTS**

Budgetary Information: For the city-wide and wholesale rate studies recently finalized, it was anticipated the Water Supply Revolving Loan account loan would be obtained for this project. The total cost of the loan will be as follows:

Engineering costs:	\$285,000.00
Construction costs:	1,619,000.00
Planning costs:	78,451.00
Previous Design Costs:	<u>128,172.55</u>
TOTAL	\$2,110,623.55

The entire cost would be reimbursed over 30 years via a low interest loan from the Water Funds. The final loan amount will be based on actual final costs and the percentage will be revealed after the approval in September.

ORDINANCE NO. 16-143: It is requested an ordinance be passed approving a Water Supply Revolving Loan account loan agreement between the City of Sandusky, the Ohio Environmental Protection Agency and the Ohio Water Development Authority to finance the cost of the Big Island Water Works new powder activated carbon system improvements and fluorescence equipment for algal toxin plant optimization project; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: This will be to pay for item #11 and we can get reimbursed for past work done including design and TTHM analysis and will look for this reimbursement to our water fund. This was not a typical loan, but with the cost of this project and with the State and Federal money going toward algal blooms, we anticipate a zero percent loan for this purpose and hope to use this in the future as well.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed in accordance with Section 14 of the city charter.

**ITEM #13 – Submitted by Aaron Klein, Director of Public Works
ENCROACHMENT LICENSE WITH FSB PROPERTIES, LTD. FOR 145 COLUMBUS AVENUE**

Budgetary Information: There is no budgetary impact with this item and the licensee must maintain the liability insurance for this use. The property owner is responsible for recording fees to the Erie County Recorder's Office.

ORDINANCE NO. 16-144: It is requested an ordinance be passed authorizing the City Manager to enter into a license agreement with FSB Properties, Ltd. to provide for the use of a certain portion of the city's property as described in the grant of a license for encroachment; and

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

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

Discussion: Wes Poole asked for a description of what this includes. Aaron Klein said Cesare Avallone owns Crush Wine Bar and requested an Outdoor Dining Permit for permission to utilize the right-of-way. Peddler's Alley is not a right-of-way, it is city-owned property and we asked him to go through the encroachment process. The Design Review Board has already approved a fence at this location, but this encroachment will allow him to run it to the west end of his building. If the city at any time wants this part of Peddler's Alley back, there is a provision in the agreement to take it back.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the ordinance passed in accordance with Section 14 of the city charter.

ITEM #14 – Submitted by Aaron Klein, Director of Public Works

2016 SIDEWALK REPAIR & REPLACEMENT

Budgetary Information: The estimated cost of the project, including engineering, inspection, advertising and miscellaneous costs is \$483,503 and will be paid with capital funds made available through Issue 8 funds.

RESOLUTION NO. 041-16R: It is requested a resolution be passed declaring the necessity for the city to proceed with the proposed 2016 sidewalk repair and replacement project; approving the specifications and engineer's estimate of cost thereof; and directing the City Manager to advertise for and receive bids in relation thereto; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Greg Lockhart said he is happy to see this and has spoken with residents who are extremely ready to have something done with their sidewalks and trees and this will be a great help for the city. Wes Poole asked how long this will take and if there is a plan to get this work done. Aaron Klein said about ten years ago, the city stopped its sidewalk program which was done partially as assessments and partially city-funded. This was very effective in keeping sidewalks in good shape, but it has been neglected since. Issue 8 was on the ballot and it was evident we would be putting money toward sidewalks whether through assessments or city-funded. Last fall, the city started putting these complaints on a spreadsheet and we received 61 complaints in one year. It is not cost effective to do one slab throughout the entire city so we went road by road, block by block to address all of these issues and have over 350 locations in total city-wide. We will also address the source of the problems which is trees and over 200 trees will be removed along with over 6,000 linear feet of sidewalk in all five zones of the city. This project will cost \$483,500 and the completion will be at the end of May, 2017. The complete list of addresses will be posted online tomorrow for residents and additional complaints can be taken at the Public Works Office at 419.627.5829 for next year's program. Dennis Murray said it is incredibly important to invest these dollars in our neighborhoods and into our sidewalks and is glad we have this money in future budgets to continue this process. The ADA Committee recommendations have also been addressed in the program.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the resolution: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the resolution passed in accordance with Section 14 of the city charter.

**ITEM #15 – Submitted by Jeff Keefe, Assistant City Engineer
2016 STREET ASPHALT SEAL PROGRAM**

Budgetary Information: The estimated cost of the West Monroe Street sealing project, including engineering, inspection, advertising and miscellaneous costs is \$50,000 and will be paid with capital funds (Issue 8). If funds remain, we will evaluate other needed areas under this contract.

RESOLUTION NO. 042-16R: It is requested a resolution be passed declaring the necessity for the city to proceed with the proposed 2016 street asphalt seal program; approving the specifications and engineer's estimate of cost thereof; and directing the City Manager to advertise for and receive bids in relation thereto; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Aaron Klein said the Pavement Condition Study completed last year shows five different categories ranging from very poor to poor, and it is very costly to do these projects. We do crack sealing on an annual basis, but do not have enough funds to do every road in the city. The city has not addressed the fair to satisfactory pavement condition ratings and this will be a pilot project on Monroe Street from Camp Street to Columbus Avenue with high traffic volume to see if this will hold up. This is similar to what people do in driveways with a stronger and more durable material which could double the life of the pavement in the future. Dennis Murray said he is excited the city is at a point it has the kind of forward-thinking to invest dollars in a proactive way.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the resolution: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the resolution passed in accordance with Section 14 of the city charter.

**ITEM #16 – Submitted by Jeff Keefe, Assistant City Engineer
OHIO PUBLIC WORKS COMMISSION APPLICATIONS, ROUND 31**

Budgetary Information: There is no cost to submit the application. Notification of award would be in December, 2016, giving sufficient time to plan resurfacing dollars by the city's CY 2017 budget process. If awarded, any matching funds required would be incorporated into the 2017 budget. The cost of this project is estimated to be around \$350,000 and we are requesting a fifty/fifty split; the cost to the city would be \$175,000. The application will be written to maximize the amount of points received increasing the possibility of award based on grant money request versus available capital funds.

RESOLUTION NO. 043-16R: It is requested a resolution be passed authorizing the submission of an application by the City Manager for financial assistance and to enter into a project agreement with the Ohio Public Works Commission in order to participate in the Ohio Public Works Commission State Capital Improvement and/or local transportation improvement programs authorized by Chapter 164 (Aid to Local Government Improvements) of the Ohio Revised Code for the Campbell Street resurfacing project; and declaring that this resolution take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Wes Poole and second of Greg Lockhart, the commission voted to approve this resolution under suspension of the rules and in accordance with Section 14 of the city charter.

Discussion: Dennis Murray said we are hopeful to get Campbell Street paved and this is for half of the funding for it. Dick Brady said we have portions of Caldwell Street and Fifth Street currently under this type of grant.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. Roll call on the resolution: Dick Brady, Dave

Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the resolution passed in accordance with Section 14 of the city charter.

**ITEM #17 – Submitted by Stuart Hamilton, IT Manager & Kelly Kresser, Commission Clerk
AUDIO AND VIDEO EQUIPMENT PURCHASE FOR CITY COMMISSION CHAMBERS**

Budgetary Information: This expense was included in the 2016 budget as follows:

- City Capital funds budget (60% - \$26,935.20)
- Sewer funds (20% - \$8,978.40)
- Water funds (20% - \$8,978.40)

ORDINANCE NO. 16-145: It is requested an ordinance be passed authorizing and directing the City Manager to dispose of audio and video equipment as unnecessary and unfit for city use pursuant to Section 25 of the city charter; authorizing and directing the City Manager to purchase new audio and video equipment from Torrence Sound Equipment Company of Perrysburg, Ohio, through the State of Ohio Department of Administrative Services cooperative purchasing program for the City Commission chambers; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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

Discussion: Nikki Lloyd said in comparing one estimate to the other there is a great savings, but this is specialized equipment and asked for an explanation about the four 70" monitors. Stuart Hamilton said these monitors will allow everyone in the audience to view presentations and there will be two on each side of the chambers. Nikki Lloyd asked if it is possible to purchase two monitors for now because of the potential future of City Hall's location and Stuart Hamilton said this is possible as they could be used anywhere. Nikki Lloyd said she likes the idea of using two cameras but does not know if we need four monitors. Dennis Murray said it is important for people watching this at home and Buckeye Cablevision estimates 3,000 viewers for each City Commission meeting. Greg Lockhart asked what other equipment this will encompass and Stuart Hamilton said the most important thing is mobile controls for the cameras, microphones, speakers and a new audio/visual mixer. This will be for those attending the meetings as well as those watching on the Internet or on cable television. There is a six week timeframe to order the equipment and two weeks for installation. The current equipment has been described as antique and it is time for quality and functional equipment.

Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Naomi Twine and Greg Lockhart, 6. Nays: Nikki Lloyd, 1. Roll call on the ordinance: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Naomi Twine and Greg Lockhart, 6. Nays: Nikki Lloyd, 1. The President declared the ordinance passed in accordance with Section 14 of the city charter.

FIRST READING

ITEM #18 – Submitted by Stuart Hamilton

COMPUTER EQUIPMENT DISPOSAL

Budgetary Information: There is no budgetary impact. These items will be donated to the Goodwill Industries of Erie, Huron, Ottawa and Sandusky Counties, Inc., at no cost to the city.

PASSED AT FIRST READING: It is requested a resolution be passed authorizing the disposal of used computers and related equipment as being unnecessary and unfit for city use, approving their donation to the Goodwill Industries of Erie, Huron, Ottawa and Sandusky Counties, Inc.

Upon motion of Naomi Twine and second of Dick Brady, the commission voted to approve this resolution at first reading.

Discussion: Dennis Murray said the hard drives will be destroyed before turning them over to Goodwill Industries.

Roll call on the resolution: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the resolution passed at first reading.

CITY MANAGER'S REPORT

Upon motion of Naomi Twine and second of Dave Waddington, the commission voted to accept an in-kind donation of a Little Free Library for the Sandusky Police Department honoring fallen Officer Andy Dunn to be unveiled at a ceremony at the FBI Cleveland Headquarters Office on August 29. The President declared the motion passed.

Upon motion of Naomi Twine and second of Nikki Lloyd, the commission voted to accept a donation of \$100 for the Amvets Field project from Leadership Erie County's "Amvets Challenge" group. The President declared the motion passed.

Eric Wobser said a **new air conditioning unit has been installed by Gundlach Sheet Metal in the City Commission Chambers.** We obtained competitive quotations for this unit which added to the time it took to order and replace it, but Gundlach's were very accommodating in ordering and installing it during an extremely busy time of year.

Eric Wobser said Dave Danhoff has been a member of the city's Records Commission as a general citizenry/community representative. Traditionally, we have had a member of the Sandusky City Schools' administration on our Records Commission due to their working knowledge of public records laws. In lieu of Mr. Danhoff's retirement, **Dan Poggiali has agreed to be a member of the Records Commission** and will be appointed by the City Manager to fill this vacancy.

Eric Wobser said documents have been submitted to the **Ohio Collaborative Law Enforcement Agency regarding statewide initiatives for the Use of Force/Deadly Force and Hiring/Recruiting.** This process will take several months to complete and the city has until March, 2017, to comply with this voluntary process.

Upon motion of Naomi Twine and second of Wes Poole, the commission authorized the Sandusky Fire Department to apply for a grant through the Wightman Wieber Foundation for \$16,000 toward two CPR breathing machines. Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the motion passed.

Eric Wobser said on June 17, proposals were due for potential development of **restaurant, retail and entertainment venues on the Jackson Street Pier.** In response, the city received two proposals. After reviewing the proposals, staff met with the interested parties. At this time, we will not be moving forward with a recommendation on either proposal. The proposals generally do not align with the current planning and design timetable. However, to the extent the parties are interested in securing a presence in the City of Sandusky, we are providing technical assistance in order to facilitate the process and hopefully find each party an alternative location. Wes Poole asked if we identify intended changes as there are groups utilizing it for different reasons and wants to know how this will impact its current utilization.

Eric Wobser said the **Board of Zoning Appeals meeting** is scheduled for August 18 at 4:30 p.m. in the first floor conference room.

Eric Wobser said the **Planning Commission meeting** is scheduled for August 24 at 4:30 p.m. in the first floor conference room.

Eric Wobser said as part of ongoing efforts to improve productivity, city staff has been working with our partners at **MV Transportation to launch Mobile data tablets** to operate smarter and offer same-day scheduling to improve service and keep vehicles filled. The deployment of these tablets has led to a fourteen percent increase in trips per hour from 2015. We are further optimizing our resources to ensure we have the right amount of vehicles available at the right

time to meet demand for service. The combination of improved productivity of Dial-a Ride and riders shifting to SPARC has resulted in an eighteen percent increase in trips per hour in July.

Eric Wobser said **the sidewalks along the east side of the Hayes Avenue underpass are closed** for the period August 16 through approximately August 30 due to the ongoing demolition of the former American Crayon property. Pedestrians are urged to cross at either Osborne Street or Pierce Street during this time using the sidewalks on the west side of the street.

OLD BUSINESS

Dave Waddington thanked Brad Link for meeting with him about the **trees in the Paper District** and the Division of Forestry's role in choosing and planting them. We have added a walkway to the bench area in Lions Park for accessibility. The city has received money for Wilbert Park and this will start in the spring. Wes Poole asked for a copy of the information about planting trees which was given to Dave Waddington by Brad Link. Greg Lockhart said we need people to plant proper trees in their boulevards and the Tree Commission has made adjustments to the form to make sure people are properly trained.

NEW BUSINESS

Upon motion of Dick Brady and second of Naomi Twine, the commission voted to hold an executive session regarding the purchase of property. Roll call on the motion: Dick Brady, Dave Waddington, Wes Poole, Dennis Murray, Nikki Lloyd, Naomi Twine and Greg Lockhart, 7. The President declared the motion passed.

Justin Harris clarified this executive session will be postponed until the September 12 commission meeting.

AUDIENCE PARTICIPATION

Dennis Timple, 553 Bimini Drive, said when driving on State Route 250 in the evening, people are trying to walk from Kalahari as the STS closes down at 10 p.m. and the county needs to assist. Dennis Timple said when the admissions tax was passed, an increase of \$590,000 was brought in over expectations and asked if one quarter of this was put into Issue 8. Hank Solowiej said the amounts recommended by the City Manager were approved by the Commission in the annual appropriations ordinance. Eric Wobser said we dedicated half of one percent which makes up the economic development capital fund. Dennis Timple said we are demolishing a lot of buildings but we still have a parking problem. The city should start dividing lots into quarters to provide more on-street parking rather than creating more greenspace. Wes Poole said this has been discussed, but we are not certain how to implement this yet.

Sharon Johnson, 1139 Fifth Street, said there will be a second reading regarding the Letter of Intent (Item #2) and asked if there will be a 30-day window after before passage. Dennis Murray said it would ultimately be up to the commission, but the legislation will need to be final to meet the historic tax credit grant application deadline. Sharon Johnson said we are rolling in the dough now and we deserve a brand new city hall building which we can control. Frank Valli, 1909 Adrian Circle, said he is here about the relocation of City Hall and everyone he has spoken to is against this and does not know what the rush is. This is an election year and we do not know the ramifications of the market in the next 90 days and should take pause. There should be a master plan to determine where the Police Department and Municipal Court should be rather than piecemealed. Frank Valli said we are a city and can control ourselves and do not need partners. This money should be used to improve our streets and sidewalks or to hire more Police Officers or Fire Fighters. The current City Hall facility could be added onto but has not seen figures for this purpose. Frank Valli asked what will happen when there are activities downtown and if City Hall will have to close. Frank Valli said the sports facility on Cleveland Road is in three subdivisions and asked if the Sandusky Fire or Police Departments are compensated for time and money if called and this property; it should be annexed to the City of Sandusky. Dennis Murray said the projected costs for renovation of the Meigs Street facility versus the proposal to relocate downtown were done and can be provided.

Upon motion of Dick Brady and second of Wes Poole, the commission voted to adjourn at 8:27 p.m. and the President announced the meeting was adjourned.

Kelly L. Kresser, CMC
Clerk of the City Commission

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