



CLEVELAND HEIGHTS

Tuesday, February 18, 2020 Minutes

COMMITTEE OF THE WHOLE

7:00 – 7:30 p.m.

Mayor Stein presiding

Roll Call: Present: Dunbar, Hart, Russell, Seren, Stein, Ungar, Yasinow
Excused: None

Staff present: Boland, Briley, Butler, Clinkscale, Freeman, Hanna, Howard, Lambdin, Mecklenburg, Niermann O'Neil, Trupo, Wong

Topics discussed: Legislation, Report of the City Manager

CITY COUNCIL

7:40 – 10:00 p.m.

Mayor Stein presiding

Roll Call: Present: Dunbar, Hart, Russell, Seren, Stein, Ungar, Yasinow
Excused: None

Staff present: Boland, Briley, Butler, Clinkscale, Freeman, Hanna, Howard, Lambdin, Mecklenburg, Niermann O'Neil, Trupo, Wong

The minutes from the City Council meeting held on February 3, 2020, were approved with submitted corrections.

Personal communications from citizens

Paul Volpe asked Council to pass financing for Top of the Hill. He made a statement regarding the public process and the architecture.

Anne Yenurelli read a letter on behalf of Betty Shaw asking not to pass Top of the Hill, especially the tower at the corner.

A resident made a statement asking people to contact legislators about vouchers for education.

Dennis Ferry asked Council to pass the legislation for tax increment funding.

Joan Mallick made a statement against the Top of the Hill development and funding process.

Carol Leslie stated the building had doubled in size since first introduced. It will greatly impact residents in the Buckingham. The first floor will see a dog park out one side and a dumpster out the other.

Joanne Pedaris, a resident of the Buckingham, read a letter from Barbara and Kurt Zoss. The letter stated that originally the City had proposed an apartment building that would be the same height as the Buckingham, a small townhome and lots of greenspace.

Lynn made a statement about changing the beauty of the buildings at Cedar Fairmount and the need for a market study, especially in the rise of new developments in the area.

Betty Toguchi stated there should be a better design for the gateway to Cleveland Heights.

Jason Knight stated there are projects that need more attention like Severance.

Mike Knaublach stated it is important to do the right thing and a no vote would be supported by many citizens.

Karen Lash made a statement on behalf of the Buckingham residents; that you can't even see it in the renderings now that it has gone from four stories to ten.

Garry Kanter stated he submitted a green proposal, but the City opted for a five-story building that turned into ten stories.

Brendan Ring stated that the process for the Top of the Hill development should not take four years.

Lee Chilcote made a statement of support for Top of the Hill. He stated the school system will receive \$420,000 per year for 30 years and the City will receive \$325,000 per year for 30 years.

Eric Silverman stated the economic impact report was based on 100% capacity rate. He stated the net revenue is being overstated by \$4,000,000.

A resident stated he's watched Cleveland Heights die over 30 years and we need this development even though he doesn't like the design.

Evie Morris stated that this sloping hill deserved a better design that fits the culture and architecture since it is the gateway to the City.

Linda Butler read a letter from Anya Rudd stating the Top of the Hill design should reflect the historic character of the area.

Jane Critchlow made a statement disapproving of the design and stated this project is not do or die for the City.

Orin Horowitz stated getting this project done now is a once in a lifetime opportunity and that each area permits for different kinds of developments.

Steve Cordoski made a statement about the quality of architecture and stated a model of the development should have been made.

Mike Byer made a statement that this development is needed to attract new residents, strengthen the tax base and remain competitive with surrounding communities.

Deanna Bremer Fisher made a statement on behalf of Bob Brown about the benefits of the Top of the Hill development. She made a statement of support by FutureHeights for the development.

Michael Hollis made a statement that people this kind of development will attract residents in their 20s and 30s.

Richard Bozik read a statement about the project that was proposed in 2017 and compared it to the differing current development plans.

Joyce Rajki made a statement that Council should have David Flaherty's personal guarantee for the Top of the Hill project.

Mika Kermin made a statement of support for the Top of the Hill development in their ability to compete with surrounding neighborhood's economic development.

John Vitalli made a statement he is concerned the City will lose out like we lost out on University Square.

Bruce Hennis made a statement of support for Top of the Hill; for restoring the original vision for the area, providing an anchor for the area, tax implications, and leadership.

Judy Griffin stated she hopes that if they vote for the development, they are stuck in traffic created on Cedar Hill.

Report of the City Manager

Request permission to bid for the Fire Vehicle Source Capture Exhaust Systems project.

Matter of Record

Refer to: Municipal Services Committee

Motion by Council Member Dunbar, Seconded by Council Member Russell

Roll Call: Ayes: Dunbar, Hart, Russel, Seren, Stein, Ungar, Yasinow
Nays: None

Motion Passed

Request permission to issue a Request for Proposals to for owner's representative services for the Top of the Hill project

Matter of Record

Refer to: Planning and Development Committee

Tanisha Briley gave a presentation of the two Top of the Hill items on the agenda. The presentation made be viewed in full at <https://www.youtube.com/watch?v=DoatyclBcA0>.

Report of the Clerk of Council

No report.

FINANCE COMMITTEE

ORDINANCE NO. 5-2020 (F), *Third Reading*. An Ordinance providing for the issuance and sale of economic development tax increment financing revenue bonds, in a principal amount not to exceed \$26,000,000, for the purpose of paying a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of a project, as defined in Section 165.01 of the Revised Code; authorizing execution and delivery of a trust agreement, a loan and service payment agreement, a bond placement agreement and related agreements, instruments and documents to provide for the revenues to pay and secure bond service charges and other required payments, the custody and application of funds and revenues, the permitted uses of bond proceeds in the financing of project costs, other requirements for the issuance, sale and delivery of the bonds and related matters

Introduced by Council Member Hart, Seconded by Council Member Ungar

Council Member Ungar, the Council liaison for the Top of the Hill project, stated his reasons that he is voting in favor of the development and tonight's financing legislation. This is a critically important breakthrough project for our City and we need this project in order to be competitive. We need this \$84,000,000 project to generate some \$410,000 in new annual revenue for our schools and to enhance our struggling tax base and serve as a catalyst for the infusion of new tax revenues that are desperately needed in our City. It will send a positive message to other developers and other development partners that Cleveland Heights is open for business and ready to do business. The aesthetics improved because of residents' input. On the financial side, experts and advisors with impeccable credentials were hired to review the information before Council decided to proceed.

Council Member Hart made a statement about the agreements for the development to date and that she will be voting in favor of the financing terms. She reviewed the Top of the Hill bond financing assumptions including having the bond attorney go over it with her in detail, all the TIF income and the financing work. She has the background of being a treasurer of a corporation and 39 debt deals, structured finance bank deals, so she understands the financial information and has reviewed the development contract. She clarified that what is being voted on today is whether the terms of the financing are sound. Even though the design of the building is not her taste, the design, the developers and the issuance of the conduit bond have already been approved. She made a statement about contract impairment. She's studied the finances, confirmed the guarantees in place

at closing and spoken with counsel. She stated it's not usual that that a personal financial guarantee would be given before a bond was guaranteed. She discussed the occupancy rates of comparable developments in the area. Issues they previously had regarding prevailing wage, local hiring and diversity in the workforce were discussed with the developers and they added those terms.

Council Member Russell stated her reasons that she will be voting in favor of the legislation for Top of the Hill. She has gone over every detail and Council has asked the hard questions thanks to the residents. Her demands for diverse workforce development, for city employment for our community and prevailing wage were granted by the developer. For \$400,000 to go to the schools, she can't say no to the children.

Vice Mayor Seren stated his reasons that he will be voting in favor of the legislation for Top of the Hill financing. He doesn't view it as a perfect project and has been disappointed by the development that this project has gone through over time. He did not vote to the amendment to the development agreement which stripped out the hotel, for-sale properties and office use from the project. Most recently, he protested against the avoidance of going through the Port for bond issuance due to their prevailing wage requirements. Previously, there was a project proposed on the corner of Coventry and Cedar for four townhomes. The project was not passed due to the traffic concerns of surrounding residents, and now it remains a vacant lot. One thing he feels secure about is the financing of this development and the developer is not profiting inordinately. He believes this will benefit this City.

Council Member Yasinow stated she will be voting in favor of the legislation for Top of the Hill financing. This has been four years in the making and she's excited about this. She doesn't think there's any reason for the reservations about the architecture when it's an \$80,000,000+ catalytic project for Cleveland Heights. This is the first major new development that shows our surrounding neighbors that you can do business here. As for the other projects, she agrees; let's do Cedar-Meadowbrook-Lee; let's do Severance! Top of the Hill is property that the City owns. There are a lot of great projects still in the hopper.

Council Member Dunbar stated she will be voting in favor of the legislation for Top of the Hill financing. When she first ran for City Council, she was told there was no way you can keep everybody happy. What it comes down to is – you have to do what you think is best for the greater good. Council has listened to experts, staff, citizens (both happy and unhappy), and at some point, you have to make up your mind. There are projects going on now in addition to this like College Club. Development needs to go north and east also. Residents' input has made it a better project and she thanked residents for that.

Mayor Stein stated his reasons that he will be voting in favor of the legislation for Top of the Hill financing. There are legitimate concerns on the aesthetics and the impact on neighbors and we will work with Buckingham neighbors to have a good outcome. However, this is an exciting, catalytic project that will attract the development community back to Cleveland Heights. This Council is committed to attracting new

residents, expanding the tax base and making Cleveland Heights the destination. The Top of the Hill project does just that and this is just the beginning. He thanked Flaherty & Collins for being a true partner. He acknowledged Councilman Ungar who, as Planning & Development Chair, has worked very hard to see this development through all its various phases over the years. He thanked Council Members Hart and Russell for hitting the ground running and making the deal even better.

Roll Call: Ayes: Hart, Russell, Seren, Stein, Ungar, Yasinow, Dunbar
Nays: None

Legislation Passed

ORDINANCE NO. 6-2020, Third Reading. An Ordinance providing for the issuance and sale of not to exceed \$1,850,000 of economic development nontax revenue bond anticipation notes, in anticipation of the issuance of bonds, for the purpose of paying a portion of the costs of the acquisition, construction, equipping, installation, furnishing and other improvement of a project, as defined in Section 165.01 of the Revised Code

Introduced by Council Member Hart, Seconded by Council Member Ungar

Roll Call: Ayes: Russell, Seren, Stein, Ungar, Yasinow, Dunbar, Hart
Nays: None

Legislation Passed

RESOLUTION NO. 14-2020 (F). A Resolution urging the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation to protect the Federal Community Reinvestment Act by ensuring that current efforts to modernize regulations do not weaken the requirement of lending institutions to meet the credit needs of low- and moderate-income and marginalized communities across our Nation

Introduced by Council Member Hart, Seconded by Council Member Ungar

Roll Call: Ayes: Seren, Stein, Ungar, Yasinow, Dunbar, Hart, Russell
Nays: None

Legislation Passed

MUNICIPAL SERVICES COMMITTEE

Council Member Dunbar stated there will be a series of talks at Doan Brook Watershed regarding ecological gardening, beginning Saturday, February 29.

PLANNING AND DEVELOPMENT COMMITTEE

Council Member Ungar thanked Council for voting in favor of Top of the Hill.

Council Member Ungar moved to grant permission to issue a Request for Proposals to for owner's representative services for the Top of the Hill project which was seconded by Council Member Dunbar.

Roll Call: Ayes: Seren, Stein, Ungar, Yasinow, Dunbar, Hart, Russell
Nays: None

Motion Passed

ORDINANCE NO. 12-2020 (PD), Second Reading. An Ordinance declaring certain improvements to real property located in the City of Cleveland Heights, Ohio to be a public purpose; declaring such improvements to be exempt from real property taxation; making provision for the collection of service payments in lieu of taxes; establishing an urban redevelopment tax increment equivalent fund for the deposit of such service payments; confirming a compensation agreement with the Cleveland Heights-University Heights City School District; providing related authorizations pursuant to Ohio Revised Code Sections 5709.41, 5709.42 and 5709.43; rescinding Ordinance No. 116-2019 adopted on December 2, 2019; and Ordinance No. 16-2018 adopted on March 19, 2018, each except as stated herein

Introduced by Council Member Ungar, Seconded by Council Member Dunbar

Roll Call: Ayes: Stein, Ungar, Yasinow, Dunbar, Hart, Russell, Seren
Nays: None

Legislation Passed

PUBLIC SAFETY AND HEALTH COMMITTEE

No report.

ADMINISTRATIVE SERVICES COMMITTEE

Vice Mayor Seren stated there will be a Finance Committee meeting on February 24 at 6:30 p.m.

COMMUNITY RELATIONS AND RECREATIONS COMMITTEE

RESOLUTION NO. 15-2020 (CRR). A Resolution opposing the state's unconstitutional school funding system and the current method of funding Educational Choice Scholarship Program vouchers by the Ohio General Assembly.

Introduced Council Member Russell, Seconded by Council Member Dunbar

Roll Call: Ayes: Ungar, Yasinow, Dunbar, Hart, Russell, Seren, Stein
Nays: None

Legislation Passed

Consent Agenda

None.

Mayor's Report

Mayor Stein stated that the Ohio High School Athletic Association disqualified the Cleveland Heights basketball team from the upcoming state tournament due to a technical misunderstanding that has nothing to do with the students. Students' parents have set up a Go Fund Me page to hire an attorney.

NEXT MEETING OF COUNCIL: MONDAY, MARCH 2, 2020

Respectfully submitted,

Jason S. Stein, Mayor

Susanna Niermann O'Neil, Acting Clerk of Council
/jkc