

City of Olmsted Falls
Minutes of a Council Work Session
Tuesday, February 12, 2019, at Olmsted Falls City Hall
26100 Bagley Road – Council Chambers, 6:30 p.m.

Council President Stibich called the meeting to order at 6:33 p.m. Roll call was conducted. Councilmen Jim Haviland, Lori Jones (arrived at 6:45 p.m.), Ed Gorski, Denise Nicolay (arrived at 7:20 p.m.), Terry Duncan, and Lee Fenrich were present.

Others Present: Joe Borczuch, Service Director, George Smerigan, City Planner, James Graven, Mayor, Andrew D. Bemmer, Law Director, Vic Nogalo, Finance Director, and Don Sheehy, City Engineer.

City Properties Discussion

Mr. Borczuch stated that Council has an updated list of the properties owned by the city. A lot of these properties the city has to maintain throughout the year and does burden the service department. There are four properties that have been compiled that he would like to discuss selling and there are three that should be discussed with developers to develop. There are two properties on Tyndall Falls that are single lots and are marketable. The service department has been maintaining these parcels since the development was built. Mr. Stibich asked if the parcels were buildable. Mr. Borczuch replied that they are. The parcels would need riparian setback variances and there is a possibility that one of the residents may want both properties to consolidate into his lot. These lots serve no purpose to the city. Mr. Smerigan indicated that within the last year there were two individuals interested in these properties. Ms. Duncan indicated that there was an individual who did appear before Council regarding these properties. Mayor Graven asked if what a listing price would be for the properties. Mr. Sheehy indicated that there are a number of style homes in the area that could be built on the lots and would predict the parcels could be listed at around \$40,000. He indicated that all utilities are available and can be tied into. Mr. Gorski asked why these two particular lots were not sold when all the surrounding lots have been. Mr. Borczuch stated that there has been a lot of hearsay talk about the fact that there were old greenhouses located on the properties or that there is an old boiler room under the ground, but, no one knows for sure. The service department also maintains the front portion of this development and he has never understood why the city obtained the maintenance as it is the green space for the development. Since the development does not have an HOA the city ended up with the maintenance. Mr. Fenrich asked where the park was located. Mr. Borczuch replied that the park is located at the end of Tyndall Falls along with the city treatment plant. Mr. Stibich asked if it was possible that the developer had to set aside public space. Mr. Borczuch replied that it is possible; the development was built in the 80's. Mr. Fenrich indicated that there were two builders within this development. Mr. Stibich asked how the city would advertise the properties. Mr. Borczuch indicated that his understanding is that the city can advertise with a starting price and the highest bidder within a specific amount of time would be the buyer of the property. Mr. Haviland asked who would manage the sale on behalf of the city. Mr. Borczuch replied that if this is placed in the newspaper, they would be submitted to City Hall as a sealed bid until the date of bidding opening. This would be no different than when he receives his street bids, he comes in to open to the bids and the Clerk of Council is his witness.

Mr. Borczuch indicated that the city owns multiple parcels that were obtained through the underpass project. He pointed out PP#291-08-003 and indicated that Mr. Sheehy would have to complete a lot split. There is a resident located due west of the property has been interested in the frontage along Bronson since the city obtained the property. This property serves no purpose to the city and the city does currently maintain it. Mr. Sheehy indicated that typically you would dedicate a right-of-way but that did not happen with this property, which means now the city would need to box out a piece that would be dedicated right-of-way and the remainder piece could be sold to the resident. He would recommend that the city complete a lot split and then consolidate with the resident's property. Mr. Smerigan indicated that the city could charge the resident the cost of the lot split to obtain the land. Mr. Stibich indicated that the city would then be relieved of the maintenance. Mr. Borczuch replied that last year the city had to remove eight or nine trees on the property. He replied that the remaining parcels would be consolidate and remain as city property for its right-of-way. Mr. Bemer stated that he believes the city can avoid public bidding under the urban renewal statute and sell to a contiguous property owner. Mr. Borczuch indicated that this is another property he would ask Council to recommend selling. Mr. Haviland asked if an appraisal would be needed for these properties. Mr. Borczuch replied that he does not believe an appraisal is necessary. Mr. Stibich asked if any purchase agreements negotiated would need Council approval. Mr. Bemer replied yes.

Mr. Borczuch indicated that there is another property located on Bronson that had a home demolished. To the best of his knowledge since there was a dwelling located on the property it remains a buildable lot. The city maintains the property and has for approximately eight to ten years. Mr. Stibich asked if the recommendation is to place this property out for bid. Mr. Borczuch replied yes. Mr. Smerigan replied that this is a buildable lot. Mr. Gorski asked if there were any concerns regarding the location of the property. Mr. Borczuch replied that it could be undesirable but there are some very nice homes located in this area but there are also some that are unsightly. He never thought that someone would build a home next to the old service garage up against the tracks but there is one there due to the fact that the love the trains. The worst-case scenario is the property does not sell and the city continues maintenance on the property.

Mr. Borczuch indicated that the city also owns approximately 3.5 acres on Mapleway behind the library and is ready to build property. This is a good piece of property to develop. Mr. Fenrich asked what the property was zoned. Mr. Bemer replied multi-use. Mr. Stibich asked if the city should also bid this property. Mr. Smerigan stated that he does not know if it would make sense for the city to bid the property or have Ms. Accordino market the property. He believes it would be better to have someone develop the property that would be beneficial to the city, rather than have it bid out. Mayor Graven indicated that he agrees with Mr. Smerigan. Mr. Smerigan stated that if Ms. Accordino is aware that the city is willing to sell the property, she can then market the property for economic development. Ms. Duncan indicated that she believes this property has been for sale for the past few years. Mr. Borczuch indicated that he is unsure if Council approved the sale of this property. Ms. Duncan replied that she believes it was part of the Cresco marketing. Mr. Borczuch indicated that he does not recall Council indicating that this property could be sold. There was a sign on the property to market as well as numerous properties within the city, but Council has never indicated that the property could be sold. Ms. Jones stated that when Garry Thompson and Brett Iafigliola brought the joint recreation district proposal to Council, they discussed a few of these properties for potential recreational areas. Mr. Gorski indicated that that could be another option for council to consider down the line should a joint recreation district become an actuality. Mr. Stibich indicated that he does not see any issues giving the economic development director the directive to see what she could do with the property. He also recalls that there were plans for the library to add an addition that would be used

for a multi-use area but that never came to fruition. Mr. Smerigan indicated that recreation centers are difficult. He works for a number of communities and is unaware of any community that has a recreational facility or community center that actually pays its own way, you always end of subsidizing. There are not only construction costs but there are maintenance costs as well. Ms. Jones stated that the group is discussing placing a construction levy and operating levy on the ballot in November. Mr. Smerigan indicated that is his point the city will need to fund this in some way. Ms. Jones would recommend not selling the property if the recreation district could be located in the city's area. Mr. Smerigan indicated that he would recommend that the city see if there could be a possibility of substantial revenue for this property, ultimately the decision to sell or not will come before Council for a final decision. Mr. Haviland indicated that he would like to know if this property was marketed through Cresco, and if it was, the city should consider not listing it again with another realtor. He also indicated that Council did give Mr. Russo the authority to lease or sell properties and does not believe he was restricted to just a few properties. Mr. Gorski indicated that he does like the idea of having the city more involved in the sale of this property, particularly given its proximity to the primary school, city hall and the library. Mr. Stibich asked if Mr. Gorski was referring to the development of the property for civic purposes rather than promoting for economic development. Mr. Gorski replied yes, rather than just putting the property out for bid. Mr. Borczuch indicated that this property would not be bid out it would be given to Ms. Accordino to market. Mr. Sheehy indicated that the city owns the land and will have ultimate control over development. With a piece of property like this if you get a developer the city could indicate that it prefers development in a civic nature which would give the city control to negotiate a development that would have restrictions on the land. Mr. Gorski stated that the idea for the recreation center was to use land already owned by the entities. Mr. Stibich indicated that the school board owns the Schady Road soccer fields and baseball diamonds. Mr. Fenrich indicated that part of the proposal was also funding to fix all the fields as well. Mr. Stibich indicated that the proposal indicated that they were looking at many sites for a proposed building. Mr. Haviland asked if Council would prefer guidance regarding sale or lease of the property or wait to see what is proposed. In other words, not restrict the economic development director's discussions because she might be able to track more people interested in buying.

Mr. Borczuch replied the next property is the old service garage. Previously the city was interested in selling the property due to the fact that the proceeds were supposed to be utilized for the new service garage build, but, that did not come to fruition. Again, we maintain the property the only portion that is leased is the old fire house area which is the front of the building. This is another potential area that could be used for economic development. Mayor Graven indicated that he believes the lease terminates at the end of the year. Mr. Stibich asked if Mr. Smerigan would recommend this property be used for economic development. Mr. Smerigan replied yes. Ms. Jones asked if these properties are located in the area that was just approved for rezoning. Mayor Graven replied yes. Mr. Stibich indicated that there has also been a lot of discussion regarding a bridge over Plum Creek.

Mr. Borczuch indicated that the next area is the old library and wine cellar areas. Mr. Smerigan stated that this area was rezoned and has a tremendous amount of economic development potential as a natural expansion of downtown and makes sense for us to approach it in that fashion. As he recalls when we rezone the property, Council, at that time was supportive of this idea. Obviously, we have new members on Council but he would recommend moving forward with encouraging economic development with these parcels in order to make them available with the right deal. This is also a chance to get the properties back on the tax rolls to generate revenue as currently there is no revenue being generated. Mr. Stibich indicated that the city owns parcels 003, 004, 006, 021, and 008. Mr. Haviland asked for a status on the steakhouse. Mr. Borczuch replied that the property was sold and

the owner has been a little lax daisy over the last year. The owner has submitted prints recently due to changes he made. Mayor Graven indicated that Mr. Lorek has indicated he will be moving much quicker during the spring. Mr. Stibich stated that this area is the heart of the town and he was against the sale of the property to the steakhouse as he felt it should be developed for recreation and the enjoyment of the beauty of the river. But, by getting to know Mr. Lorek and what his plans where he is in favor of Mr. Lorek plus he has a soft part in his heart for this area. Now, whether he would be inclined to see development for commercial purposes in this area to private owners he is unsure. Ms. Jones stated that the park area is utilized a lot for graduation and wedding pictures. Mr. Borczuch replied that this area would still be enjoyed it would just be a different look. For example, if there were restaurants with apartments on top, they would have a view of the area. There are opportunities for some development in the area. We know the bridge is not going anywhere and that is the biggest area for pictures. Ms. Duncan asked Mr. Borczuch if he would want to sell all these properties. Mr. Borczuch indicated that he is not recommending selling, but possibly market for a sale. Mr. Smerigan replied the city could also consider some sort of leasing so the city retains control over the property. It is the heart of the city and we want to get more people down there to experience the falls and the community, but believes it is important that the city maintains control. Mr. Fenrich indicated that he would be in favor of leasing the property. Mr. Stibich replied that the city does have the option of purchasing the steakhouse property if the owner ever wants to sell. Mr. Gorski replied the city has right of first refusal. Mr. Haviland stated that when council previously spoke with the real estate broker, we came to the conclusion that we would not restrict the broker to only lease we decided sale or lease to see what they could come up with. We believed this was the best approach and led to the sale of the old library. He would not like to see us go back to saying lease only whether its Ms. Accordino or a real estate broker gets involved he would prefer leaving the options open and to control the development. Mr. Smerigan indicated that whatever is proposed Council would have to accept or reject. Mr. Stibich stated that the alternative is the property sits idle. Ms. Jones asked if this was in the area that if they build it has to be in Olmsted Falls character. Mr. Borczuch replied this is the historic area and subject to ABR approval. Ms. Duncan stated that she has big problems, first this is the heart of Olmsted Falls and Fortier Park was named after a former mayor, so you would basically be leasing your park, and that is a problem. Mr. Stibich asked if she would object to the economic development director exploring options. Ms. Duncan replied yes unless you are developing a park. Ms. Jones agrees. Ms. Duncan stated that second of all there is a riparian setback, Plum Creek, and is 120 feet so there is only so much you can do with that property without a lot of variances and she is not sure you want to go there because across the creek the residents are experiencing erosion on their banks and the tree canopy will be destroyed. Again, it is the park that everyone uses. There are already individuals indicating that there is not enough parking. She personally does not believe this area should be developed. Mr. Fenrich indicated that parts of 008 and 021 are park land. Ms. Duncan indicated that this property was purchased with land grant money so that is a problem with selling and she is aware that the city had to jump through hoops just to lease part of the old wine cellar. Mr. Stibich indicated that there are legal restrictions as part of the acquisition of the property. Ms. Duncan replied it was purchased with clean Ohio funds, which is federal funding. Mr. Borczuch asked if all the property was purchased that way. He knew the old Jenkins center area was but that was it.

Mr. Gorski indicated that when the revitalization district and rezoning issues were being discussed there were a number of residents that came forward to discuss the character of the city and how they felt these particular plans were not necessarily within the character of the city. There is an argument either way and this Council made it clear that those pieces of legislation were necessary for the development of the city, which he does agree with. But, to Ms. Duncan's point, if the city were to put these particular parcels out for bid or leasing we could potentially have the same conversations and

would have a harder time rationalizing than we did for revitalization and rezoning. Mr. Fenrich stated that the Main Street program that has become Explore Olmsted Falls, when Ms. Hamilton was here looking at the downtown area, she indicated that parcel 008 was Olmsted Falls. He cannot imagine that this group would consider this area a good place for either a commercial business or parking lot. Mr. Gorski stated that these are also the properties we market in our newsletter for people to come visit Olmsted Falls. Mr. Fenrich stated that he would prefer keeping these properties. Mr. Borczuch indicated that these parcels were placed up for discussion for economic development because it does have the potential to be something big. Mr. Fenrich replied that it could be something big but the trade off is not worth it. Mr. Borczuch indicated that this discussion was needed with Council in order to determine what to do with the properties.

Mr. Stibich indicated that when he indicated previously that there has been a lot of discussion regarding a bridge over Plum Creek he was referring to the area on Columbia Road behind the old service garage and does not want that to be confused with the Covered Bridge. Mr. Haviland stated that he is unsure if Council is familiar with the Dunham Tavern on Euclid Avenue which is the oldest structure of the Western Reserve that is still preserved today. They decided to look at their grounds and built out in partnership with the Cleveland Botanical Gardens, a learning garden and a facility to educate Cleveland Metropolitan School District students about agriculture, they also built a barn on the site that is used heavily for functions. This was a historic barn and then next door they were not opposed to the construction of a building that is now a tech incubator which was designed for what the park had to offer. There are maybe some things that are within the character of this part of the city's historic district that we are not looking at. There are some things that are not commercial but something that could materialize that Council may not consider a bad use that residents could take advantage of for example, renting an area for weddings. Mayor Graven indicated that he would agree with Mr. Haviland and ultimately it will be Council's decision. Ms. Jones stated that if the city takes up too much of this area the residents will push back. This is Olmsted Falls with the falls and the park. There are people that are already complaining that the steakhouse will take up too much parking and residents will not be able to get to the parks. Mayor Graven stated that he does not want to see the city limit its possibilities, for example, someone may wish to purchase an area to put in a botanical garden. Mr. Fenrich stated what if someone purchases the land and puts in a garden but a couple years later, they decide they would rather sell to build a parking garage. Mr. Stibich stated that he believes the city would maintain control over the property or developing through a grant with specific purposes. Mayor Graven indicated that the economic development director will be made aware that Council wants the area to remain within historic character and that any proposal would need to be seen before ABR.

Mr. Borczuch indicated that he spoke with Mr. Nogalo and discussed each of the city owned properties. There are a lot of properties that the city owns that the city has been paying property taxes for and Mayor Graven, Finance Director Nogalo and Law Director Bemmer went to the county to discuss these payments. Mr. Borczuch indicated that since this issue is being resolved it will save the city money due to the fact that the city does not pay property taxes on specific properties. Mr. Haviland indicated that these properties are costing the city in taxes, maintenance and insurance which adds up. Mayor Graven indicated that Mr. Borczuch is referring to city buildings that the city has paid property taxes on that we should not have been paying. Mr. Nogalo indicated that the city was also assessing itself for street lighting, shade trees and refuse.

Miscellaneous – *None*

Adjournment

Mr. Gorski moved to **adjourn**; Ms. Jones **seconded**. Voice Vote: 7 ayes; 0 nays. **Motion carried**.

The meeting adjourned at 7:22 p.m.

Paul Stibich, Council President

Angela Mancini, Clerk of Council