

FINDLAY CITY COUNCIL MINUTES

REGULAR SESSION

February 21, 2017

COUNCIL CHAMBERS

PRESENT: Frische, Harrington, Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser

ABSENT: none

President J. Slough opened the meeting with the Pledge of Allegiance and a moment of silent prayer.

ACCEPTANCE OR CHANGES OF MINUTES AND PUBLIC HEARINGS:

Councilman Harrington moved to accept the February 7, 2017 Regular Session City Council meeting minutes. Councilman Klein seconded the motion. All were in favor. Motion carried. Filed.

ADD-ON/REPLACEMENT/REMOVAL FROM THE AGENDA: - none.

PROCLAMATIONS: - none.

RECOGNITION/RETIREMENT RESOLUTIONS: - none.

PETITIONS: - none.

WRITTEN COMMUNICATIONS: - none.

ORAL COMMUNICATIONS:

Paul Craun – US and State Bicycle Route resolution

Mr. Craun represents the Hancock Handlers Bicycle Club. He is before City Council tonight to support the United States and the State Bicycle Route organization proposed resolution that is to go through the County and through some of the city of Findlay. The US and State Bicycle Route organization reviewed the route about six (6) months ago and have changed some of route of it. It was originally proposed to come up State Route 313 from Bluffton to Findlay, but his group felt it was not the best route to put bicycles on, so they helped change the route to get it on some of the more establish bicycle paths through Findlay that the club uses on their regular rides. His group supports the resolution for the following reasons:

From the perspective of bicycle riders: these routes will provide the assurance that the route is reasonably bike-friendly from any given starting point to the chosen destination along the route.

From the perspective of motor vehicle drivers: these routes will help provide an overall awareness that bicyclist have the right to be on those public roads and should be treated accordingly and respectfully.

From a larger perspective of tourism and marketing: anything that ties this community to the growing involvement in health and wellness activities is good for the public perception of Findlay and Hancock County. While these routes are not intended to be perfect routes for bicycle travel across the state, they are a good start and include the flexibility to be modified as this local community works to develop even better routes for our own use.

Discussion:

Councilman Wobser asked how many members are in the Handle Bar Association. Mr. Craun replied there currently are approximately sixty (60) riders that are club members. Councilman Wobser asked if the Handle Bar Association reviewed the suggested routes map and are in favor of what is proposed. Mr. Craun replied that they basically follow routes that the organization would normally ride. They have routes designated throughout the community. The US and State Bicycle Route has followed those routes and have shared them with the organization. While it is never a perfect route, especially on state routes and community roads, but they did try to get off of the major routes like 313.

Councilman Hellmann is pleased to see that something is finally be done in making bike-friendly routes in the state and locally. He asked if Mr. Craun if there is a need to pass this tonight as an emergency instead of only giving it its second reading. Mr. Craun replied he does not believe there is a need to pass it tonight. The resolution provides a lot of flexibility at no cost to the City or the community and it can be modified as more trails become more desirable. Riding season has just begun, so there is no hurry to pass it now.

Councilman Russel noted that when the State first presented this route and sent it to the Pathways Action Group, in which he is a member of, to get their opinion of. The group replied that was not the route they would ride and suggested some changes, which are what is being proposed tonight. Those changes reflects local input. The State is listening to them and are taking the expertise of local riders into consideration. What they have proposed is a route that he does ride. It enables a way to formally connect with Bluffton. The more publicity of paths like this will bring more riders and increase usage. It is his hopes that Council will support this.

John Nissley – US and State Bicycle Route resolution

Mr. Nissley also supports the resolution. We have a blessing in western Ohio with the flat roads and the square mileage. He is originally from Pennsylvania and as lived in Findlay for the past sixteen (16) years. Last year, he completed one hundred thousand (100,000) miles of lifetime riding most of which was completed in western Ohio. He rides with the Great Ohio Bike Adventure (GOBA) each year. Xenia and Greene County, Ohio are cooperating to do connecting trails. He has rode, walked, and cycled on the established trails. They also use these pathways, which designates a place where cyclists can be that is a lot safer. The more the group can do to advocate trails and safety for our citizens to be out exercising is good for tourism. He is thinking about retiring and would rather retire in western Ohio than in Florida because of cycling. He is in favor of and in support of anything that can be done to connect more with the trail systems in our state.

REPORTS OF MUNICIPAL OFFICERS AND MUNICIPAL DEPARTMENTS:

Findlay Police Department Activities Report – January 2017. Filed.

Treasurer's Reconciliation Report – January 31, 2017. Filed.

N.E.A.T. Departmental Activity Report – January 2017. Filed.

Mayor Lydia Mihalik – Shade Tree Commission appointment

Mayor Mihalik appointed Jerry Williamson to the City of Findlay Shade Tree Commission. His appointment will be effective through December 31, 2019. This appointment does not require Council's confirmation.

Discussion:

Councilman Monday feels this is a great appointment. Mr. Williamson worked for him for many years in the Detective's Department where he was very efficient. Whenever he set out to do a task, he got it done. He has a great deal of respect for him. Filed.

Findlay W.O.R.C. Financial Analysis Report – January 1, 2017 through January 31, 2017. Filed.

Findlay Municipal Court Activities Report – January 2017. Filed.

City Auditor Jim Staschiak – summary financial reports

A set of summary financial reports for the prior month follows including:

- Summary of Year-To-Date Information as of January 31, 2017
- Financial Snapshot for General Fund as of January 31, 2017
- Cash & Investments as of January 31, 2017
- Open Projects Report as of January 31, 2017

Filed.

Findlay Fire Department Activities Report – January 2017. Filed.

City Engineer Brian Thomas – raw waterline (analysis/transfer station), project no. 35754100

By authorization of Ordinance No. 2016-010, letters of interest were received from six (6) potential consulting firms. Based on the firm's experience and qualifications, Arcadis U.S., Inc. was selected as the successful consultant. Over the past few months, we have been negotiating an acceptable proposal and agreement. This project is included in the 2017 Capital Improvement Plan and the appropriation is within the budgeted amount. Legislation to appropriate funds is requested. Ordinance No. 2017-010 was created.

FROM: Water Fund	\$ 160,000.00
TO: Raw Waterline (Analysis/Transfer Station) Project No. 35754100	\$ 160,000.00

Discussion:

Councilman Russel asked the Service-Safety Director to explain what this involves as it is very important and vital to the City. Service-Safety Director Schmelzer replied the cost to analyze the existing line and the cost to get cameras and people into position was looked at in 2016. The cost to analyze the existing infrastructure was so expensive that it was decided to go just right to the design. This appropriation is for construction and bidding documents and not for analysis. If it were to be analyzed and if an issue was found, it would cost more than this appropriation, and then would have to spend the same amount of money again just on design, so it was decided to go right to the design on this project. Once they get into the actual construction after bidding, they will be able to take a look at the condition and will have a line that is in place for seventy-five (75) years with the ability to assess its condition well into the future. Ordinance No. 2016-010 was created. Filed.

City Engineer Brian Thomas – Central Ave/Dayton Ave sewer separation project no. 32556200

By authorization of Ordinance No. 2016-010, a bid opening was held for this project on February 9, 2017. Bids were received from seven (7) potential contractors with bid amounts ranging from \$348,757 to \$459,565. The lowest and best bid was received from JDR Excavating, Inc. of Findlay, Ohio. The project is included in the 2017 Capital Improvements Plan and the total project estimate is within the budgeted amount. Previously, \$20,000 was appropriated to the project for design and startup. At this time, an appropriation for construction, inspection, and contingency is needed to complete the project. Legislation to appropriate funds is requested. Ordinance No. 2017-011 was created.

FROM: OPWC	\$ 175,000.00
Sewer Fund	\$ 115,000.00
Sewer Fund – Stormwater Restricted Account	\$ 115,000.00
TO: Central Ave/Dayton Ave Sewer Separation Project No. 32556200	\$ 405,000.00

Filed.

City Engineering Brian Thomas – 2017 Sewer Lining, project no. 35674400

The Sewer Maintenance Department received a complaint regarding a sinkhole in the Park Street area. During the investigation, a collapsed sanitary sewer was found. Along with the Engineering Department, a plan was developed to line the sewer in order to fix the problem. In the 2017 Capital Improvements Plan, there is \$200,000 budgeted for this sewer lining project. At this time, an appropriation to cover the cost of lining this sewer is being requested. The remaining project construction funds will be requested after bids are received. Legislation to appropriate funds is requested. Ordinance No. 2017-011 was created.

FROM: Sewer Fund	\$ 45,000.00
TO: 2017 Sewer Lining Project No. 35674400	\$ 45,000.00

Filed.

City Engineer Brian Thomas – Rowmark Road Improvements (Ohio 629), Project No. 31955300

The City is eligible for Ohio 629 Roadwork Development grant funds from the Ohio Development Services Agency. In order to move forward with design of the roadway improvements, the grant funds need to be appropriated. Legislation to appropriate funds is requested. Ordinance No. 2017-012 was created.

FROM: Ohio 629 Roadwork Development Grant	\$ 75,000.00
TO: Ohio 629-Rowmark Project #31955300	\$ 75,000.00

In addition, this needs to be referred to the Appropriations Committee for discussion of the City's share in the project, which is estimated to be \$25,000. Referred to the Appropriations Committee.

Discussion:

Councilman Russel asked if the grant funding for this has already been received. Service-Safety Director Schmelzer replied that 629 works on a reimbursement basis. After the project is built, the receipts are submitted to 629 for reimbursement. It cannot be authorized unless the grant is appropriated to the project. A purchase order cannot be issued for the construction. Councilman Russel asked if this needs to go to the Appropriations Committee. Service-Safety Director Schmelzer replied the City's share of \$25,000 needs to go to the Appropriations Committee. Filed.

City Engineer Brian Thomas – ODOT FY17 Resurfacing (PID100181), Project No. 32860600

On February 1, 2017, bids were opened for this project. Bids were received from four (4) potential contractors ranging from \$742,300.25 to \$898,612.00. The lowest and best bid was received from M&B Asphalt, Inc. of Old Fort, Ohio. The project is included in the 2017 Capital Improvements Plan and the total project estimate is within the budgeted amount. Previously, an amount of \$1,000 was appropriated for project startup. At this time, an appropriation for construction, inspection and contingency is needed to complete the project. Legislation to appropriate funds is requested. Ordinance No. 2017-013 was created.

FROM: ODOT	\$ 700,000.00
CIT Fund – Capital Improvements Restricted Account	\$ 150,000.00
TO: ODOT FY17 Resurfacing (PID #100181) Project No. 32860600	\$ 850,000

Discussion:

Mayor Mihalik thanked City Engineer Brian Thomas for his efforts on these projects. The Administration challenged him to get these projects out as quickly as possible. She thanked Council for acknowledging the capital requests. Filed.

Parks and Recreation Board minutes January 23, 2017. Filed.

Director, HRPC Matt Cordonnier – Findlay Revolving Loan Fund – NCC-ET

On January 6, 2017, the Findlay Revolving Loan Fund (RLF) met to consider a request from NCC-ET. The Findlay RLF is a loan program funded by the State of Ohio and administered locally. As of February 1, 2017, NCC-ET has a \$150,000 loan from the Findlay RLF with an outstanding balance of \$98,497.56. Additionally, the City of Findlay has an Economic Development grant for NCC-ET with a balance of \$113,176.19. In 2007, NCC-ET used the money, along with other loans, to purchase the Hughes/RCA building on Fostoria Avenue. The building is used as a business incubator.

NCC-ET board member Bob Beach presented to the RLF board that the facility will be facing financial difficulties when Brown Mackie College leaves. NCC-ET has been trying to work toward the most beneficial outcome for all stakeholders. To this end, NCC-ET has found a buyer for the building, who as part of the purchase offer, agrees to make improvements to the building, however, the sale of the building will not cover all of NCC-ET's debts. In order to lessen the impact on all of the lenders, the State of Ohio, who has first position, has agreed to equally split the proceeds of the sale with all the lenders. Attached to this letter is a breakdown of the payoff amounts that the State of Ohio agreed to on February 9, 2017.

The request made to the Findlay RLF was to forgive a portion of the loans to help facilitate the sale of the building. The Findlay RLF shares a 2nd position on the loans and could risk not receiving any funds if the building goes into foreclosure. The Findlay RLF Fund Committee voted unanimously to approve the following motion:

The Findlay Revolving Loan Fund Board agrees to forgive approximately fifty percent (50%) of the current debt owed by NCC-ET subject to the State of Ohio agreeing to a pro rata repayment of debt, all lenders forgive the same percentage of debt, and the purchaser must complete all the improvements outlined in the purchase agreement. (Final percentage to be calculated at time of closing.)

A request for City Council to consider and provide final approval for the forgiveness of up to \$50,000 of the NCC-ET RLF Loan, and forgive up to \$55,000 of the CDBG Economic Development Grant is requested, as well as passing this Ordinance on an emergency basis by suspending the statutory rules and giving the ordinance all three (3) readings during the February 21, 2017 City Council meeting in order to accommodate the timeline of the sale of the NCC-ET building. Ordinance No. 2017-014 was created.

Discussion:

Councilman Klein requested that this letter be read. The Council Clerk read the letter in its entirety. Filed.

City Planning Commission agenda – March 9, 2017; minutes – February 9, 2017. Filed.

COMMITTEE REPORTS:

The **PLANNING & ZONING COMMITTEE** to whom was referred a request from Hancock Regional Planning Director Matt Cordonnier to continue discussions on the Downtown Design Review Board regulations.

We recommend that we meet again to continue discussions on the Downtown Design Review Board regulations.

Councilman Harrington moved to adopt the committee report. Councilman Klein seconded the motion. All were in favor. Filed.

An **AD HOC COMMITTEE** met on February 14, 2017 to continue discussions on the bed tax distribution.

We recommend to meet again to continue discussions.

Councilman Harrington moved to adopt the committee report. Councilman Russel seconded the motion. All were in favor. Filed.

The **STREETS, SIDEWALKS, & PARKING COMMITTEE** to whom was referred a request from the Service-Safety Director to discuss alleys. *We recommend the Law Director develop language regarding parking and traversing unimproved alleys only right-of-way and the Engineering Department develop standards for parking within the right-of-way. We recommend language be drafted prohibiting the riding of bicycles on sidewalks in the downtown area, to be defined as between Lincoln and Center on Main and extending to the first alley east and west of Main within that area.*

Councilman Harrington moved to adopt the committee report. Councilman Shindledecker seconded the motion.

Discussion:

Councilman Russel asked if there is already legislation on riding of bicycles, skateboards, etc. in the downtown area. Law Director Rasmussen that there is. It allows for bicycles to be ridden on the sidewalk which is the problem we are currently experiencing when the downtown businesses are opening the door right out into the walkway and cyclists are riding their bicycles ten to fifteen miles per hour (10-15mph). Councilman Russel then asked if the thought is to make the downtown area a dismount zone. Law Director Rasmussen replied that cyclists can ride their bicycles in the street.

Councilman Shindledecker noted that this committee met to discuss some items that were falling through the cracks. One is about riding bicycles on the sidewalks, particularly now that there are restaurants and other businesses that are using part of the sidewalk for outdoor services. Another item is driving through unimproved alleys. An unimproved alley does not have tar, stone, or is paved. Sometimes they have nothing by a lot where motorists are driving through and would not affect properties in the middle of the block that might have an alley that has to have access. These alleys have fallen through the cracks. The committee's thought was not necessarily recommending they approve either of these items, but put some legislation together for the entire Council to consider and not just for the three (3) on this committee.

Service-Safety Director Schmelzer asked Law Director Rasmussen if the current legislation requires bicyclists to ride as closely as possible to the face of the building. Law Director Rasmussen replied that it states to the farthest right side, so depending on which direction someone is riding, the cyclist would be riding in tree wells or along the building. The language isn't suited for the area. He has been asked to develop language to change the current legislation and get it to Council to see what they want to do with it. Councilman Russel asked if the Law Director will be potentially changing the language and/or adding to the existing legislation on it. Law Director Rasmussen replied he would not be changing anything that is in the street, and looking at what needs changed in the downtown sidewalk portion of it so that cyclists are not running into any sidewalk cafés, trees, tree wells, benches, etc. Unfortunately, some cyclists ride with caution, but some do not.

Councilman Russel asked how this will be enforced. Law Director Rasmussen replied the same way everything else is enforced. If the Police see it, they will take care of it. Might even get some help from the Downtown District.

Councilwoman Frische noted the traffic flow in the downtown area has changed over the years, so the committee is trying to also consider the pedestrians, and is in the process of putting a bike path reminder on Cory Street. Cyclists will have to walk their bike on Main Street. The goal is to not discriminate against cyclists.

All were in favor. Filed.

LEGISLATION:

RESOLUTIONS

RESOLUTION NO. 007-2017 (bicycle routes)

second reading

A RESOLUTION OF THE COUNCIL OF THE CITY OF FINDLAY, OHIO EXPRESSING ITS APPROVAL AND SUPPORT FOR THE DEVELOPMENT OF STATE AND US BICYCLE ROUTES, AND REQUESTS THAT THE APPROPRIATE OFFICIALS SEE TO IT THAT THE ROUTE IS OFFICIALLY DESIGNATED BY AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS AND THE OHIO DEPARTMENT OF TRANSPORTATION AND DECLARING AN EMERGENCY.

Second reading of the Resolution.

RESOLUTION NO. 008-2017 (no PO)

first reading

adopted

A RESOLUTION APPROVING THE EXPENDITURES MADE BY THE AUDITORS OFFICE ON THE ATTACHED LIST OF VOUCHERS WHICH EITHER EXCEED THE PURCHASE ORDER OR WERE INCURRED WITHOUT A PURCHASE ORDER EXCEEDING THE STATUTORY LIMIT OF THREE THOUSAND DOLLARS (\$3000.00) ALL IN ACCORDANCE WITH OHIO REVISED CODE 5705.41(D).

Councilman Monday moved to adopt the Resolution, seconded by Councilman Russel.

Discussion:

Councilwoman Frische asked the Mayor if the \$3,489 for the 2017 membership is for just one membership, and what does the membership provide. Mayor Mihalik replied it is for the U.S. Conference of Mayors, and since Findlay only has one Mayor, it only covers one membership. The membership entitles her to participate and be a voting member amongst policy shaping committees from across the country. The U.S. Conference of Mayors represents Mayors from cities that have a larger population than 35,000. It is also integrally involved in issues at the Federal level that impact those in our urban centers, with Findlay being one of them, we are obviously interested in what is happening around the new infrastructure bill and whether or not Findlay gets to take advantage of, as well as other policies such as municipal bonds and tax issues implicated around those. There are a couple of other things that they are working on relative to education and workforce training. It is also an opportunity for Mayors to get together and talk about issues that are relevant to everyone, as well as have a voice at the Federal level issues that impact us locally. Councilwoman Frische asked how often they meet. Mayor Mihalik replied there is a winter meeting and also an annual meeting. At those meetings, they are responsible for at least two (2) committee assignments each. They also have task forces that address issues that may be of an urgent nature. The Conference of Mayors will be applying for two (2) grants this year to recognize the workforce development efforts in the Findlay area and will find out about those at the July meeting.

Councilman Wobser asked what the membership fee based on. Mayor Mihalik replied it is based on population.

Ayes: Frische, Harrington, Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser. The Resolution was declared adopted and is recorded in Resolution Volume XXXIV, and is hereby made a part of the record.

ORDINANCES

ORDINANCE NO. 2017-007 (TR94 waterline extension and oversizing)

third reading

adopted

AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

Councilman Klein moved to adopt the Ordinance, seconded by Councilman Monday. Ayes: Harrington, Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser, Frische. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2017-007 and is hereby made a part of the record.

ORDINANCE NO. 2017-010 (raw waterline)

first reading

adopted

AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

Councilman Russel moved to suspend the statutory rules and give the Ordinance its second and third readings, seconded by Councilman Klein. Ayes: Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Wobser, Harrington. Nays: Watson, Frische. The Ordinance received its second and third readings. Councilman Russel moved to adopt the Ordinance, seconded by Councilman Shindledecker.

Discussion:

Councilwoman Frische asked what the rush is with suspending the rules. Councilman Russel replied that he made the motion to suspend the rules because the project is important and he wants to see the project get started. It has been in the capital plan since 2016.

Ayes: Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser, Frische, Harrington, Hellmann. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2017-010 and is hereby made a part of the record.

ORDINANCE NO. 2017-011 (Central Ave/Dayton Ave sewer separation, 2017 sewer lining project)

first reading

adopted

AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

Councilman Russel moved to suspend the statutory rules and give the Ordinance its second and third readings, seconded by Councilman Niemeyer. Ayes: Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser, Harrington, Hellmann, Klein. Nays: Frische. The Ordinance received its second and third readings. Councilman Klein moved to adopt the Ordinance, seconded by Councilman Niemeyer. Ayes: Niemeyer, Russel, Shindledecker, Watson, Wobser, Frische, Harrington, Hellmann, Klein, Monday. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2017-011 and is hereby made a part of the record.

ORDINANCE NO. 2017-012 (Rowmark Rd improvements (Ohio 629))

first reading

AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

First reading of the Ordinance.

Councilman Russel moved to suspend the statutory rules and give the Ordinance its second and third readings, seconded by Councilman Klein. Ayes: Russel, Shindledecker, Watson, Harrington, Hellmann, Klein, Monday, Niemeyer. Nays: Wobser, Frische. The Ordinance received its second and third readings. Councilman Klein moved to adopt the Ordinance, seconded by Councilman Hellmann. Ayes: Shindledecker, Watson, Wobser, Frische, Harrington, Hellmann, Klein, Monday, Niemeyer, Russel. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2017-013 and is hereby made a part of the record.

ORDINANCE NO. 2017-014 (NCC-ET loan forgiveness)
AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF FINDLAY TO FORGIVE A PORTION OF NORTH CENTRAL CAMPUS FOR EMERGING TECHNOLOGIES LOANS IN ORDER TO HELP FACILITATE THE SALE OF THE BUILDING LOCATED AT 1700 FOSTORIA AVENUE, AND DECLARING AN EMERGENCY.

first reading

adopted

Discussion:

Councilman Klein asked some questions to some of the individuals in the audience that represent this project. He asked if there is a purchase agreement. Tim Mayle from the audience replied there currently is not a purchase agreement, only a letter of intent. Councilman Klein asked if Council will see a purchase agreement before any forgiveness of the loans are given. Bob Beach, head of Economic Development and chair of the Port Authority, replied that there is a letter of intent that exists. The reason they did it the way they did it was to make sure that they had the best offer they could and it was in agreement with the State of Ohio. They also employed a relator which is Coldwell Banker to see if anyone wanted to spend a higher amount of money for this property. At the end of that period of time, there will be a purchase agreement done and whomever is the highest bidder. At the moment, they do have someone who is willing to buy it. They also put this in the purchase offer. The individual involved is willing to spend an extra couple million dollars on the property which will make it a nice gateway entry to the City as the years go on.

Councilman Klein asked what the appraised value of the property is. Tim Mayle, Director of Economic Development and President of NCC-ET, replied that the State of Ohio appraised it last year for \$2,900,000 and a liquidation value of \$1,450,000. Councilman Klein asked if this property was advertised. Mr. Beach replied it currently is advertised.

Councilman Klein noted that one of the steps in the guideline process for the Revolving Loan Fund (RLF) is personal signatures by owners. Mr. Beach replied there were never personal signatures on this particular piece of property when it was done to begin with. It was put in place back in 2007 to be an incubator for the City of Findlay. Recession hit shortly thereafter and has never really gotten on the firm ground. The reason they feel it is important at the current time is that Brown Macke College is the largest tenant income at the moment, and that lease expires in the near future. Councilman Klein then asked if there were any personal guarantees. Mr. Bash replied there were never any personal guarantees on this property.

Councilman Klein asked why this is in Council's lap to make a decision tonight. He would think that NCC-ET had to have known they were having some financial problems for awhile. Mr. Beach replied this does not have to be done immediately if Council thinks they need more time. All of the other groups involved are currently onboard and are ready to go. The County Commissioners will be taking care of it Thursday of this week. All of the RLF Boards have heard all of the facts and information and have decided to move forward. The State of Ohio is forgiving the largest piece of this and has already agreed and wants to make sure that everyone is onboard before moving forward on this piece of property. They have already given their tentative approval subject to everyone else being on board. Findlay City Council is the last group that it needs to be discussed with. Councilman Klein replied that he understands, but that this is public monies, so he'd like to give the public some time to comment.

Mr. Mayle added that they have been discussing this with the RLF Board in January. The most important timing component is that a new roof is needed. The sheeting is getting bad. In order to get that done this year, the contract needs to be signed very soon so that he can expedite it so that the contractors can start the work soon or they will not be able to do it this construction season because of other projects they have.

Councilman Wobser asked if he is correct that the goal is to have this and the debt relief approved so that the buyer can purchase the building and make the improvements. Mr. Mayle replied they would be required to within the purchase agreement. Councilman Wobser asked if he is correct that the City is doing a favor by getting rid of the debts so that they have free and clear rights. Mr. Mayle replied their intentions are not to do anyone a favor. They are doing this as a representative of the building. Mr. Beach added that they will find out if anyone else is willing to buy the building at a higher price. Councilman Wobser asked when they will find out. Mr. Mayle replied that it has been listed for ten (10) days and have had no activity on it. Councilman Wobser asked what was meant by the specific timeframe Mr. Beach mentioned. Mr. Beach replied that the State of Ohio requires them to list it for 2 weeks which is currently in process.

Councilman Hellmann asked if he is correct that it is RLF money and not City money since RLF will be taking the haircut on it. He asked where the seed monies initially came from. Matt Cordonnier from the audience replied that there was a \$150,000 loan from the RLF. That money originate at the State. The City cannot use those for any other purpose other than the RLF. Also given to NCC-ET was a \$200,000,00 economic development grant which is a grant given to the City to loan to the NCC-ET and then paid back to the RLF as new money. Councilman Hellmann then asked if the initial grant of \$200,000 was for that specific purpose. Mr. Cordonnier replied that is correct. It all hindered upon job creation. Because of the NCC-ET project, there was \$200,000 in new money that was coming to Findlay of which at the end of the day if this was approved, the City would have \$150,000 in new money within the RLF fund. The \$150,000 of the initial \$150,000 lent out, the City would have received approximately \$107,000. Councilman Hellmann asked if when referring to the City on this, if Mr. Cordonnier is referring to the RLF not the City itself. Mr. Cordonnier replied that is correct. This money is not from the General Fund. It is RLF dollars which cannot be used for any other purpose. The State does illicit come control over it. If the fund was stagnate, they require Findlay to give all the money back.

Councilman Russel asked if situations like this affect the RLF going forward. Mr. Cordonnier replied he does not think so. He has been in constant contact with the State. There are two (2) entities of the State that we are discussing. There is the entity that loaned \$2,000,000 for the project, and the other is the RLF entity. The RLF entity felt this was a great deal. He was expecting a much worse terms. If this was to be approved tonight, he would then send a summary to the State to which they would send a letter back that same day stating this is approved. He does not think this will affect the RLF in the long term. The RLF and the Economic Development Loan grants are designed to take risks and the State understands that. One of the guidelines to receive a RLF is that someone cannot be funded entirely through private lending. If he was to go to a lender and they will only loan him seventy-five percent (75%), the RLF can fill in the other twenty-five percent (25%) on risky projects. This is the first one in the last ten to thirteen (10-13) years that there has been an issue with. City Auditor Staschiak added that from the City's perspective since this is a financial question and he appreciates Mr. Cordonnier's comment that it is risky money in that the lender is the last resort for some of these monies to allow the final transaction to come together to enable them to take the risk to attempt to be

successful of what they are doing through the RLF. He thanked Mr. Cordonnier and Mr. Mayle for reaching out to him initially to make sure that the Auditor's Office had everything they need. He is satisfied at this point that this will not be looked at as a default. The RLF has only had one (1) default which was fifteen to seventeen (15-17) years ago. He does not know any of the details on that, but knows that was the only one that he is aware of. The impact of this on the City's financial statement is that the RLF is listed on it and will have to account for those monies that will no longer be coming in. He has already asked Mr. Mayle to provide a document from the State to him. He was hoping to have it yet today, but was not able to. He anticipates receiving it in due course. Mr. Cordonnier has been diligent in getting him the other documentation he needs so that when the financial statements for 2017 are produced, he has all the paperwork to satisfy the audit team that comes in and looks at where we are at. He is not speaking for or against this proposal. In terms of the financial question, he has no concerns at this point, provided they get the paperwork from the State if Council chooses to move forward with this.

Councilman Russel asked if he is correct that the RLF put in the \$150,000 and that \$100,000 to \$107,000 will come back. Mr. Cordonnier replied that is correct. Councilman Russel then asked if he is correct that the other is CDBG money that came to the City to be used as an RLF type of activity and that the payments from NCC-ET would then go into the RLF to continue to build that up. He asked how much of the \$200,000 will come back. Mr. Cordonnier replied approximately \$151,000.

Councilman Harrington asked if the State appraisal that was initially at \$2,900,000 with a \$1,400,000 liquidation appraisal was an income appraisal. Mr. Mayle replied that the State used both methods. Councilman Harrington then asked what percentage of the facility does Brown Macke currently occupy. Mr. Mayle replied sixty-five percent (65%). Councilman Harrington asked what the chances of finding a new tenant for that amount of space in the near future would be. Mr. Mayle replied that Brown Macke currently still occupies the space right now. Councilman Harrington asked if they were to leave once the lease is up. Mr. Mayle replied it would be very difficult. Councilman Harrington then asked when the lease expires. Mr. Mayle replied in 2019.

Councilman Wobser asked who owns the building. Mr. Mayle replied NCC-ET.

Councilman Klein asked if Brown Macke is leaving in 2019. Mr. Mayle replied that they announced that they will be closing the campus in 2019 and they are required to finish the course work for active students. Councilman Hellmann asked if they will continue to pay their lease on a monthly basis. Mr. Mayle replied that is the term of their lease. Councilman Russel asked if Brown Macke will continue to be there until the current students are finished. Mr. Mayle replied that a lot of the students have already left. If you drive by the building, you will not see many cars there. Their lease is until 2019, but he does not expect to see them there that long. Councilman Russel asked what the need to have this passed tonight is. Mr. Mayle replied that the need to get this done tonight is because of the roof construction is an immediate concern, but also the letter of intent they have from the purchaser expires on April 1, 2017. They are going to the County Commissioners on Thursday. The Alliance does have debt on the building. They have approved sharing the debt haircut. It comes down to the LOI that was signed in December for the timeframe to get this done and be driven by the contracting times to get the roof done. Councilman Russel asked who is doing the roof. Mr. Mayle replied he is unsure who the new purchaser's contractor is. Councilman Russel asked if the potential buyer has already looked at roof replacement. Mr. Mayle replied that is correct. If the potential entity does buy the building, they have things lined up to begin improvements on the building.

Councilwoman Frische asked who the buyer is. Mr. Mayle replied Joe Kirk. He signed the LOI and may not be the ultimate buyer as we're currently working through the process.

Councilman Hellmann asked if there are other tenants besides Brown Macke. Mr. Mayle replied there are. The building is fully leased. Councilman Hellmann asked what the percentage is. Mr. Mayle replied it is tough to calculate because the internal hallways of Brown Macke are considered common space that they do not get lease revenue from it. He would estimate sixty-five percent (65%). The building is in need of many repairs (i.e. paving, roof work, etc.). It is the gateway to our community. It is approximately twenty-five (25) acres sitting in the middle of town. From the Economic Development standpoint, he likes about the potential buyer is what they have done with the former Kodak building on East Main Cross. They have a track record of doing what they say they are going to do and turn it into space that the community can be proud of. He would like to see that written into the purchase agreement and the State of Ohio is in agreement to partner with everyone's lien orders. The State of Ohio is in first position, so they do not have to do any sharing. They are doing so because we have community partners, that will be mindful of the type of honor that is going into reinvesting to make the necessary repairs that NCC-ET cannot afford to do. Mr. Beach added that they went to them on a pro rata basis because normally as first position, they would foreclose, everyone else would lose. They are willing to go pro rata on this case to make sure it works out well for everyone. Mr. Mayle added that in 2021, the RLF notes are due which are a balloon of where they are at which is beyond the 2019 lease for Brown Macke, so they are trying to get this done now ahead of any financial emergencies later on. Councilman Hellmann asked if there are any concerns that the building has only been on the market for ten (10) days. Mr. Mayle replied there are no concerns. There have never been any offers in the six (6) years he has been president of the building. Councilman Hellmann asked if anyone knew the building was on the market. Mr. Beach replied it has been publicly posted for ten (10) days and the State has requested that it be posted publicly for at least fourteen (14) days.

Councilman Wobser asked if the building will be office space. Mr. Mayle replied that Brown Macke currently leases approximately forty thousand square feet (40,000 sq ft). They have a lot of medical and veterinary classes out there that can be transitioned very easily. Councilman Hellmann had asked about other tenants. Shelly Materials has their northwestern Ohio headquarters out there occupying approximately twenty thousand square feet (20,000 sq ft). The just signed a new lease. The rest of it is mainly warehouse space that can be used for manufacturing. When Advanced Cerametrics Inc. was looking at coming here in 2008, there was twenty-four thousand square feet (24,000 sq ft) of space available for them that was climate controlled. That space could be used for a wide variety of uses. There is approximately eighty-eight to ninety thousand square feet (88,000-90,000 sq ft) that would be best suited for light manufacturing.

Councilman Wobser asked what the need to get this passed tonight is. Mr. Mayle replied that the existing LOI that is in place has a timeframe associated with it for them to make their decision whether or not to purchase the building. Most importantly, is to get the roof contract signed. The roof contractor received two (2) bids and the company they would like to go with needs to know if they are getting the work or not to align the rest of the calendar year. Councilman Wobser asked if passing the legislation now versus the next City Council meeting will make the difference. Mr. Mayle replied yes.

Councilman Shindledecker asked if the LOI process began in December, why Council is just now hearing about it. Mr. Mayle replied that they took it to the RLF Board on January 6, 2017 for approval to work through their process. They also went through the State's process which they have a long review committee. They did not want to bring Council the terms of the final deal. The January 6, 2017 motion lists some approximations and they want to get the final purchase price agreement in place before bringing this to City Council. Councilman Shindledecker noted that City Council is kind of between a rock and a hard place in that they will have to approve this, but would have appreciated a heads up sooner. Mr. Beach replied that the State just approved this agreement. They could not bring it before Council until they had an agreement, but it is a process that took much longer than anyone thought. Mr. Mayle added that they received the official approval on February 9, 2017. That same day, he reached out to the Administration and City Auditor Staschak immediately started the process to get this on City Council's agenda as quickly as possible. Mr. Beach added that they thought they would have been able to get this to City Council much sooner.

Councilman Russel asked the City Auditor if he still anticipates receiving more documents for this in order to satisfy his concerns with the State. City Auditor Staschiak replied that his concerns are just for proper documentation that the State requires. He asked Mr. Mayle to inform Council on his conversations with the State. Mr. Mayle replied that the Loan Review Committee had to have several divisions at the State of Ohio sign off on that. They were not able to get the final documentation to him by today and he is trying to obtain a date that he will have it. He has been communicating with the State to make sure they are comfortable because it is Administratively needed that they have passed it through the Loan Review Committee. It has been signed off by the Deputy Director of DSA. The Legal Division has signed off on it. It is now just a matter of them putting all of them together on paper. City Auditor Staschiak added that it is basically a records request of the State, so he is asking for a copy of their records so that they are on file here then Council will have the justification of those parties and the justification for what Council decides.

Councilman Niemeyer asked if this might open the door for others that might want their loan/grants forgiven. He asked how many loans are out there. Mr. Cordonnier replied ten (10). The RLF Committee would first review it and evaluate each request on their own merits. They were impressed with Mr. Beach's presentation on the situation and voted yes to approve it. There is a twenty thousand dollar (\$20,000) loan for an ice cream shop, but he does not foresee it moving forward to City Council. City Auditor Staschiak added that board requires signatures that were asked about earlier tonight. RLF is in the business of making loans that no one else would make based on the opportunities provided for the City. In one incidence, they loaned money for advertising, it was signed, the business is now out, but the RLF is still receiving payments on that loan. With all the steps the board has taken, he does not believe Council is setting a dangerous precept, and ultimately, if they defaulted, the RLF would get nothing.

Councilwoman Frische asked what amount The Alliance is taking for their haircut. How much does The Alliance owe or are they guaranteeing that. Mr. Beach replied that all the entities are taking the same percentage haircut. Councilwoman Frische then asked if that includes The Alliance. Mr. Beach replied that is correct.

Councilman Russel knows that RFL funds are risky and asked that when this process happens, if it is a standard method that the loans go bad. He is looking for some historical perspective of when these situations happen and how they are handled. Mr. Beach replied that there has only been one (1) loan go bad which was roughly seventeen (17) years ago. It was in the industrial park for a crane that was put in out there. At that period of time, normally what happens is liquidation of the collateral, then the legal fillings take place, and ultimately a bankruptcy takes place. In this case, the State was willing to step in before getting to that point and felt it was in the best interest of everyone to resolve it on the front side while continuing to have an operating entity. They worked very well with the City and County. Every year, they present to them what has happened. They like the interaction they have had with the City of Findlay. They feel very confident that the right thing is happened.

Councilman Hellmann moved to suspend the statutory rules and give the Ordinance its second and third readings, seconded by Councilman Russel. Ayes: Watson, Wobser, Harrington, Hellmann, Klein, Monday, Russel, Shindledecker. Nays: Frische, Niemeyer. The Ordinance received its second and third readings. Councilman Russel moved to adopt the Ordinance, seconded by Councilman Hellmann.

Discussion:

Councilman Russel also would have liked to have seen this earlier, but appreciates how Mr. Beach weighed out the timeline of the interaction with the State, and appreciates them getting to City Council as soon as possible. He also appreciates the history of the RLF and the fact that we are in good standing with the State, and the work the Economic Development and RLF does, and the cooperation that makes this type of offer even possible. There is a lot of work that goes on behind the scenes before it even comes to City Council. He liked the discussion that took place on this because he learned a lot about this. Initially, he was not going to vote in favor of suspending the rules and giving the legislation its second and third readings, but the presentation changed his mind because he was able to get information in front of the public and is fine with the process, so he is now in favor of voting to give the ordinance its second and third readings and adopt it.

Ayes: Wobser, Harrington, Hellmann, Klein, Monday, Russel, Shindledecker, Watson. Abstain: Frische. Nays: Niemeyer. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2017-014 and is hereby made a part of the record.

UNFINISHED BUSINESS:

OLD BUSINESS:

City Auditor Staschiak brought to Council's attention that an item was overlooked at the last meeting. The Income Tax Board had its regularly scheduled meeting a few weeks ago and a recommendation was made and voted on by that board to recommend that Council consider strongly drafting a resolution in opposition of the Governor's proposal to collect the business tax receipts of our income tax at the State level. There was an in-depth productive discussion and he would like Council to be aware of the recommendation that was overlooked during the last meeting. Mayor Mihalik noted that this week, or towards the end of last week, she received a sample resolution, but has not had a chance to review to make sure it conforms with what City Auditor Staschiak is referring to. She anticipates it to be before City Council for discussion fairly soon. Law Director Rasmussen added that it was also circulated to him. There was a similar situation back in 2011 that he is comparing it to. It is being refined. Council voted to do so. Council has the actual Income Tax Board minutes that were approved during the last meeting. He anticipates it to be available next meeting.

Councilman Monday moved to have the resolution available for the next City Council meeting, seconded by Councilman Harrington.

NOTE: the petition to rezone 1220 and 1226 West Sandusky Street has been withdrawn.

NEW BUSINESS:

Service-Safety Director Schmelzer, on behalf of City Engineering who could not be here tonight, is representing the Get Fit Journey for 2017. He was going to formally invite City Council to the kick-off event at 5:30pm at the CUBE on March 1, 2017. Hard Copies of the agenda have been placed at each Council seat. He is proud of all the employees that are on the Wellness Committee and the work they have done in order to get people moving. The Get-Fit Summer event will be on June 1, 2017 and the Make The Weight Fall-Off event will be on August 1, 2017. There are also healthy recipes and gym equipment instructions going on throughout the year. He has copies of the schedule if anyone wants one. He wished the committee luck with the events this year.

Councilman Russel noted that the November 2016 Income Tax Board minutes were in the February 7, 2017 City Council packet, but he does not have the January Income Tax Board minutes. City Auditor Staschiak explained that those minutes were originally in the February 7, 2017 packet, but they were not adopted by the Income Tax Board yet, so they should not have been in the packet which is why Councilman Monday made the motion at the beginning of that meeting to remove them and replace them with the November 2016 minutes. They will be approved at the next Income Tax Board meeting which is on May 3, 2017.

President J. Slough adjourned Council at 8:38pm.


CLERK OF COUNCIL


PRESIDENT OF COUNCIL