City of Olmsted Falls
Minutes of a Council Work Session
Tuesday, April 9, 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 Lori Jones (arrived at 6:50 p.m.), Ed Gorski, Terry Duncan, and Lee Fenrich were present. Council Members Jim Haviland and Denise Nicolay were excused.

Others Present: Andrew D. Bemer, Law Director, and Paula Accordiono, Economic Development Director. Audience: 1

Comp management Information
Will discuss at a separate meeting.

Economic Development
Ms. Accordiono stated that the Community Reinvestment Area (CRA) legislation was distributed in packets. The CRA requires that a boundary be designed; often times communities will choose a particular boundary or certain area of the community. Since we are a small community, we are choosing the entire city. Mr. Stibich asked if this legislation set the boundaries. Ms. Accordiono replied yes. Mr. Stibich asked if we were alone in Cuyahoga County as far as not having a CRA. Ms. Accordiono stated that we are one of the few communities that do not have a CRA. Mr. Stibich asked what this would do for the community. Ms. Accordiono replied that this is a great tool for attracting commercial and industrial business with a tax incentive to invest here because it offers potential for real property tax abatement for a specific period of time. Additionally, we are proposing that we also include residential new construction and renovations for homeowners to ultimately increase the property values of the housing stock. We worked with bond counsel, Amanda Gordon from Roetzel, who is very experienced in drafting this type of legislation and has worked with many other communities.

Mr. Fenrich stated that Section 8 states “City Council reserves the right to re-evaluate the designation of the Olmsted Falls Community Reinvestment Area after December 31, 2020” but he believes the area is the entire city. Ms. Accordiono replied yes; this reserves the right for us to decide if it wasn’t appropriate for some reason in a part of the community.

Ms. Duncan asked what position would be the housing officer. Ms. Accordiono replied that we deliberated back and forth to determine who that should be. For the purposes of the legislation we have determined to leave this open at this point; if we made that designation now and it were to change, we would have to amend the legislation. The housing officer would be someone designated by the Mayor. Council also has responsibility for designating two people to serve on the housing commission. The tax advisory council, according to Ms. Gordon, the county will appoint someone as they do in many other communities and have a great deal of experience. Ms. Duncan asked what is the expectation on how the city will promote the CRA. Ms. Accordiono stated that we have already started putting it out to the community in newsletters and discussing during Council meeting. There has been a great deal of interest among homeowners especially with the county’s re-assessment of
property taxes. There are requirements that will be posted on our website and we will publicize widely through social media and other channels. Ms. Duncan asked if there was a time line on applications, would a homeowner have to apply before they start work. Ms. Accordiono replied she believes they have to share their plan and then they have to submit their application within six months of completion of the work.

Mr. Gorski asked if the housing officer was a separate position from the housing counsel. Ms. Accordiono replied that this will be an entirely separate position. Mr. Stibich stated that it is a position that is designated in the Ohio Revised Code and he is sure there are certain rights and duties that the housing officer has to take care of and in this legislation, we are designating the Mayor as the housing officer. Mr. Gorski replied that he wanted to make sure it was clear that there was a delineation between housing officer and housing counsel.

Mr. Fenrich stated that the purpose of this is two-fold if he is not mistaken, one is to increase the tax base, down the road, and the second is to try to encourage people with blighted homes to improve their properties. He mentioned to Ms. Accordiono that he firmly believes that if we pass the CRA people will take advantage of it but, he does not believe that the one who will take advantage will be the ones whose homes are falling apart as they do not want to increase their value much less put money into their homes, if they wanted to they would have done it by now. The City of Lakewood, for many years, has had Operation Pride, with someone, probably the housing officer, that drives up and down the streets and identifies homes that need repair or something done and then they cite the property owner and they have 90 days to make the repairs. If they indicate that they cannot afford the cost of the repairs and meet a certain criteria the city grants them a low interest loan at a low that is added to their property taxes and this has done wonders in Lakewood.

Mr. Stibich indicated that the package Council received contains a housing survey from Chagrin Valley Engineering with some pictures of some dilapidated homes. Ms. Accordiono stated that the program Mr. Fenrich is referring to in Lakewood she thinks was partially funded through CDBG grants or money that the City of Lakewood received as an inner-ring suburb entitlement community and was able to channel those funds into housing programs. We do not qualify for low moderate-income programs but she certainly thinks that we should look at doing things like that to be creative. This is in no way intended to be the “be all-end all” and suspects that we will see improvements. What happens on the residential side is like when you improve your own home, once you paint something it then it makes something else look bad so she thinks we will have to come up with other creative ideas to continue the upward movement of increasing property values. Mr. Stibich stated that this will be a good tool to start with and if there are other programs that we can institute to help like Mr. Fenrich suggested then we can build on that.

Mr. Gorski asked Ms. Accordiono if City Council enacted this ordinance and decided to move forward with the CRA would that potentially leave us open to more grant opportunity. Ms. Accordiono replied that she does not believe it will have any bearing on that. Our challenge is that we do not have low and moderate income census tracks and that precludes us from taking advantage of a lot of federal grant money.

Mr. Bemer stated that as a follow up to Mr. Fenrich’s the City of Lakewood as an inner-ring suburb it not only had the opportunity to receive a lot of grant money to upgrade their real estate, which they have taken advantage of, they always have point of sale inspections. They are very cognizant of their aging housing and want to maintain the quality of housing stock. They hired the staff for those
necessary inspections and are a model city. He stated that the CRA has some pejorative terms that is by necessity and according to Ohio Revised Code in order to go out and encourage the upgrade of residential housing. The other side is the non-residential housing and he does not know of any community that has real estate available for redevelopment that does not have a CRA because that is a huge inducement to attract a business to come within your city. As far as the residences are concerned, being mindful of whatever the upgrade and appraisal value is you will not be taxed on that upgrade for 10 years so that’s very very attractive. He thinks it is also worth mentioning that the figure of 50% for 10 years is available by statute without school board consent. That being said, he is aware of two occasions that the administration has met with School Superintendent Lloyd and some of the board members for the purpose of making sure they understand the dynamics. You can go beyond the 50% figure and make it 15 years, with school board consent, but does not believe there is any encouragement to City Council to do that at this time. Ms. Accordino stated that we met with members of the school board and most recently with Dr. Lloyd because we want to be very transparent and have a good strong respectful relationship with them. She is very appreciative of their willingness to talk; they are not necessarily excited about this but do understand and they want to see the community move forward from an economic stand point. Moving forward we wanted to reserve that potential for going higher than the 50% for 10 years in case there was some tremendous opportunity and we were in competition with another community.

Ms. Jones asked if everything was preapproved in advance for how much of a tax incentive. Mr. Bemer indicated that at this point it is just the 50% for 10 years with information provided to the school board even though their consent is not required.

Ms. Accordino stated that the old service garage at 8051 Brookside was reappraised today. It was a very quick cursory reappraisal because this makes the third time the property was appraised and was done in preparation for finally preparing the property to go to bid and the administration wants to move forward with that. Mr. Fenrich stated that this property is really critical in that area for bringing people in; if we sell the property how will we guarantee that we are going to get something that will actually compliment the area. He stated that selling this particular piece of property bothers him because that property could lend itself to something really nice. The bottom line is it is a beautiful set up and he would really like to see something happen; he does not want to sell this to put a couple bucks in our pocket and someone turn it into a garbage bed because we have no control over what happens once its sold; we can make stipulations all we want but they do not have to follow them. Ms. Accordino agreed, if you see a vision in your minds eye or a sketch it kind of makes your heart skip over the possibility of what could be there so we have discussed deed restrictions and development restrictions as we prepare this for bid. Mr. Bemer stated that the zoning is multi-use traditional neighborhood and in the advertising of the property you can identify that or even something more specific. So, if you are looking for retail, residential, or multi-family residential you can identify that. You also have a Planning Commission and there needs to be some faith put into them so they understand orderly development and new redevelopment consistent with the master plan. We can put deed restrictions and certainly an option of repurchase if the new purchaser desires to sell at some point in time.

Ms. Jones stated that even if we put the property up for sale that does not mean it has to be sold. In other words, if we do not like the bids or do not like what it is being purchased for, we can withdraw the sale. Mr. Bemer replied correct; you can put conditions on the acceptance. We will not get an actual project but we can request renderings or site drawings to at least understand the concept of
what a potential purchaser redeveloper will do. Mr. Gorski asked if anyone has come to the city with interest in this particular property. Ms. Accordino replied five people.

Ms. Accordino stated that the other property we consulted with CBRE is the Mapleway property behind the library which is 3.79 acres and the land adjacent to the new service garage on Columbia Road. We are completing our due diligence in order to gather the correct information about these properties. The agent is helping with that and is going to come up with some suggested pricing.

Ms. Accordino stated that the city will also be taking advantage of the Greater Cleveland Partnerships connection with Zoom Prospector. We will be listing not only the city properties, when approved by Council, with pricing for sale but also all the other commercial properties that are for sale within the city. This will be attached to the economic development page on the city website to use as a marketing tool. Mr. Stibich asked if this was something that Mr. Haviland has been involved in. Ms. Accordino replied she is sure he has as it is a really effective tool for companies that are seeking to locate as this is usually where their commercial agents steer them to. She stated that Zoom Prospector is a powerful tool and also provides community data, that we do not have to update, it provides demographics and workforce data.

Mr. Fenrich stated that when these properties are appraised and put them up for sale will we list them as property “A” is for sale and worth $150,000 or are we going with sealed bids. Ms. Accordino replied that would be something we can discuss in more detail. Ms. Jones asked if we go out for bids do we have to sell the property. Mr. Bemer indicated that the legislative body and administration would agree what the minimum bid would be as well as the conditions of sale and then ask for sealed bids at a date certain and open them to see what we get.

Ms. Jones stated that she would be concerned about what goes in behind an elementary school. She also asked if the land would be sold as one piece of land or would it be sold as different parcels. Ms. Accordino replied it would be one parcel. Ms. Jones asked if the land could be broken up because what if the school, city hall, library or OCC want to expand. Mr. Fenrich replied if the land was split you would land lock part of it and we cannot do that. Ms. Jones agreed.

**Adjournment**
Mr. Gorski moved to adjourn; Ms. Duncan seconded. Voice Vote: 5 ayes; 0 nays. Motion carried.

The meeting adjourned at 7:07 p.m.

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_Paul Stibich, Council President_  
_Angela Mancini, Clerk of Council_