

## **MINUTES OF A COUNCIL CAUCUS**

**Monday, August 1, 2011 at 8:00 p.m.**

**Mayfield Village Civic Hall**

The Council of Mayfield Village met in Caucus Session on Monday, August 1, 2011 at 8:00 p.m.. in Mayfield Village Civic Hall. Council President Buckholtz called the meeting to order at approximately 8:00 p.m.

ROLL CALL: Present: Mr. Buckholtz, Mrs. Cinco, Mr. Marrie, Mr. Marquardt, Mrs. Mills, Dr. Parker and Mr. Saponaro

Absent: None

Also Present: Mayor Rinker, Mr. Wynne, Mr. Diemert, Mr. Cappello, Lieutenant Jablonski, Chief Mohr, Mr. Hartt, Mr. Metzger, Mr. Dinardo, Mr. Thomas, Mrs. Kalina, Mr. Esborn, Mrs. Wolgamuth and Mrs. Betsa

### **IN COMMITTEE (STATUS)**

#### **Community Economic Development Committee**

Mr. Saponaro reported that the Community Economic Development Committee met this evening. We discussed various items. One of the things that I want to bring to everyone's attention is, if we recall from QED, when that investment opportunity happened in the community a while back, Mayfield Village provided a \$50,000 investment. In year 2 of that investment, based upon income tax and property tax, there was about a 120% return on investment. QED has proved to be a very viable part of our redevelopment of Beta Drive and part of our business community.

Mr. Saponaro continued, Ted has been reporting on SKF for a number of months now. This is a company that has been in existence. They currently are located in Bedford and in Mentor. They've got about 48 employees. They are looking at the 600 Beta Drive site. If you recall, that's the old Phillips site. Over the past 6 years, we have earned an average of about \$5,500 of income on that property because it's been vacant for that long. Two years prior to that, 8 years ago, it provided us with about \$195,000 of income. Right now, SKF is currently under negotiations for a long-term lease and Ted and the folks in the Planning and Development Department have had discussions with the parties. What the parties are doing in terms of the Landlord/Tenant, there is going to be a \$4.5 million investment in that property which would obviously increase the property taxes and if there's 48 jobs, bring that income into the Village which would be

wonderful. Part of our goal is redeveloping at Beta Drive. So Ted's had some discussions. I know that there have been a little bit of a stalemate or a snafu in the process and I know that there's been talk of a possible economic investment like the QED investment with the parties. I know Ted you have a little bit more detail in this, so I will send this over to you and you can supplement what I've missed.

Mr. Esborn replied, sure. The investment with QED, the time it was made was really an idea. It was only two or three employees. We made that \$50,000 investment as part of the partnership with Panzica Investments back in 2005. To make a long story short, between these two companies, QED and Pre-Emptive Solutions, since then we have seen \$275,000 in income tax revenue and 104 jobs created.

When I was contacted by both the owners of 600 Beta and the potential tenant about elements of the building that need more extensive repairs than they had projected, I talked to Ron Wynne about possible steps and one of the first things we looked at was this partnership we had with Panzica Investments about 6 years ago. I think that's important to remember an astounding yield of \$275,000 in tax revenue and over 100 jobs there. A couple of other things to stress about 600 Beta and the prospective tenant SKF, is the history of this building, again vacant since 2005, -0-dollars in income tax revenue since then, if you remember, a few people looked at moving into this building, but some of them had been uses that had really deviated from the manufacturing industrial area such as an indoor amusement park that looked at it last year.

The proposed investment mentioned by Councilman Saponaro is \$4.5 million. That breaks down to \$1.9 million by owners, mostly to make those repairs that are needed to the building so that the tenant can move in. The \$2.6 million being invested by the potential tenant is going towards making the building LEED compliant which is something that the company really prioritizes with all the buildings it occupies and also aesthetically making it more pleasing. I know they are looking at doing something with the side of the building facing 271 to make it look a lot better and also the lot to the parking and the landscaping.

The job creation aspect, initially, like Councilman Saponaro said, it's a minimum of 48 employees we know because that's what's being consolidated with the locations, but we are being told by the company to expect 55-65 employees when they open the doors. The nature of this facility for the company will be a unique experiment that they are doing as a company. They are bringing multiple operations under one roof. I believe they're calling it Solution Factories, so they are anticipating up to 85 employees.

I think that's pretty much the most important things I wanted to stress about it, but I will be sending out a memo in the next round of packets and can definitely answer any questions.

Council President Buckholtz attended that meeting as well. For the benefit of Council, I think what's been understated if I may is that the landlord and tenant were really close to signing the lease and what you termed a snafu was putting it a little mildly. Negotiations broke off due to the cost of redoing the building. That's where we got involved and looked to this old model to

potentially be that band-aid that could come in. Ted presented the Committee with a pretty interesting schedule. It will definitely go to all of Council this week. We don't even put the money in all at once. It would be potentially each year, not to exceed \$50,000 which is what we did the last time, except what I think you are trying to articulate is this is a company that is definitely going to close down two other facilities and move them here. I think we should get all of that out to Council. If you want to discuss anything or anyone has any questions, we can definitely get the information out.

Mr. Marquardt asked, if this tenant has \$2.6 million to put into this place, how is \$50,000 a big swinger? They already presumably have employees moving in as opposed to the other situation where they only had a couple of employees and they were building up, so I don't understand what the need for the \$50,000 is.

Mr. Esborn replied, I think the simplest and most immediate answer is this is a global company that's based in Sweden and as it's been explained to me, it's not very easy for the representatives of the company that are here in Northeast Ohio to request extra funds to cover this debt. In fact, I pretty much asked that question myself. With the amount of investment at stake, it seems like such a small amount that's causing the problem, but that was the answer that I got. It's a difficult process, when they had determined how much they were going to spend to go back to corporate and try and get extra funds.

Mr. Marquardt is having trouble believing that. Not when you are talking the numbers you are talking. \$50,000 out of \$2.6 million is not a big enough percentage. That's easily within their estimating error.

Dr. Parker asked, is that a one-time amount? \$50,000?

Council President Buckholtz replied, yes.

Dr. Parker has not seen any information, but I am sure there might be mechanism where that might actually be recaptured at some point.

Council President Buckholtz replied, that's the spreadsheet you have to see.

Dr. Parker is sure we know all the numbers from where they are now, so we'll know what kind of income they are generating. I am anxious to see it.

Council President Buckholtz replied, it's actually one-tenth of one-percent of the entire investment. That's the first thing that struck me. We will take a look at the numbers. You have done a good job on putting that together. We are anxious to share that with Council and Finance as well.

Mr. Esborn added, with that \$2.6 million, I think that amount is greater because of the condition that 600 Beta is in that it might be at other properties. In my position, I shudder to think about a

company looking to bring that many jobs looking elsewhere, that may be also what's on their mind. Since things have stalled, they have taken a look at some other properties. That might be a more practical answer to your question. Maybe they have it but they are looking at this and saying we are willing now to spend quite a bit to get into this building, but we are getting to a point where we better not spend any more.

Mr. Marquardt replied, the numbers are not credible in my opinion.

Dr. Parker stated, the other thing I would say is that you see communities giving tax incentives and tax breaks all over to get people in. Maybe this is just another form of that. I don't have a big problem with it if it's a small number like you're saying because I think that's what the nature of what communities are doing to trying and attract businesses.

Council President Buckholtz stated, absolutely. An abatement was off the table immediately. You saw where that landed us before. But the interesting thing in Ted's numbers and that's why I'm anxious to share them with Council and we can talk more about it, but it doesn't just raise the, in some cases we have done this before like with QED, which was an unknown quantity, it just brought in payroll taxes. This is going to actually raise the property revenue from property taxes because it's a capital improvement to the Village. You did a good job with the numbers.

Mayor Rinker stated, just a request that you send this to Finance.

Mr. Esborn stated, I was wary too of the company and/or owner shopping for an incentive like you see so much, I think the one thing that made me think that might not be the case here is that this company, SKF, has already invested quite a bit in drawings and plans of the property. They told me that many times. It's always a consideration, but because they've invested quite a bit just in this process they've gone through so far over the last almost 10 months now, I think they are pretty serious about the location.

Dr. Parker asked, is there any relationship between their desire to seek Beta Drive in our fiber. Have they expressed that? Is there any connection here with that? I would be curious to know.

Mayor Rinker replied, there is. That was something we put on the table last year.

Dr. Parker stated, so that's one of the things that's drawing them. Okay.

Mayor Rinker stated, it behooves all of us to look at the pending Agreement between the City of Westlake and American Greetings where they're talking about a 33% income tax rebate. I wonder where they got that idea from.

Council President Buckholtz stated, make sure that Council gets that packet and any other information you have and we will share that with Finance as well.

. **Records Commission**

Mrs. Mills stated, at the last Records Commission meeting on July 20<sup>th</sup>, the Committee as a whole passed a motion to refer the matter of off-site storage to Council for their further discussion and consideration including the recommendation to utilize the services of Shredding Network for off-site storage following review and inventorying of documents by the Finance Department. Most of these documents are located in old Village Hall, 300 boxes. Shredding Network is the company that we have been using to do our shredding. Diane Calta has some contracts from these people. I don't know how you want to proceed with that, but we really need to get started with this.

. **Activities Committee**

Mrs. Mills stated that the Friends of the Library Concert is on August 11<sup>th</sup>. Blue Lunch will be playing. I would like everyone to attend that and support them.

. **Safety and Service Committee**

Mrs. Cinco reported, all of the discussions this evening in Safety and Service are on the Caucus agenda. We will do that as we go.

**MAYOR**

Mayor Rinker stated, Jeff took a number of pictures, I have one. I mentioned before how Service Department was starting to stain our different concrete walls. I will pass this around. They have hit upon a color combination I think that's going to be striking. Stay tuned.

**ADMINISTRATION**

Mrs. Wolgamuth mentioned that right now in our hall and through September 29<sup>th</sup> we are exhibiting award winners from Fairmount's 35<sup>th</sup> Annual Art Exhibition. There are some nice pieces out there. Stop and take a look. Also, the Volunteer Appreciation Luau is this Friday. So far the weather report is good. I hope to see you there.

Council President Buckholtz asked, what time is it at?

Mrs. Wolgamuth replied, 7:00.

Mrs. Mills added, also, we were on television Monday morning. They were interviewing the people from Fairmount doing the production here. It was very good.

**FINANCE**

. **Tax Incentive Review Committee**

Mr. Wynne had a meeting downtown last week at the County Administration Building to go over all of our TIFs with the Tax Incentive Review Committee. All of our TIFs were approved for continuation of renewal for the next year.

Council President Buckholtz stated, very good. Anything else?

Mr. Wynne replied, no, that's all.

**FIRE DEPARTMENT**

. **Alerting Radios for Mutual Aid Cities**

Chief Mohr reported, I will have a memo for packets for Friday. I was not happy with the other alert radio system, so we are going to a la carte it. They are calling me back with a proposal to save some additional funds.

**SERVICE DEPARTMENT**

. **2011 Road Program (TriMor Corporation - \$972,869.00)**

Mr. Metzger reported, on the Special Meeting agenda this evening we have our road program. I would like to take a couple of seconds to go over the plan. This is an asphalt overlay project. We will be grinding an inch and a half of the concrete throughout the whole project. We will then do base repair as needed. We will follow that up with an inch and a half of leveling course, a fiber mesh product and then another inch and a half of surface course patch. We believe that grinding down the inch and a half we hope to take out most of the joint areas that have become bad over the whole project. It's awfully expensive just to grind them out individually. We hope to grind off 90%, put the leveling course down and then put the fiber mesh over it and then the inch and a half on top of that which gives us 3 inches of new roadway. That's significant.

In the past, I believe, Hickory Hill, we did about an inch and a half. You can see where this is twice as much asphalt. At the end of the day this is a long-lasting product. It's one that we are going to repeat the next two years in Aintree North and in the Kenwood areas. We are looking forward to this project.

We also are looking to do the bid alternate which will include the complete replacement of the roadway from SOM Center Road to just west of the westerly driveway at Heinen's. As we went out and looked at that area, over 40% of the roadway needed to be replaced, so at that point, it kind of became the tipping point to replacing it and overlaying it as opposed to just tearing it out and replacing it. We feel that replacing it will give us a longer, better product at the end of the day for \$85,000. I think that's a very well spent alternate to the project.

One of the other areas that we will see in this project is the two cul de sacs at Aintree Road Drive and at Hunt Circle. Today the two centers of the cul de sacs are some of the worst concrete on those cul de sacs. We would have to tear up and replace all that concrete. As opposed to doing that, we are looking to tearing it out and putting in landscaping. First of all it's cheaper and second of all hopefully it will make the area look that much nicer. Those are kind of the highlights of the program. We are very much looking forward to it.

Mayor Rinker asked about the Homeowner's Association meeting.

Mr. Metzger replied, this Thursday.

Mayor Rinker replied, Council is welcome to go to that.

Mr. Marquardt asked, who will be responsible for maintaining the landscaping?

Mr. Metzger replied, depending on the scale of the landscaping, if it's as simple as some trees and grass, Service will. If they choose to go and get into like what you guys have over in your neighborhood, we look again to doing the 50/50 partnership we have with your homeowner's association. It's not unusual we have several cul de sacs that we maintain when they are just grass and a tree or two. We then maintain it.

Council President Buckholtz asked, everything you are describing is included in this bid?

Mr. Metzger replied, correct, the \$972,869.00. We sent letters to the contractor to verify the numbers. They are ready to go.

Mrs. Cinco stated, and that's on the Special Meeting agenda for this evening.

Council President Buckholtz asked if there were any other questions. There were none.

**. Road Salt – 2011-2012 Winter Season (Cargill, Inc. \$45.59)**

Mr. Metzger reported, this is our bid for the State of Ohio from ODOT. It is 70 cents more than last year.

Mr. Saponaro had a couple residents ask about water line breaks. The lines are breaking on their streets. We have no control over when the City of Cleveland comes out to fix that. It can take hours or weeks, but in terms of the road repair, so when the road is damaged as a result of a water line break, is that something that they are responsible for repairing?

Mr. Metzong replied, that's part of our agreement with Cleveland Water. The Village will make the necessary repairs. Sometimes we will leave them sit for a while, first of all depending on how mushy they are. You want them to get hard and let the ground settle in. I am guessing that one of your calls was probably in the Meadowood area. I have had multiple calls where they come out and fix it. We go out to make the repair and keep finding water. They have been out on that multiple times. I think now it seems to be drying up. The last time after they repaired it, we still had standing water everywhere, but it seems to have dried up since then. We were aware of that one. We had to actually go to our representative to get some action.

Mr. Saponaro asked, do we have a sense of how many breaks have occurred in the Village during the course of the year?

Mr. Cappello replied, we can get a report. The Division of Water keeps that data.

Mr. Metzong can certainly get that. I don't know off the top of my head.

Council President Buckholtz asked if there were any other questions. There were none.

<b>PLANNING AND DEVELOPMENT</b>
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**• Development Agreement – Winfield Deacon Limited Partnership and Deacon's Chrysler Jeep Dodge and Mayfield Village**

Mr. Esborn stated, everyone should have gotten in their packets a copy of the Development Agreement with Deacons. I just want to highlight three things in the section on improvement, terms, conditions and deed restrictions. First, to make sure that we properly buffer the reconfigured property, the Agreement contains a greenspace easement 30-50 feet on the east and south sides of the property. The reverting clause has been brought up a few times in Council. If for 6 months the property ceases to be a dealership, it will revert back to single-family residential zoning. Finally, the driveway furthest east will align with the furthest east driveway accessing the Musca property which means that no driveway in the new reconfigured Deacon's property will be beyond the commercial zoning. Just a few points from the Development Agreement.

Council President Buckholtz asked, so if landscaped properly, then visually it aesthetically does not encroach on the residential.

Mr. Esborn replied, right. Exactly. And that's the point of the greenspace. If landscaped properly it will screen from the residential.

Mr. Saponaro asked, so it landscapes across the front of Wilson Mills and then to the side of the property?

Mr. Esborn replied, right.

Council President Buckholtz reminded everyone that we have a Public Hearing on this item next Monday night at 7:00.

## **PARKS & RECREATION**

Mr. Thomas left at your seat tonight our July statistic sheet for Parkview Pool. You will notice that our swimmer usage went from our June total of 2,891 to 9,399 in July. This is reflected by the full month that we had for July as well as averaging over 80 degrees each day. Compared to the hot month of 2010, we were still 368 swimmers more than last July. It's been a very good month. The Fall *Parks and Recreation* brochure will be here tomorrow. We will put it in your packets on Friday.

## **HUMAN SERVICES**

### **Senior Snow Removal Program 2011-2012**

Mrs. Cinco stated we had a discussion tonight in Safety and Service. We need to make a decision on the opt-out program. There seems to be a consensus that normally the opt-out is \$100, but we have been cutting back on expenses down the line. We are definitely going to keep the program but we are thinking maybe to reimburse the opt-outs \$50 max. In other years we have been up quite a bit more. Eunice needs to know something pretty quick for when she gets the bids back and sends letters out to the residents. I would like to entertain any discussion on this. In previous years we have maxed out at \$100.

Mr. Saponaro asked, do we have a sense of how much that's cost us, the opt-out portion?

Mr. Wynne replied, I know that the total cost to the Village of the whole program is about \$30,000-40,000 of what we subsidize of what the opt-in residents don't have to pay and what we pay the opt-outs, but I don't know that split.

Council President Buckholtz asked, what are we paying on the opt-in? Are we paying a portion?

Mr. Wynne replied, yes. As an example, the bid price is \$225 from the snowplow company. We might be charging the residents \$175, so we subsidize \$50, but on an opt-out, if the resident has

to pay an outside contractor \$225, we would subsidize \$100. I think the discussion in Safety and Service was to have the opt-out but have the subsidy to our residents be the same whether they opt-in or opt-out.

Council President Buckholtz stated, there's a certain logic to that. I think what Mr. Saponaro is asking is what will that resulting number be?

Mr. Saponaro asked, if I don't opt in or opt out of the program, you have to do one or the other or you receive nothing, right?

Mr. Wynne replied, yes.

Council President Buckholtz stated, I am sure you can get that number.

#### **ARCHITECT**

Mr. Dinardo reported, John Marrelli and I reviewed the bids for the roof replacement for the Civic Center. We met with the low bidder to verify and qualify his bid. He is revising and is explaining some of the items for his bid. When John gets back from vacation, this will be discussed at Finance.

Mr. Saponaro asked, is that getting moved to Finance for our next meeting?

Mr. Dinardo replied, we are going to try. We may have a Special Meeting to try and get the work started in September.

Mr. Saponaro stated, we have a Finance Caucus meeting next Monday and then a Finance Council meeting the following Monday, so it can go to either one.

Mr. Dinardo will talk to John.

#### **LAW DIRECTOR**

- **Legislation: Enacting Chapter 1391 - "Wind Energy Facilities"; and amending a portion of Chapter 1309 – including a fee for wind energy facilities**
- **Legislation: Repealing Chapter 1309.22 – Parks and Recreation Improvement Fund Fee**
- **Legislation: Amending Codified Ordinance Section 1363.02 – Storage of Garbage Receptacles**

Mr. Diemert stated, there is going to be legislation enacting a Wind Energy Facility control section of the Ordinance, legislation repealing Chapter 1309.22, the Parks and Recreation

Improvement Fund as we have not been collecting, and legislation amending Section 1363.02 on the storage of garbage receptacles. These three were recommended by the Ordinance Review Committee.

**. Notice to Legislative Authorities re Permit Renewal Objections – Department of Commerce, Division of Liquor Control**

Mr. Diemert stated, we have until October 1<sup>st</sup> to object to any liquor permits within the Village. All liquor permit holders in the Village have to apply by October 1<sup>st</sup>. If you know of any that are a problem and you want to try and challenge the renewal of their permit, get to me as soon as you can so we can see if the grounds for it are existent to object. We then have to file a formal objection on behalf of the Legislative Authority with Columbus. Let me know. If there's none, then we won't object and they will most likely be renewed.

Council President Buckholtz stated, one thing I had that came up in discussion, I am assuming you are planning on being at the public hearing in case there are questions?

Mr. Diemert replied, yes, I will be there.

**ANY OTHER MATTER BEFORE COUNCIL**

Council President Buckholtz asked if there were any other matters.

Mr. Metzung replied, we have an Eagle Scout that is looking to submit a plan to build a bridge at our wetlands. This is something the Wetland Committee has been looking for for probably 10 years that they have been in existence. Mike Girbino's son came forward. After talking to the Wetland Committee, they suggested that this is a project for the Eagle Scout. He is going to start moving forward to pursue this and hopefully get this built.

I think the intention is for him to supply the labor and all of the engineering. As you can see, he has been out with an engineer and they have drawn it all up for them to construct it. They will be looking for help for material costs from the Village. I think it's a great project. It's a project that has been wanted for at least the 10 or 11 years the Wetland Committee has been in existence. I wish him the best.

Mrs. Cinco replied, good luck to him. That's great.

Council President Buckholtz asked, do we have any idea of the ballpark cost?

Mr. Metzung replied, not really. Today was our first meeting with him. He had just completed his material list so he really didn't have a chance. Under their rules, they are not supposed to do much more than provide a plan and outlook as to the project and get us to sign off on it and then they get to move forward on the project.

Mr. Saponaro asked, sign on in what respect?

Mr. Metzung replied, that this is a project that the Village would like to have see done. It doesn't guarantee anything, but it just says, this is a project we would like to see.

Mr. Marrie replied, it's a big project for one person to take on.

Mr. Metzung stated, he said he's got a lot of friends.

Council President Buckholtz asked, do we need to know a timeframe for that?

Mr. Metzung replied, no.

Mr. Saponaro asked, so have you already gone ahead and said this is something we want done.

Mr. Metzung replied, I got the Mayor's signature to proceed.

Council President Buckholtz asked if anyone else had anything. There were no further matters.

There being no further business, the meeting adjourned at approximately 8:35 p.m.

Respectfully submitted,

  
Mary E. Betsa, Clerk of Council