

Cuyahoga Falls City Council
Minutes of the Finance and Appropriations Committee Meeting

May 18, 2020

Members: Tim Gorbach, Chair
Drew Reilly
Jeff Iula

Mr. Gorbach called the meeting to order at 6:57 p.m. All members were present.

Legislation Discussed

Temp. Ord. A-25

Discussion:

Temp. Ord. A-25

An ordinance authorizing the redemption of a portion of the City's \$11,170,000 Various Purpose Improvement Bonds, Series 2018, authorizing the execution of related documents, and declaring an emergency.

Mr. Bryan Hoffman, Finance Director, presented Temporary Ordinance A-25. Pursuant to Ordinance No. 47-2018 passed June 25, 2018, the City issued its \$11,170,000 Various Purpose Improvement Bonds, Series 2018, dated August 7, 2018, in part, for the purpose of paying the costs of constructing, reconstructing, improving and rehabilitating the City's Green Parking Garage, Blue Parking Garage and Red Parking Garage by the construction, improvement and installation of concrete and masonry, the waterproofing of the existing structures, the construction of drainage upgrades, and the acquisition and installation of new elevators and the modernization of existing elevators, and all related improvements and appurtenances.

The City desires to facilitate a certain economic development project in the City and, in connection with that project, proposes to designate a certain number of spaces in the Red Parking Garage for the project. The City desires to remain in compliance with the provisions of Ohio law and the Internal Revenue Code as it relates to the issuance of tax-exempt general obligation debt of the City. This ordinance will allow the City to redeem a portion of the Outstanding Bonds relating to the Parking Project with funds available to the City in an amount not to exceed \$425,000. JPMorgan Chase Bank, N.A. is the holder of the Outstanding Bonds and has agreed or will agree to the redemption by the City of the Redeemed Bonds.

Mr. Gorbach stated that these parking spaces are needed for a project that will further transform downtown. The City is swapping debt and not increasing overall debt, and may possibly reduce the overall debt service with this up to \$425,000. He asked Mr. Hoffman if the \$11 million note is a certificate that was signed on all downtown debt. Mr. Hoffman stated that it is not anything unusual. It backs the City's full faith and credit and backs tax dollars to be able to pay this debt down. In doing so on this bond issue, it gives the City the best credit; therefore reducing the cost

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to the City by being able to do that. Mr. Gorbach stated that he is glad they are able to do this to keep this project alive at the Town Center.

Mr. Reilly asked if the City was going to receive any reimbursement from the private developer for this reissuance of debt. Mr. Hoffman stated that they are still in negotiation with the developer, and he does not have an answer yet as to how the lease agreement will be structured. Once these parking spaces are offered to the developer, then a lease agreement will be forthcoming. Mr. Gorbach stated that it is important to note that this is not a topic that came up subsequent to Council approving this project to move forward. It had discussed that at the previous meeting about this.

Mr. Iula asked how many parking spaces are in the Red Parking Deck and how many are being given to the developer. Mr. Hoffman stated that the amount of the spaces that this ordinance will allow to be freed up for use in any one of the parking decks is going to be about 60 spaces. The total number that is needed for this development is a little bit less, or in the 50 range. There are somewhere around 150 to 155 spaces in the Red Parking Deck. Mr. Iula asked how many units are going to be in that building. Mr. Hoffman stated it is approximately around the number of parking spaces. Code requires one and a half spaces per unit, but he is not certain of the exact number.

Mr. Balthis stated that it was brought to his attention that the firm that he is employed by may have provided advice to the City on structuring this agreement, so, although he is not involved and has no interest, as an abundance of caution, he plans on abstaining and will not participate. In accordance with Council Rules, he wanted to let Council know that.

Mr. Brillhart asked if the City was obligated to provide parking for the Town Center Building when it was built 20 or 30 years ago. Mr. Gorbach stated that he does not recall. If someone could pull that information for some of these questions and get them to everybody, that may be helpful. This legislation is not asking for anything more than what was initially discussed. Ms. Diana Colavecchio, Community Development Director, stated that she can look deeper into their archives to try to answer that. She asked if Mr. Brillhart had heard that there was litigation at some point surrounding this particular deck. Mr. Brillhart stated that there was. He thought that the City was under some obligation years ago to provide parking. Ms. Colavecchio stated that she does not know of any other history with litigation, but does know that deck was originally built for this building.

Mr. Iula moved to bring out Temp. Ord. A-25 with a favorable recommendation, second by Mr. Reilly. Motion passed (3-0).

The meeting adjourned at 7:11 p.m.