

CUYAHOGA FALLS CITY COUNCIL

Minutes of the Community Development Committee Meeting

October 5, 2015

- Call to Order The meeting was called to order by Mr. Weinhardt, Chair, at 7:07 p.m. A quorum was present.
- Approval of the Minutes Approval of the minutes was deferred.
- Agenda Items
- Temp. Res. B-75 An ordinance approving an amendment to the Community Development Block Grant Annual Action Plan for Fiscal Year 2015, and declaring an emergency.
- The Chair stated that Temp. Ord. B-75 would be held in committee at the request of the administration. Without objection, the ordinance was held.
- Temp. Ord. B-76 An ordinance authorizing the Director of Community Development to enter into a Community Reinvestment Area Tax Exemption Agreement with North Falls Reserve – Buckeye Urban, LLC., and declaring an emergency.
- The Chair stated that Temp. Ord. B-76 would be held in committee at the request of the administration. Without objection, the ordinance was held.
- Temp. Ord. B-85 An ordinance appropriating funds for the repayment of monies to the U.S. Department of Housing and Urban Development for economic development loan activities deemed to be ineligible, and declaring an emergency.
- Proponent testimony was offered by Community Development Director Diane Sheridan. Ms. Sheridan stated that the U.S. Dept. of Housing and Urban Development conducted a site visit of the 2012 and 2103 program years and found two \$80,000 economic development loans where the receiving businesses had failed to provide sufficient documentation that jobs had been created. Without this documentation, the loans were deemed ineligible. The City must use general funds to reimburse CDBG. Both loan recipients continue to make regular payments and the City continues to hold a lien on the subject properties. The administration requests this legislation to be adopted.
- The Chair asked if the City's reimbursement must be paid in a lump sum. Ms. Sheridan stated that it must be paid in a lump sum. The Chair asked if the loans are interest-

bearing. Ms. Sheridan stated that both loans bear interest and both loans are current. The Chair asked the duration of the loans. Ms. Sheridan stated that both loans are ten-year loans.

The Chair recognized Mrs. Pyke, who asked what type of business USO Realty is. Ms. Sheridan stated that she does not know what type of business it is. Mrs. Pyke asked if there is legislation authorizing the loan. Ms. Sheridan stated that Ordinance 45-2012 approved the CDBG annual action plan, which included a line item for economic development activities, but does not mention these loans. Mrs. Pyke asked if making the loan required Council approval. Ms. Sheridan stated that she believes it does, because it is over \$50,000. Mrs. Pyke asked what type of business BEI Industries is. Ms. Sheridan stated that in its application, BEI stated it was going to establish a business to be known as "Pest-X," but she has no knowledge that it ever existed. Mrs. Pyke asked that copies of both loan applications be provided to Council. Ms. Sheridan agreed to provide them. Mrs. Pyke asked if these loans were approved by the Board of Control. Ms. Sheridan stated that they were. Mrs. Pyke asked for the legislation to be held in committee so that the Council can review the documentation before voting on it. Mrs. Pyke asked if these companies operated under any other names. Ms. Sheridan stated that USO Realty was also known as USO Realty/ARLO Inc. Mrs. Pyke asked if there is a loan application on file for this company. Ms. Sheridan stated that there is and she will provide it.

There was no opponent testimony. There was no public comment.

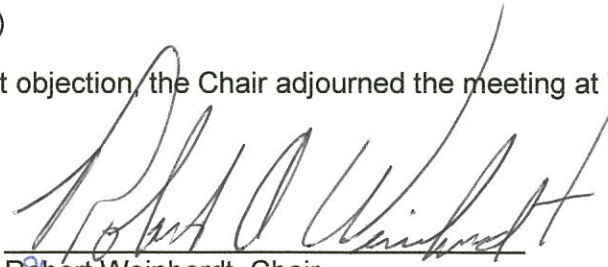
Motion by Mr. Pallotta to hold Temp. Ord. B-85 in committee. Seconded by Mr. Colavecchio. Motion adopted by acclamation.

Non-Agenda Items

(None.)

Adjournment

Without objection, the Chair adjourned the meeting at 7:19 p.m.



Robert Weinhardt, Chair



Paul A. Janis, Clerk of Council