

President Arredondo called the regular meeting of Lorain City Council to order at 6:05 p.m. Chaplain Angel Arroyo led Council in the opening prayer followed by the Pledge of Allegiance.

ROLL CALL:

PRESENT – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.
ABSENT - 0 None.

DISPOSITION OF MINUTES:

Moved by Mr. Koziura, supported by Mrs. Springowski, to dispense with the reading of the minutes and accept them as written. The motion carried unanimously.

CORRESPONDENCE AND/OR COMMUNICATIONS FROM THE MAYOR:

REMARKS: MAYOR RITENAUER: Just one thing, a few members of Council have asked me about the items that need a motion to waive the 72-hour rule to add to the agenda. I believe the four were sent with a note on Friday that they would be coming down. I would ask that first you waive the rules and add them to the agenda. I would also ask that you consider going into a committee-of-the-whole. Ms. Reddy's attorney is here and the Lorain Port Authority is here. These four are dense reads when you go through them and see what is required. However, the city does not have any financial liability. This is a State program that was set up to form an Energy Special Improvement District; it is part of her financing package that she needs in order to make the improvements to the hotel building. We want to make sure this is something that continues to move along. I asked for committee-of-the-whole so that it does get the proper legal and financial vetting. Law Director Riley, Safety/Service Director Given and I, along with Auditor Shawver have been talking about this for the past few weeks in terms of how all of these parts are moving. I am sure they may have questions to get on the records. Mr. Brown took great measures to get the proper legal minds here. The gentleman here from Bricker Eckler actually has done these deals throughout the state. It is a relatively new program and there is someone here who has done these and can answer questions. I would ask these be added to the agenda at the appropriate time and a committee-of-the-whole be entered into to discuss these.

CLERK GREER announced a request to suspend the regular order of business and to allow for consideration of item 9-a (Resolution commemorating the Mexican Mutual Society). Moved by Mrs. Springowski, supported by Mr. Koziura, to waive the rules and allow for consideration of item 9-a. The motion carried unanimously.

LEGISLATION – FIRST READING:

Resolution No. 31-18 a.) Introduced by Mr. Arroyo, a resolution commemorating and celebrating the 90th anniversary of the Mexican Mutual Society in the City of Lorain, Ohio.
Moved by Mr. Arroyo, supported by Mrs. Springowski, to suspend the statutory three reading rule.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The rule was suspended.

REMARKS: COUNCILMAN FALLIS: I wish to thank all the current and past members of the Mexican Mutual Society for their efforts in making an impact in our community. They have hosted the Hispanic Leadership Conference for decades and kudos to their efforts.

COUNCILMEMBER SPRINGOWSKI: Lorain's identity is the International City. We used to have a private community of international clubs, different nationalities. Mexican Mutual Club is one of the last nationality clubs that is standing. I congratulate them on maintaining that. We are losing our identity with the loss of these clubs. I would like to see some of them start up again but the Mexican Mutual Society always has very good food.

COUNCILMEMBER KOZIURA: I think it needs to be said, the kudos that you deserve Mr. President. I read in the article that you had signed over your house to keep Mexican

Mutual alive and vibrant. That says something, Mr. Arredondo. Even though you constantly are selling me tickets, I will do my part but I want everyone to know that is really something and God Bless you, Joel.

COUNCILMAN ARROYO: I personally appreciate the Mexican community and Mexican Mutual because it was the Mexican community that helped the Puerto Ricans when they came in the 40's. They welcomed them to sleep in their attics and basements, etc. It is not just a transition in celebrating them; it is appreciating them because it was the Mexican community that made it possible for other Latino communities to come to our city. I appreciate you not being afraid to fight battles and issues that address not just the Latino community but the city as a whole. I look forward to the 100 year celebration in ten years and if you have nothing to do on Sunday, come to the Browns' Backers. It is the newest group that is at Mexican Mutual, there will be some Cardiac Kids there from the 80's.

PRESIDENT ARREDONDO: Just for the record Mr. Koziura, it was for a loan to do a HVAC system. The reason we had to sign was because the two officers, president and vice-president at that time were the only two officers that had "collateral" which was a home. I thank my wife for the support, although she says she does not remember me doing that. For the comments made by Mrs. Springowski, yes, unfortunately there are only four ethnic clubs left in Lorain. At one time, we remember having three or four Polish clubs, Italian clubs, Serbian, etc. The only ones left in operation are the Croatian Club on Oberlin Avenue which Mr. Madansky is also a member of and also IAV across the street. The one that everyone loves is the Slovak Home because of their fish and Mexican Mutual. These are self-sustaining buildings but it is through community support and the committee who will be coming up to receive the resolution, they have all donated their time and efforts. Tickets are still available to attend at the Rosewood Place and sponsorships as well. On behalf of the Mexican Society as president, I would like to thank you all for the support.

Moved by Mr. Arroyo, supported by Mrs. Springowski, to pass the resolution.

AYES – 11

Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0

None. The resolution passed.

**At this point, Councilmember Arroyo read and then presented the commendation to the 90th Anniversary committee members of the Mexican Mutual Society in attendance (Mr. & Mrs. Ruben Lopez, Eileen Torres, Joyce and Mia Arredondo).*

CORRESPONDENCE FROM DIRECTORS, BOARDS AND COMMISSIONS, ETC.:

- a.) Safety/Service Director Given's transmittal of correspondence from Law Director Riley dated 8-28-18, which addresses the anticipated increases to the Housing Court Docket due to property maintenance code citations and related expenses. Moved by Mr. Koziura, supported by Mrs. Springowski, to refer the matter to the Finance/Claims & All Council Committee for a meeting next Monday, October 8, 2018 @ 6 p.m. The motion carried unanimously.
- b.) Correspondence from officials from the Lorain Municipal Courts urging Council to pass a resolution opposing Issue 1 and urging all citizens to oppose this matter as well.

REMARKS: COUNCILMEMBER SPRINGOWSKI: As I stated on social media, I oppose this issue as well as concur with the judges.

Moved by Mr. Koziura, supported by Mrs. Springowski, to request the Clerk prepare a resolution opposing Issue 1 for the next regular meeting. The motion carried.

CORRESPONDENCE FROM OTHER GOVERNMENTAL AGENCIES:

- a.) OH EPA notification of receipt of a 401 application on September 17, 2018, advising consideration will be given to the issue of whether to issue or deny a water quality certification for the maintenance of dredging in the Lorain Harbor.
- b.) OH EPA public notice advising of the approval and Final Issuance of Certification for the Lorain Harbor Dredging project for 2018.

REMARKS: COUNCILMEMBER FLORES: I support the EPA in this endeavor of the dredging of the sediments.

COUNCILMEMBER FALLIS: Director Brown, in the past we dredged the Black River and that sediment went into the diked disposal site. It sounds like that will not be the case in this instance and it will be dumped somewhere in the lake. I would like clarification.

PORT DIRECTOR BROWN: I would say for the past half of a dozen dredging cycles, it has been open lake placement. The only time that the dredging from the last few cycles has gone into the containment facility is if that dredging tested negative or positive for harmful that had to be stored in a containment facility. In 2020, the EPA will mandate no more open lake placement and that is why we have doing a dual study with the city and engineering department, etc. This will probably be the last round that you will see open lake placement. This is the \$2.5M dredging, about 250,000 cubic yards from Henderson Drive south and the turning basin by Republic Steel. They will start that this fall without any further delays in the issuance and complete that dredging next year.

COUNCILMAN FALLIS: Will the future dredging of the Black River go into the diked disposal site or will we have to look for another location? What is the solution?

DIRECTOR BROWN: There is very little capacity left; they are looking at alternatives. Some good news through the area of concern in the river is almost all of that dredging material has been deemed safe. It is kind of weird thing happening. It is safe now and it is clean but they don't want to put it in the lake anymore; they are prohibiting that in the State of Ohio. They are looking for different uses or reuse of dredge material. The 204 study is based on the fact that you create additional wetland habitat somewhere along our shorelines.

Without objection, President Arredondo ordered to receive and file both items of correspondence.

- c.) Notice from OH EPA advising of receipt and approval of plans for the proposed water main extension on Boulder Lane in the Cornerstone Farms Subdivision #3. Moved by Mr. Fallis, supported by Mr. Koziura, to receive and file.
- d.) OH Department of liquor control's notification of a new D1, D2 permit application for Cooper Deli & Groceries @ 1408 Cooper Foster Park Road. Moved by Mrs. Springowski, supported by Mr. Argenti, to authorize the Clerk to notify the board that no objections have been received. The motion carried.

CORRESPONDENCE FROM THE GENERAL PUBLIC:

- a.) Email correspondence from Rhoda Lee requesting the opportunity to address Council on matters pertaining to violence in the City of Lorain. Moved by Mrs. Springowski, supported by Mr. Fallis, to waive the rules and allow Ms. Lee three minutes to address the body. The motion carried.

REMARKS: RHODA LEE: Good evening everyone. I am very concerned about the violence in our city. I love the City of Lorain. In my memories I remember how it was years ago on Broadway when we had the Greyhound Bus Station and RTA. We had transportation from Lorain to Cleveland for jobs and back again in the evening, our beautiful Black River Landing, Hot Waters, Ted Jacobs, Faroh's Candy, etc. All of these things and we know we need a resurgence here. I can see what you, our law makers, are doing as a body. I am here to ask you as our legislators to come together and help create a plan of action city-wide, to let those who are committing these acts of violence and regardless of their age, color or creed, must know that we will not condone nor tolerate this type of behavior here in the City of Lorain. If we come together and you can all create this; we have issues and needs in our city that must be addressed by all of us. One of the things that I would like for Council to look at is the curfew. We need a more stringent curfew in our city as it involves our young people. There are certain areas throughout the city where many of the youth are out in the middle of the night that are 11 or 12 years old. We need to come up with some mandates to make parents and the other citizens in this city accountable, in particular parental accountability. It is much needed here. When we see these things happening we need to cite the parents. We also need to get behind our law enforcement. I know we need more officers and we are down around thirteen. I am asking you to come together and help us bring about the other

entities and agencies in this city if need be to help you. This is something we cannot condone, it lessens the ability of other businesses to come into our area and work with us. We are sitting on a jewel; let's polish it. Let's not diminish any of it and let us not let others who are out here do this. We must stand up and understand that we must be diligent in our quest to have one of the best pearls sitting here on Lake Erie.

PRESIDENT ARREDONDO: Thank you for your concerns and comments. I know your heart is here in the City of Lorain, especially with the school system. We appreciate you taking time out to express yourself.

MAYOR RITENAUER: What has gone on at the schools in the past few weeks has been reported and it is unacceptable. There are no other words to describe it. In talking with the Chief, in terms of crime as a whole, looking at where we are in 2018 versus last year; we are actually down in many categories. We are significantly down in terms of crime. However, in looking at the schools, I think that is something that has to be addressed and we are. On Friday, the Safety/Service Director and I, the Chief, the School Resource Officers, Police & Fire Chairman Argenti as well as the School Board, the Academic Distress Commission representative and CEO Hardy was there with a member of his administrative team. I felt and still feel that regardless of the politics of HB 70, safety is absolutely paramount. No other issue in my opinion rises to that and it really should transcend any of the issues going on. What I felt, the first step was so important was representation from Council, the administration, the appointed Distress Commission, the elected School Board, the appointed CEO and get everyone around a table along with the police department, we are putting forth and I don't want to call it a plan but there are certain things that just need to be done. In terms of a conversation, I think we are going to see improvements at the school. I would characterize the meeting as a significant step forward in terms of relations as well as in terms of making progress to the point where we will have weekly standing meetings. This should not be a one-off or as a result of an incident. The schools are in our city and it is up to us as to make sure they are safe. It is up to us as an administration and a council and community to make sure they are safe. With the LPD, we will be working with the schools in terms of ways we can improve. Ms. Lee, your point is well taken and we are always looking to improve on those items you brought up. On a whole, crime – we are seeing some better trends this year. As I said, just because numbers are trending in the right direction does not mean that what has gone on at the schools is acceptable. In talking with the CEO, I remarked that whatever the plans are or the approach is in terms of moving our school district forward academically, none of it matters if students do not feel safe. That is number one and we have to make sure that is occurring. I would also say that in communication with the CEO today, tomorrow night at the Lorain High auditorium there is a meeting about the schools. I know safety will be discussed and I think it is at 5 p.m. We are all very open about ideas but again this is something that we are not going to simply say that it happened and we think we addressed it and then let's move on. We will give this weekly attention because that is the attention it deserves.

COUNCILMAN ARROYO: Ms. Lee, I appreciate your comments. I know that you go to every single meeting. I hope as we move forward that both newspapers and the TV news report everything that is going on because it is quick for them to report a shooting but they never really report on the "after." They report it and I spoke with Rick from Journal about this. They reported two shootings in South Lorain and I reached out the LPD that weekend. With overtime, they went out and made multiple arrests and took guns off the streets and that was not reported. There was another time over the past few weeks that the LPD focused on going after these different shooters and these different groups. It has been public on social media so it is not like it is anything hidden; people have talked about it. I am asking the media for them to continue to report on both sides of the stories so that we don't feel that our community is amuck and everything is going to hell in a hand basket because there are things happening. The schools and Ms. Moon can testify as well, I have been there multiple times this year and yes there are issues but much of it is internal. I am hoping moving forward that our LPD continues to

keep their community policing and reach out to the community because it will not just be putting kids in jails, it will be a community effort. I hope they continue to keep their hand out just like everyone in the community and keep their hands out to the kids. It is great to see everything going downtown and it sucks to read everything else that is bad that is going around the rest of this city. I ask the media to continue to report everything and both sides and show that there is progress in some of these harms I reported.

COUNCILMEMBER MOON: I thank you, Ms. Lee. I am fortunate to be working in the schools. We sometimes, as adults, we get together but we forget about the children. We need to get those children together and set them in a room and see what is going on. Many times I go to the football games and sit with the students. People always ask why I sit by them. Sometimes, there is a child that is upset and she wants to fight or he wants to fight. There are many suicides going on and many foster parents, etc. There is a lot going on and I cannot blame this on anyone. We need to go to the source and the source is the children. We need to take those children and put them in a room and find out what is going on. They can write it on paper what is going on with them. We are adults, we know, and we are fine. We need to listen to them also and when we have these adult meetings, we should have student meetings to help the children. There is a lot going on in our schools, we need to get the parents to conferences, etc. We need to work as a community and listen to our children.

COUNCILWOMAN CARTER: I also wish to thank Ms. Lee for approaching and speaking. I want to thank the Mayor and his staff for coming together and talking about the issue. When you have a child come to you and tell you they are afraid to go to school, when they normally are not – that is an issue. It is just not Lorain, there are other cities around us. The spotlight is on us because we are HB 70 but don't think that we are alone; it is happening in other cities as well.

COUNCILMAN KOZIURA: It is good to see you, Rhoda. We have been through the battles over the years together on many issues. She made a very good point in the newspaper the other day; she said it was time the parents take responsibility also for these kids. We can sit around this table all day long; the schools get the bad rap for poor parenting. That is the real problem here. We can have all the committees you want but until we can tackle that problem – it was stated there are 2,000 children at that school and 32 parents attended the meeting for the public to come and speak with the Executive Director. What does that tell you? The real important thing is to get to those parents and families because that is their responsibility first and foremost. The community has to put the onus on the responsibility of the people that are responsible. We can put police there, etc. but it belongs at the home and the responsibility remains there.

COUNCILMEMBER SPRINGOWSKI: I attended that meeting the other night even though I do not have any children in the schools. We talked about mentoring the children and in many cases; some of these parents were children when they had the current students. Some of those parents are really in need and are struggling themselves. We may have to seriously take a look developing some kind of mentoring program for the parents and help them with resources they need and giving them the tools to cope and help their children cope.

COMMITTEE REPORTS: The Building & Lands & All Council Committee met on Monday, September 24, 2018, to hear a presentation of the City of Lorain's Comprehensive Land Use plan by OHM Consultants, the committee recommends legislation be prepared accepting the Plan and be forwarded to the full council for consideration.

Moved by Mrs. Springowski, supported by Mr. Koziura, to concur with the committee recommendation. The motion carried.

LEGISLATION – FIRST READING:

Resolution No. 32-18 b.) Introduced by Mrs. Springowski, a resolution approving the termination of the Cultural Project Cooperative Use Agreement entered into by the State of Ohio Cultural

Facilities Commission and the Lorain Civic Center Committee LLC and declaring an emergency.

Moved by Mrs. Springowski, supported by Mr. Thornsberry, to suspend the statutory three reading rule.

AYES - 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The rule was suspended.

REMARKS: COUNCILMAN FLORES: I remember in 2009 when we received this grant. I thought that building was going to see some renovation and it is a shame that didn't happen. The money was misappropriated and spent in other areas. That person that was managing the Palace at the time is no longer around. We lost ten or nine years with the cooperative use agreement and not being able to utilize it to its full advantage. Let's hope that by getting rid of the agreement that we can restore that building and someone will come and give it the kind love that it needs. It took this long for us to get through that agreement so that the Palace can now handle the building without having to deal with the administration. I don't know if anyone is interested in that building but I hope we can restore it. I think it is part of the anchor along with the Palace, that building has much potential. I know there were some groups that were interested and there have been some upgrades to the signage. I don't know how those things occurred but I hope that they can bring those pieces back to the Eagles Building as part as their renovations and revitalization of that building.

COUNCILMAN KOZIURA: I am not sure that I understand that right that there were misappropriations. I understand that they lost the grant; that is what I understand that to be.

LAW DIRECTOR RILEY: I was not the Law Director when this happened. It happened in 2009, but earlier in 2009 I was appointed in May. The cooperative use agreement is an agreement with the State of Ohio and the Palace and the original draw down on the loan was some \$309,000 plus. What had happened was, there was no misappropriation of money, whatever that thought might be is not appropriate nor is it accurate. What had happened is the city had purchase the building and these monies were used to pay back the city for its purchase price. That left what was about \$110,000 that could have been used to do further improvements, repairs and renovations to the building. The project as originally conceived, if you look at the legislation, you will see the packet that identifies the project as originally conceived. It was in my opinion, in looking at it myself, quite a spectacular project in concept. The market just didn't justify it. The parties that came forward, one of whom I represented back before being a law director, who the two of them are well-known in the community wanted to otherwise develop the building as a cultural center, it just didn't make any sense from a market standpoint. It could not support itself. Those monies that were left in the grant were never drawn down by any party. The Palace nor any developer of the project and the project never went forward. It has sat there and I think in large part because the market for buildings and projects of that size in Lorain, Ohio just did not materialize. As a consequence, the administration and I have been made aware that there are now parties interested as Lorain's downtown begins to redevelop. Not those that would be mandated to maintain it as a cultural facility but rather for differently for profit operations. For that to happen, for the market that currently exists to be able to access the building, the cultural use agreement has to be terminated because the cultural use agreement mandates its operation as a cultural center and not a for profit-private sector business. For that reason, the Palace has approached the administration and I have been asked to create the legislation that would otherwise allow us to terminate that restriction on the use of the building. I know the Mayor has personally undertaken to meet with the state officials to explore what will need to be done in order for the building to be placed on the market. What you find before today is that manifestation of those discussions between the mayor, myself and the Palace and State of Ohio allowing it now to go onto the market to be purchased by anyone who might develop in any way they see fit and not restricted by operating it as a cultural center. That is the history of the legislation and the project as you have it before you today.

COUNCILMAN KOZIURA: That is probably the most important building downtown. So we can talk about all the development that people are doing, if anything ever did happen to

that building, it would be a nightmare for us. I hope something comes to fruition. The way it has been operating with this ad-hoc committee, they appoint a buddy here and they leave and no one knows what is going on. You need to have some control of that also.

MAYOR RITENAUER: The legislation was really not a reality until three weeks ago. As the legislation mentions, if you look back in history, this was supposed to be fifteen years. With all good intentions, I agree misappropriation is a terrible word; it leads people to believe money was misspent. Money was not misspent, this was back before my time, it goes to a point that the market was different then. It just didn't work out. However, with some of the interest in this building, the problem with this designation as a cultural center, is that it can only be a non-profit use. The original question asked of me was will the State allow a for profit use? As long as this designation is in place, there cannot be a for profit use. In fact, the only reason we are here today and considering this is because a meeting with the State Cultural Facilities Commission three weeks ago, found out that the State paid off their bonds on this building effective today, October 1st. So the State then subsequently said, the bonds are paid off, we have no problem terminating this agreement, we are set if you want out; that is fine. By terminating this agreement, we allow the Eagles building to be sold to a for profit operator. I hear there are two to three interested in the building. This allows for a wide variety of use. I did not let the irony get lost at the Facilities Commission, I told them it is very ironic that this designation drops off and a for-profit use could actually go into this building whereas for the last ten years, with this designation, the building has remained vacant. It is a bit ironic of how this has all gone down. However, to Mr. Koziura's point, I think this building is essential to our downtown. I think taking this action tonight allows the Palace and that building to see a better future than it has in the past ten years.

LAW DIRECTOR RILEY: The resolution addresses the CUA, we are not a party to the CUA. That is between the Palace and the State of Ohio, we are parties to the guaranty agreement. That is why you find in ordinance form, for your consideration, action that would allow the Safety/Service Director to terminate the guaranty agreement.

Moved by Mrs. Springowski, supported by Mr. Thornsberry, to pass the resolution.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The resolution passed.

Ordinance No. 126-18 c.) Introduced by Mrs. Springowski, an ordinance authorizing the City of Lorain Safety/Service Director to take all action necessary to terminate the guarantee agreement made by and between the City of Lorain and the State of Ohio acting by and through the Ohio Cultural Facilities Commission and declaring an emergency.

Moved by Mrs. Springowski, supported by Mr. Thornsberry, to suspend the statutory three reading rule.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The rule was suspended.

Moved by Mrs. Springowski, supported by Mr. Thornsberry, to pass the ordinance.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The ordinance passed.

Ordinance No. 127-18 d.) Introduced by Mr. Argenti, an ordinance authorizing the Safety/Service Director to accept a grant from the Ohio Bureau of Workers Compensation for the purchase of safety equipment and executing all necessary documents associated with its award and declaring an emergency.

Moved by Mr. Argenti, supported by Mr. Faga, to suspend the statutory three reading rule.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The rule was suspended.

REMARKS: COUNCILMAN ARGENTI: I wish to congratulate the administration and the LFD for security these funds.

- AYES – 11 Moved by Mr. Argenti, supported by Mr. Faga, to pass the ordinance.
Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.
- NAYS - 0 None. The ordinance passed.
- Ordinance No. 128-18 e.) Introduced by Mr. Faga, an ordinance authorizing the Safety/Service Director to enter into a contract for the Broadway Streetscape Project in the City of Lorain, Ohio.
Moved by Mr. Faga, supported by Mr. Flores, to suspend the statutory three reading rule.
- AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.
- NAYS - 0 None. The rule was suspended.
- Moved by Mr. Faga, supported by Mr. Flores, to pass the ordinance.
- AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.
- NAYS - 0 None. The ordinance passed.
- Ordinance No. 129-18 f.) Introduced by Mr. Faga, an ordinance authorizing the Safety/Service Director to enter into a contract with the highest rated and ranked professional engineering firm for professional services related to the construction of the Broadway Streetscape Project.
Moved by Mr. Faga, supported by Mrs. Springowksi, to suspend the statutory three reading rule.
- AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.
- NAYS – 0 None. The rule was suspended.
- REMARKS: COUNCILMAN FLORES: Do we have a professional engineering firm? Do we know who that will be?
MAYOR RITENAUER: We had six firms submit, once the funding is put in place, we will have one. I can tell you based on preliminary scoring from the engineering department; it looks like K. McCartney is going to get the work for the Broadway Streetscape. They are the professional firm that ranked the highest.
- Moved by Mr. Faga, supported by Mrs. Springowski, to pass the ordinance.
- AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.
- NAYS - 0 None. The ordinance passed.
- Proposed Ordinance g.) Introduced by Mr. Faga, an ordinance amending Lorain Codified Ordinance Section 913.305 – Rates for Sewer Rental Outside of the City Limits in the City of Lorain and declaring an emergency.
Moved by Mr. Faga, supported by Mr. Fallis, to refer the matter to a Second Reading.
The motion carried unanimously.
- Ordinance No. 130-18 h.) Introduced by Mrs. Springowksi, an ordinance assessing the cost of abating nuisance by removing noxious vegetation and trees during the current calendar year and declaring an emergency.
Moved by Mrs. Springowksi, supported by Mr. Fallis, to suspend the statutory three reading rule.
- AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.
- NAYS - 0 None. The rule was suspended.
- Moved by Mrs. Springowski, supported by Mr. Fallis, to pass the ordinance.
- AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.
- NAYS - 0 None. The ordinance passed.

****Clerk Greer** announced a request by the administration to waive the 72-hour rule and add four ordinances to the agenda for consideration (Items i, j, k and l as listed below).

Moved by Mrs. Springowski, supported by Mr. Koziura, to waive the rules and add all four items to the agenda for consideration. The motion carried unanimously.

Resolution No. 33-18 i.) Introduced by Mr. Koziura, a resolution approving a petition for the creation of Energy Special Improvement District Special Assessments for the special energy improvement projects and a plan for public improvements and declaring an emergency.

REMARKS: COUNCILMAN KOZIURA: The administration has requested these for items to be discussed in a Committee-of-the-Whole due to the fact that the attorneys are here from out of town. But, I personally would like to listen to them but prefer after that to send these to a Second Reading. We could have a Special Call. I move to adjourn into a Committee-of-the-Whole at this time.

COUNCILMEMBER SPRINGOWSKI: I concur with the motion. The motion carried unanimously and Council adjourned into a Committee-of-the-Whole at 7 p.m.

COMMITTEE-OF-THE WHOLE:

REMARKS: MAYOR RITENAUER: Before yielding to Mr. Brown and the attorney from Bricker Eckler, this is before you and is part of the financing package for the hotel project. This is part of state law in terms of how this has to go and the Special Improvement Districts. As you will know, within the four pieces of legislation, there are requirements in terms of a district being created, a board or commission being put together where the Mayor would have an appointment, Council would have an appointment, etc. These are things that we should take seriously and make sure that when we are long gone, that is why the Port Authority is here to make sure that we are fulfilling our obligations to be on this board to make sure it is doing the appropriate things that it ought to be doing. The bottom line here is you will see and hear about assessments, loan and payback and city participation. As you will hear, the City does not have liability in this; we are almost in some ways passed through as it relates the role of the county auditor assessment which would only occur if the loan is not repaid, in terms of this building, Radhika Reddy and her team do not repay the loan. That is where the assessment procedure would come into place and the city, because it is the city, through the laws set forth, would have the ability to assess and that would go to the county for any payments that are collected. I am not as sophisticated on this issue as the Director of Port or Caleb from Bricker Eckler; I will yield to them and welcome questions.

TOM BROWN, EXECUTIVE DIRECTOR LORAIN PORT: I thank the Administration and Law Director Riley for their due diligence in preparing this and getting this to Nancy for you this evening. As the Mayor stated, this is a crucial piece of the financing puzzle for the Broadway Building, but more importantly, this will set up an ESID in the City of Lorain (Energy Special Improvement District). It is the first time in three years that anyone in the State of Ohio has gotten the State Energy Loan. Raddika and her team put together an audit and showed what kind of energy improvements they can do on the Broadway Building. We applied for \$2.5M through the Port Authority and our partnership, we were awarded \$1.6M. In order to accept that grant, or loan, we have to create an ESID and pay through a PACE process, that is the State's requirements. Mr. Bell is here to answer all your legal questions. PACE financing is out there and it a fairly new project but other cities, counties and Port Authorities have been really well versed in this and we want to get this going in Lorain. There are many different loan programs and that's property assessed, clean energy financing. We create an Energy Special Improvement District (ESID) that is specific to this building and this building only. However, that encompasses the entire City of Lorain. As an example, a business commercial entity in Oberlin Ave. decides to do an energy audit and come for PACE financing, which is a very lucrative low interest financing program, they can then petition to be added to the ESID. It would be available to any commercial properties in the City of Lorain. It is a great money savings and it works on municipal buildings. City Hall, we could take everyone of these lights out to LED's, we could replace the window and the roof, HVAC, etc. Energy conservation financing – it is a great program. It is imperative that we start this. I think you will see a takeoff on other

parcels as well. We are a little behind the curve but happy to bring this forward. The Port Authority wants to be a leader in this and administrate this as well. No different than a TIF agreement, the City has a TIF agreement through the Port Authority and they get a financial advisor and we run the TIF program and have our yearly meetings, we would have to do the same for this. A non-profit corporation has to be created and Caleb will explain that a little better than I. We will have yearly meetings and reports. As stated, Radhika's team, Ariel on Broadway, will be paying this loan directly back to the State of Ohio. The only time the assessments will be enacted is if there is a default. In theory, every year that the loan is being paid properly, the assessments to the County will be reported as triple zero. The only time that would change is if there is a default. Again, the city has zero liability in this and the Port has zero liability. We are the current property owner and that is why we are presenting the petition to you after you create an ESID. The virtue of our lease with Ariel on Broadway, our lessee is responsible for those loan payments.

CALEB BELL, BRICKER & ECKLER LAW FIRM, 100 S. Third St. Columbus, OH: As was stated, PACE financing is enacted by the General Assembly, it is a State law. It is much like TIF financing or other form of special financing where private property owners can begin to use the tax collection system to leverage their buildings in order to obtain financing. In this particular case, the PACE financing will be provided by the Ohio Development Services Agency or DSA and that is an energy direct loan. This is a very good, low interest loan – it is a two (2%) percent loan. That is an extraordinarily good interest rate for this method of financing for any method for that matter. The overall project costs will be approximately \$8M with about \$1M coming from the property owner themselves, this \$1.5M coming from a State loan and some additional lending from a first mortgage lender and then a tax credit lender. All of those pieces of funding come together to create a sufficient amount of money to carry out the project. This is just one piece of that overall stack of funds but you can see that without this \$1.5M, the project will not have full financing. We need to get the project to 100% financing and this is just one piece of it.

The process is old, so please forgive me for having to interpret what is a 160 year old law. Ohio's Municipal Special Assessment law is very old and requires multiple pieces of legislation to identify a project, to determine to proceed with that project and then to an assessment project. The legislation in front of you tonight does all of those things in addition to the first step, which is what Director Brown mentioned, performing energy special improvement district, which will be available for this project and any other project in the city that comes along. I would be happy to take any questions on this project.

COUNCILMAN THORNSBERRY: Director Brown mentioned that other places are doing this; can you shed any light on other places in Northeast Ohio that have used this type of financing before?

ATTORNEY BELL: Yes, the most prominent local example would be the Northeast Ohio Advanced Energy District. That is an energy district that is comprised of the first suburbs coalition communities in Cleveland and in addition, to the City of Cleveland and some additional communities that are outside of the first suburbs group. Actually, there are about 18 or 19 communities that are all together. The law allows for each municipality, together with any adjacent township or municipality, to all join one regional district. This law kind of has regionalism embedded in it. That is why Director Brown stated that it may be the case that other communities' counties want to participate in your district as it grows. That was the case in Cuyahoga County and so there have been other ODSA loans there, the Playhouse Square project in Downtown Cleveland is a great example of an ODSA loan for PACE financing. The new Westin Hotel was also an ODSA loan for PACE financing. There are other projects, I think in Mayfield Heights did a municipal building project. Some are small and some are larger like this. The other communities in Northeast Ohio have been embracing this tool.

LAW DIRECTOR RILEY: Can you discuss the contractual relationship between the State of Ohio and the developer here in terms of obligation to repay these loan dollars and the City of Lorain's exposure to liability in the event those payments are not made?

ATTORNEY BELL: Yes. Recognize that this loan comes from the state to the property owner as an actual loan. There would be a loan agreement and a promissory note. The

property owner will have the obligation to pay that back. That loan document is the basic financial commitment from the property owner in this transaction. The city in this case would have an additional agreement, special assessment agreement that includes not only the city and property owner but also the state. What that agreement says is that if the property owner does not make the loan payment to the state, the city agrees to kick in and levy assessments against the property that are live assessments in order to permit the city to collect the funds that they owed and to potentially pursue foreclosure remedies from the county. Ultimately, the assessment is a liability the property owner owes back to the state and the collection mechanism is that – property tax process. It is the ultimate collection mechanism, we expect and as documentation, the property owner will pay the state directly under a loan agreement. Really, the city is not a party to it. There is no economic liability for the city, the city has a statutory responsibility under assessment law to assess the project and cause the collections upon default of that loan. That is really the nature of the city's exposure here. It is really more of a performance obligation if the state has to put those assessments on, your duty would be to put them on. Any payments would be limited to the property owner and their obligation to pay special assessments. There would be no economic exposure or payment due from the city ever.

AUDITOR SHAWVER: I want to be sure that I understand because there are many mentions in these documents of the responsibilities of the City Auditor. Right now, we will put nothing on the assessments and then in five years, if for some reason something happens then I am going to be told, or whoever is the Auditor in five years will be told that those amounts, less the amounts that have been paid, will be certified to the county.

ATTORNEY BELL: Correct. You would not have any duties to do anything unless the State of Ohio says they didn't receive their loan payments, please activate the special assessment that you previously approved.

AUDITOR SHAWVER: We would expect the State of Ohio to contact the City Auditor in the event of a default?

ATTORNEY BELL: Correct.

COUNCILMAN KOZIURA: I am confused about that. You say the \$1.5M loan for the project and if it is not paid back, we will be notified by the state to put the special assessments against the property. If she has defaulted on the loan, for example, when we assess someone we expect them to pay property tax and it comes back to pay the bonds off special assessments. So if the loan is not paid off and we assess it, how do they pay the assessment?

ATTORNEY BELL: It is expected the property would go into default. That is indeed the way the state is attempting to get its equity back out of the property. You are correct, you would be in a situation where you already passed over the first problem, there is not a loan payment made, the second problem is now the property owner has the real risk of losing their building. Not merely because of not paying the loan but actually on not paying the property tax obligation at that point. It is kind of a greater risk to the property because they can lose all of their equity in the building.

COUNCILMAN KOZIURA: We generally issue General Obligation bonds or Special Assessment bonds. Normally in shortfalls, and this has happened in many cases where people do not pay their special assessments and the city has to pay the bonds,. In this case, you are saying that we would issue special assessments but it would be no obligation of the city. How are these special assessments defined? Is the City of Lorain special assessments for would it be State assessments?

ATTORNEY BELL: The key distinction in this program from what you just described would be that the city is not issuing any long term obligation, there is no bond or note or indebtedness to the city at all. The city's only role is two-fold, participate in the district that gets formed and secondly, these actions of council to levy the assessments on this property. It is not a long term obligation of the city, you are agreeing to assign any assessments that you receive over to the state and the state has made the obligation they have made of loans.

COUNCILMAN KOZIURA: I am still confused. The special assessments are issued and bonds have to be paid, etc.

LAW DIRECTOR RILEY: The Mayor, Mr. Brown and I and these lawyers have been discussing this program for weeks. The reason being that this is a very complicated, complex and not something that is normally considered in the terms of making a public improvement and special assessment is because it is a special law. It is a law designed to accomplish what it is that Caleb is attempting to explain. As we initially would have thought that the city's credit would have had to be put on the line in form of the issuance of bonds or the execution of a note to generate the monies necessary to fund the project that will be specially assessed, that is not the way that this particular law works. In the packet that you have in front of you, including the resolutions and ordinances, you will not see a document the city has to sign to pledge or put up its credit to secure this obligation. I would ask Caleb to touch on how it is that the priority is set by law in terms of the collection ultimately if the loan is unpaid. Who gets money first? Where do the special assessments lie in the order of priority? Is the developer pledging the property as a collateral or security for the underlying loan? That might help us understand better how the State eventually recoups its money. I can say to you Mr. Koziura, there is nothing in this packet of documents that obligates us to assess to give our credit over to the project and beyond that it is a different law than what we are all familiar with. I had my difficulty with it but I have come to understand it better and that law allows for this project to go forward under the terms and conditions as described by Caleb.

COUNCILMAN KOZIURA: I can understand that if the law said, "the City of Lorain says, okay State of Ohio, you levy special assessments and we will give you yours and put them under the State of Ohio." If they cannot pay the loan, then they can't go to special assessments and I would like to see an Attorney General Opinion on whether or not we have any obligation.

ATTORNEY BELL: Bringing that down just a couple points. The general special assessment law for municipal special assessments in Ohio is Chapter 727. That chapter provides for two basic pathways towards assessment. They are either involuntary assessment where a Council may impose a sidewalk assessment. Then, there is the other form of special assessment which is the property owner or petitioned for assessment process. That is more common in the case of parking garage adjacent to a retail facility. That parking garage may be a public improvement that is assessed for. What the Law Director has indicated is that there is really a third pathway here which is a newer law. It was adopted in 2009 and that third pathway allows for a property owner to get not sidewalks and not parking facilities but actually private improvements internal to their building like HVAC, windows, lighting, or energy improvements to be paid for with assessments. How that mechanically works is yes the city does levy an assessment. Only cities and townships have the authority to levy these types of assessments. So, we could not look to the State to do it because the mechanism is 727, the Municipal General Special Assessment law. So we are in a situation where the city does levy the assessments but all it is doing is collecting what comes off of the county tax settlement process. The city is acknowledging that the state is the lender and the city is not the lender; that is what gives the Auditor the right to give the money over to the state. Otherwise, you are correct, what you would do with the general special municipal assessment is issue bonds and uses special assessment money to pay off the bonds. Here in this case, the bond is replaced with the state's loan. The state has concluded that it has sufficient authority to make that loan. All you do is really act as a conduit for any money that comes.

COUNCILMAN KOZIURA: I understand that. You are saying as the attorney and the expert on this and I am all for this project, do not get me wrong. But, the question remains that if by some chance, there was a default. The State would then foreclose on the property and the city would have no liability, which is what you are saying.

ATTORNEY BELL: Correct.

COUNCILMEMBER SPRINGOWSKI: To put this in very simplistic terms, the property owner will get the loan from the state; we pass the ordinance to get special assessments if they default on the loan. At that point, it empowers the city to act as the agent for the state to collect on this building when it is foreclosed; that is all this is doing. We have no liability and only act as the foreclosure or special assessment agent.

ATTORNEY BELL: You are right.

COUNCILMEMBER FALLIS: When a loan was made to someone who wants to rehab a building and part of those costs are funded to update the real property, typically a lien is filed on that building. So why doesn't the State of Ohio just do a lien and forego the assessment? Why are we going down that path?

ATTORNEY BELL: A few issues, one is the State would have the more challenging pathway to authorization because of this particular use; this use is a private use whereas the state if it had a piece of property and wanted to obtain an energy loan and it owns that property itself, it might be able to mortgage that property to a lender. This is a private use so you need to operate under a special law, which is what the General Assembly did, they authorized this special third category law to enable this. Also, recognize that you are correct. When you improve real property, frequently a mortgage lien is filed to cause a loan to be funded and a mortgage bank to take the property as collateral. This is different because the state lien for taxation where school taxes, sewer charges, etc., that is always superior to private mortgage liens. That is the benefit of this method of financing – being in that superior lien positions. Assessments sit alongside all of those other governmental obligations, which is what makes enforcement rather easy in these transactions because people are not likely to not pay their property taxes; they risk a complete loss of their property. Whereas, if you don't pay your mortgage, you risk whatever equity you had in the property. There is a slightly different risk of loss when you have property tax on the line versus perhaps a smaller amount. A bank might make a \$3M loan in here and you might owe that bank \$3M and here \$2.5M is secured by the entire building, which is a much more favorable position of the lender.

COUNCILMAN FALLIS: The building is really just based on real estate taxes or assessment and not the full value of the property but the value of the tax assessment.

ATTORNEY BELL: Essentially because the county has the authority to pursue a tax foreclosure and remove the property from the owner's hand, that acts a lot like a mortgage does where you would foreclose on the mortgage; it is just a different process. It is actually a tax foreclosure versus a mortgage foreclosure is the way the statutes set that out. The county has responsibility to carry that on.

COUNCILMAN FALLIS: Now it makes more sense to me as to why the state would do that because it moves them up on the lien position with this particular process.

How long is the loan from the state?

ATTORNEY BELL: 15 years.

COUNCILMAN FALLIS: Say we go five years down the road and the project for some reason does not work out economically the place shuts down and the City of Lorain has to do the assessment project. We do the assessment and what happens if they don't have money to pay us?

ATTORNEY BELL: If you think about the reality of this particular project, you have more lending than just the \$1.5M. So, when the project goes into default in your scenario, the other lenders are also at risk of losing their piece of the pie. There are a few scenarios, say the First Mortgage Bank could decide to come in and fund the assessments to preserve their position. That is a common scenario in a tax foreclosure scenario. The bank comes in and funds that one little delinquent piece and keeps their position strong. Second scenario is where there is not a lot of value left in the property that is where you would go all the way through the tax foreclosure and actually sell the property out to market. The County Auditor and Treasurer is who walks into the Court of Common Pleas and initiates the foreclosure action. It takes them about 18 months to do that. So there are two ways, one is a practical way that depends upon how much equity other people have in the project and the other is there is no equity, you just take the property and sell it and satisfy the assessment to the extent you can; those assessment continue on past the foreclosure by the way. Essentially that is another uniqueness of special assessment law; assessments are tax lien items and continue on. Think of an assessment as a non-accellerable mortgage, you cannot accelerate future tax payments. I cannot force you to pay your taxes in 2020 today; they are due in 2020 and not today.

COUNCILMAN FALLIS: If this building was foreclosed on five years down the road and there was not sufficient money to pay the assessment through five years hence from today, you are saying those years 6 -15, that assessment continues and is attached to that property. So if another developer would want to come in and do something, they would have to cure it that at some point.

ATTORNEY BELL: Yes.

COUNCILMAN FLORES: It looks like item 9-i is the petition and the Port Authority is the petitioner. There is also included a Plan for Public Improvements in 9-i. The next item 9-j, the resolution approving the necessity of acquiring, constructing and improving certain public improvements, then it moves to 9-l which levies special assessment for the purpose of acquiring constructing, equipping, etc. There are four documents here and it is confusing because the titles basically say the same thing. Why is 9-k and 9-l broken out into two separate documents?

ATTORNEY BELL: I understand the confusion. This is because this particular statute dates to 1869, the way in which the special assessment code functions, it requires a city council to resolve the necessity of the project and then ordains to proceed with the project and levy the assessments for the project. Recognizing that in 1869, it was completely public and we had things like docks, wharfs and streets only. We have that old law that we have form into this process unfortunately. It is a cumbersome process.

COUNCILMAN FLORES: I understand that this could be applicable to the Eagles Building. Can we use this plan if someone acquires the Eagles building?

ATTORNEY BELL: Yes, a new plan for that project could come along and implement the same legislation. In fact, you would only implement j, k and l – associated with that particular process because you already formed the district.

AUDITOR SHAWVER: I just received this final documentation today; forgive me for asking so many questions. Again, I am not trying to be an obstructionist in any form, I just want to understand everything from our office's prospective. The special improvement district, we noticed in Chapter 1710, it addresses a special improvement district but then further down it talks of a Special Energy Improvement Project. Would it benefit this city at all by calling this a Special Improvement District instead of just narrowing it to the Special Energy project? Could it broaden the scope?

ATTORNEY BELL: Unfortunately you cannot because the revised code uses the regular special improvement district statute to implement this special energy statute. The regular special improvement district might be all the property owners on Broadway continuously agreeing to put streetscape improvements in place and they assess themselves to pay for all of that. That is what a general special improvement district does. The energy statute takes a different approach. It states basically that parcel by parcel, non-contiguity anywhere in the city, two or three or five parcels can all participate in the same program. They don't have to be all in the same area and it is beneficial to be in an energy special improvement district because you can do project by project, parcel by parcel work.

AUDITOR SHAWVER: How does the board of directors work and the articles of incorporation, what would the requirements for the city be on that?

ATTORNEY BELL: So the method of approving the creation of the special energy improvement district starts with council action. Once that has occurred, the articles of incorporation are filed with the Secretary of State Office and those are done on behalf of the petitioner. Technically that is Lorain Port as the property owner. The property owner files his articles with the Secretary of State's Office. That then forms a nonprofit corporation and that nonprofit corporation has five board members to start with. There are the two the mayor mentioned, one appointed by the mayor and one appointed by council and then three representing the property owner. If Radhika's project is the only project that is ever in the Lorain ESID then Radhika has the three board seats. However, as Mr. Brown indicated, this program is going to be used for others and so it is likely that as other projects come on line, those three property owner representative are spread out among other projects. It is a board, a non-profit board and operates a lot differently than Council. It can be on short notice and is run like a non-profit corporation and meets basically once a year.

AUDITOR SHAWVER: Thank you that does make sense. That means the city really would not be responsible for all the meetings and audits and notifications, etc. That would all be the responsibility of the corporation.

ATTORNEY BELL: Correct, we expect that the Port would take on the role of administering and calling the meetings once a year, etc.

AUDITOR SHAWVER: You mentioned that the Port is the owner but as the owner you will not be responsible for the payments and have an agreement with the lessor.

AUDITOR SHAWVER: The original documents were received on Friday had the amount of \$1.6M and now the amount is up to \$2.7M, why is that?

ATTORNEY BELL: The \$2.7M is essentially the gross amount of special assessment and includes principle and interest and is the total financed amount. Think of your truth in lending form you get when you sign your mortgage, \$2.7M is the total amount you pay back even though the principle amount is less.

COUNCILMAN FALLIS: What are the roles and responsibilities of the board?

ATTORNEY BELL: The non-profit corporation has a few functions; the first is just to evaluate new projects. Secondly, you have regular reporting requirements so the corporation must meet once a year and without a meeting, it can be a written action. It is a non-profit corporation and not really a governmental body but it needs to have a meeting. There are some minor requirements associated with this particular financing that the board would be watching. For example, do we need to activate the special assessment in that year and if so, it should be noted in the minutes of the corporation and confirmation that the city did its part. If there are more projects that come along, sometimes the ESID becomes a program in and of itself and at that point you may have requirements such as a marketing program, fee income, etc. Some ESID use fee income that they get from projects to pay for energy audits in their community so people can figure out whether it is a valuable tool.

COUNCILMEMBER THORNSBERRY: Do other states have PACE programs similar to ours in Ohio?

ATTORNEY BELL: Yes, I believe 32 states have authorized PACE financing.

COUNCILMEMBER THORNSBERRY: What is the Department of Energy's role in this?

ATTORNEY BELL: Originally the Department of Energy was during the Obama Administration was a huge proponent of PACE financing and encouraged states and localities to adopt the law. In 2009, the General Assembly in Ohio adopted a PACE law and similar things happened to Illinois last year. The Dept. of Energy acts as a federal watch guard over the state legislators to see that they are putting this type of program into place. They do make certain loans; there are certain monies that can come from fed's to a project and other policy items they do to carry out market.

COUNCILMEMBER SPRINGOWSKI: We have known for a long time that if we wanted to go and start the economic development on Broadway that we were going to have to get very creative with financing. I think this leads the way. It is interesting that places like Cleveland and the surrounding suburbs have already led the charge on this and are doing quite well. We are a little bit late to the game; I think it is imperative that we move forward on this. This will open the door for us to get ore of this financing and I love the creativity in financing and would love to see more things that are energy efficient. We have a very old Downtown so anything that we can do to help energy efficiency down there. This may spur people to look at rehabbing these buildings much more quickly than just sitting on them.

There being no further comments, President Arredondo adjourned the Committee-of-the-Whole at approximately 7:40 p.m.

President Arredondo reconvened the regular meeting at 7:40 p.m. All eleven members were present.

CLERK GREER REREAD THE CAPTION AS FOLLOWS:

Resolution No. 33-18 i.) Introduced by Mr. Koziura, a resolution approving a petition for the creation of Energy Special Improvement District Special Assessments for special energy improvement projects and a plan for public improvements and declaring an emergency.
Moved by Mr. Koziura, supported by Mrs. Springowksi, to suspend the statutory three reading rule.

AYES – 10 Messrs. Koziura, Springowksi, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 1 Mr. Fallis. The rules were suspended.

REMARKS: COUNCILMAN FALLIS: I am all for this project. I see that \$1.6M is needed to move this forward. I have been presented a plethora of information and I have not had the ample time to read through this from the due diligence standpoint. I will not support this vote tonight and will make a recommendation to send this to a Second Reading a week from now. We will have more time to digest this information.

Moved by Mr. Fallis, to refer the matter to a second reading.

REMARKS: COUNCILMAN KOZIURA: I understand his concern and we spoke earlier and he is absolutely right. These things ought to get before Council at an earlier time; no question. I think tonight, given the gravity of the moment and the project we are all for, I also wanted it to be a second reading on Monday next week but due to the fact that we went to Committee-of-the-Whole... I still have reservations and I am not totally comfortable that this thing is so cut and dry but I still think it is important to get this moving and I would not support going to a Second Reading.

COUNCILMEMBER SPRINGOWKSI: Given the fact that the law department and administration have looked at this very carefully, I am confident that they have reviewed anything that would be a liability to the city. I propose we move full steam ahead on this. There is an old saying about he who hesitates is lost. We hesitated for a very long time in the city of Lorain. We always wait and err on the side of caution too many times. There is no liability to the city on this. I say we move forward.

COUNCILMAN ARROYO: Would holding off two more weeks hinder the project in any way?

LAW DIRECTOR RILEY: I will defer to the attorney for the project. I understand this is a critical piece of the financing package and if not adopted, the other pieces are dependent upon it. I would ask council and the developer to address the question on what the timing is for all this.

ATTORNEY BELL: The unfortunate part is the state takes a while to get its term sheets and documentation available. The compressed time in which you were all able to review is really a result of us not having 100% clarity from the State on the special assessment schedule. When we received that, we implemented it as quickly as we could. There was some back and forth this past week with the state financing that we wanted to get perfect before it came before you. Accept my apologies on behalf of the project. In terms of closing, unfortunately the property owner is in a situation where they need to start on the improvements before winter hits; they need to winterize the building. If we delay two weeks, they are starting to get to a closing a few weeks after that, we are getting into the November time frame and then they will need to get the money to put into the project. The property owner has frankly asked for as quick as they can get this done several times over again and I would agree with her request. She does need to get the project started before the winter hits.

COUNCILMAN ARROYO: So will two weeks hinder it?

ATTORNEY BELL: Yes it would.

COUNCILMAN ARROYO: Sorry I could not hear you, I was distracted by someone behind you jibbering.

ATTORNEY BELL: Yes the delay of two weeks would have a material impact on the project. The property owner has requested that it be approved this evening if possible.

AUDITOR SHAWVER: Can you just verify, I don't have the specific section of 1710 ORC, but I want to be sure that it doesn't state somewhere that you cannot pass these by emergency measure?

ATTORNEY BELL: No, for council legislation on an initial plan request for 1702 ORC, you may approve the project in any fashion that the municipality determines to approve the project in consultation with the Law Director approval by ordinance has been identified as the process.

MAYOR RITENAUER: This has been discussed as it has been indicated for weeks and that is why we felt it important to send out as much as we could on the regular council information schedule, which occurred on Friday. This led to again, a number of discussions internally, led to Law Director Riley and I talking well into the brink of the weekend to try to figure out how we were going to get this done. I would just say, and I think Mr. Bell explained it well, but we are often told that you have to move with the pace of business, why doesn't city government move faster? If things are happening you have to move quicker and you've got to respond. We tried our best to get down as much as we could to set the path forward knowing that there were going to be alterations and adjustments. I think you explained it well. Certainly not my intent, I don't like brining things down and asking you to waive rules and add it but I said to myself "well, if we are going to ask you for consideration we should give you some days to review as much as we can." And a lot of times this is sort of like a cake, when it's done it's done. I could ask the Law Director to come to a conclusion on this now. Well, a lot of times these things that need vetting, phone calls, working through issues, I am happy that we got it to a point today where we could have consideration of this. To Mr. Arroyo's point, no one is a meteorologist. I am looking forward to the nice weather, I hope it is nice into October, November and December so that Ms. Reddy can get as much work done on that building as possible so that we can start to see the turn around that we all desire.

COUNCILMAN FALLIS: A question was asked if two weeks would jeopardize the project. My question would be would one week jeopardize the project, Mr. Bell?

ATTORNEY BELL: The property owners requested approval this evening because any delay at this point would start to push our closing schedule back and with uncertainty of the weather we do want to get this going as soon as possible. There is still a process that has to complete following council's action to not only close the state loan but also close all of the other additional financings in order for us to have 100% of the bucket. It is imperative that we get this done as soon as possible in order to cause those actions to occur.

COUNCILWOMAN SPRINGOWSKI: Once again, we are behaving in traditional Lorain fashion. We are splitting hairs and looking for reasons not do something. Bravo! We are going to screw up another project and things are not going to get done in a timely manner and we are shooting ourselves in the foot again and that is something we do very, very well.

COUNCILMAN ARGENTI: Agreeing with Mrs. Springowski to back this project to the hilt and now is the time to do that, so let's vote.

COUNCILMAN FAGA: Ditto on Mr. Argenti's comment. I support this 100%.

COUNCILMAN KOZIURA: There is no reason though that you cannot have a good discussion and I think we did that today. That is a good thing because it is important to have everything out in the open so that we are comfortable that we know what is going on and our vote means something.

Moved by Mr. Koziura, supported by Mrs. Springowski, to pass the resolution.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The resolution passed.

Resolution No. 34-18 j.) Introduced by Mr. Koziura, a resolution approving the necessity of acquiring, constructing and improving certain public improvements in the City of Lorain, Ohio in cooperation with the Lorain Energy Special Improvement District and declaring an emergency.

AYES – 11 Moved by Mr. Koziura, supported by Mr. Faga, to suspend the statutory three reading rule. Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The rule was suspended. Moved by Mr. Koziura, supported by Mr. Faga, to pass the resolution.

REGULAR MEETING*LORAIN CITY COUNCIL*COUNCIL CHAMBER*LORAIN, OH * OCTOBER 1, 2018

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The resolution passed.

Ordinance No. 131-18 k.) Introduced by Mr. Koziura, an ordinance determining to proceed with the acquisition, construction and improvement of certain public improvements in the City of Lorain, Ohio in cooperation with the Lorain Energy Special Improvement District and declaring an emergency.

Moved by Mr. Koziura, supported by Mrs. Springowski, to suspend the statutory three reading rule.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The rule was suspended.

Moved by Mr. Koziura, supported by Mrs. Springowski, to pass the ordinance.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The ordinance passed.

Ordinance No. 132-18 1.) Introduced by Mr. Koziura, an ordinance levying special assessments for the purpose of acquiring, constructing, equipping and improving certain public improvements in the City of Lorain, Ohio in cooperation with the Lorain Energy Special Improvement District and declaring an emergency.

Moved by Mr. Koziura, supported by Mr. Faga, to suspend the statutory three reading rule.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The rule was suspended.

Moved by Mr. Koziura, supported by Mr. Faga, to pass the ordinance.

AYES – 11 Messrs. Fallis, Koziura, Springowski, Henley, Flores, Carter, Argenti, Moon, Arroyo, Faga, Thornsberry.

NAYS - 0 None. The ordinance passed.

LEGISLATION – SECOND READING:

Proposed Ordinance a.) Introduced by Mr. Faga, an ordinance authorizing the Safety/Service Director to enter into a contract with the lowest and best bidder for the hauling and disposal of liquid sludge and/or filter cake from two (2) Lorain Water Pollution Control Plants for a two-year period, with two optional one (1) year extensions.

Moved by Mr. Faga, supported by Mr. Thornsberry, to move the matter to a Third Reading. The motion carried unanimously.

Proposed Ordinance b.) Introduced by Mr. Faga, an ordinance authorizing the Safety/Service Director to enter into a contract for the purchase of water meters and meter equipment for use by the Utilities Department for the City of Lorain, State of Ohio for a one-year period with one optional one-year extension and declaring an emergency.

Moved by Mr. Faga, supported by Mr. Thornsberry, to move the matter to a Third Reading. The motion carried unanimously.

Proposed Ordinance c.) Introduced by Mr. Faga, an ordinance authorizing the Safety/Service Director to enter into contract for purchase of supplies for use by the Lorain Utilities Department Division of the City of Lorain, State of Ohio.

Moved by Mr. Faga, supported by Mr. Thornsberry, to move the matter to a Third Reading. The motion carried unanimously.

LEGISLATION – THIRD READING: (None)

COMMITTEE CALLS: CLERK GREER the Parks & Recreation & All Council meeting to Monday, October 22 @ 6:00 p.m. to discuss potential legislation to ban smoking in public places in Lorain.

CLERK GREER announced the public hearing will be held on Monday, October 15 @ 5:30 p.m. to discuss the application to rezone 3 parcels located on Arizona Avenue from R-PUD to I-1 Light Industrial Special Land Use w/conditions to allow for storage units.

PRESIDENT ARREDONDO reminded members of an email regarding the upcoming Planning & Zoning Commission meeting on Wednesday, October 3rd @ 9 a.m.

REMARKS: MAYOR RITENAUER: The Planning Commission meets this Wednesday to discuss rezone parcels on Elyria Avenue for the use of junk yards. Ms. Moon has voiced her concerns to me and I know where she stands on the issue. That obviously weighs heavily on my decision making is all I will say. I will go in with an open mind but I know Ms. Moon's position and I take those very seriously. Anyone who can make it to that meeting, it will start at 9 a.m.

MISCELLANEOUS CONCERNS FROM COUNCIL:

PRESIDENT ARREDONDO: Before we go into this, I was approached by a few council members and also received emails regarding our comments from Council. In committee rules, which we adopt beginning of the year, this is part of it. The point is to be positive, if we have complaints, comments, there are emails set up and you can also call the administration. The last meeting, a letter was read that was not necessary and that was what other members of council conveyed to me. Secondly, everyone received that letter and to basically take up time to recant something that was not even in the council person's ward was somewhat of an affront to the council person who did address it. In the future, please keep your comments relevant. We don't need to have specific addresses; you can send emails or call, etc. We are trying to move forward. As a few members stated, we don't want to end our meetings on a down side.

COUNCILMEMBER FAGA: Thank you for your comments.

COUNCILMEMBER SPRINGOWSKI: Some people are having difficulty with regards to their water bills. Is it possible with the new website that we can maybe have an "explanatory video" showing people how to actually read their water meters and correlate them to the bills? Is it just a single point lesson and it might help some people out.

REMARKS: TOM BROWN, PORT DIRECTOR: It was stated earlier about how council behaves. I just wanted to rise today in our appreciation. I just texted our development team and they are so appreciative of the fact that you took on this evening. In fact, every step of the way you have all be super supportive. She hosts many meetings and many conferences many seminars in Cleveland and everyone in Cuyahoga County knows about Lorain. Raddika is our greatest champion; she states that council and the administration and Law Director have been A+ during every step and I wanted to address that and thank you. We have actually been working on this since about August, so it took a lot of work and conference calls with the expert attorneys. Again, thank you all very much and our development team absolutely appreciates your efforts this evening and your leadership.

PRESIDENT ARREDONDO: Thank you Mr. Brown, for your leadership at the Port.

ADJOURNMENT: Moved by Mr. Koziura, supported by Mrs. Springowski, to adjourn. The motion carried and the meeting adjourned at 8:05 p.m.


Clerk of Council

President of Council

Approved On: _____