

**Cuyahoga Falls City Council**  
**Minutes of the Finance Committee Meeting**  
**April 21, 2008**

**Members:** Don Walters, Chair  
Debbie Ritzinger  
Carol Klinger

Mr. Walters called the meeting to order at 7:15 p.m. All members were present.

The minutes from the March 17, 2008 committee meetings were approved as submitted.

**Legislation Considered**

Temp. Ord. A-15  
Temp. Ord. A-39  
Temp. Ord. A-46  
Temp. Ord. A-47

**Discussion:**

Mr. Walters stated that Council has received Sub. Temp. Ord. A-15 dated 04-14-08, regarding the settlement of the State Road shopping center, and Temp. Ord. A-39, regarding the money to purchase the property. He indicated that both pieces will continue to be held in committee and will be discussed again the following week.

**Sub. Temp. Ord. A-15** (dated 4-18-08)

An ordinance authorizing a settlement in the cases of *City of Cuyahoga Falls v. State Road Associates, et al.*, and *State Road Associates v. City of Cuyahoga Falls*, and declaring an emergency.

Mr. Arrington indicated the reason for the substitute was because line 9 of the original ordinance indicated State Road "Associations" instead of "Associates" so he corrected that. He stated that resolution of the matter involves the tenants and ownership. They need settlements with all parties and they have been working on those for the past several months. The main issue right now is how big should the out-lots of the shopping center be. The City will be purchasing State Road Shopping Center from the owners for \$10.2 million and they will carve out the out-lots, which include Arby's, Burger King, Ameritrust, Pizza Hut, Blockbuster and Goodyear, to allow the owners to keep ownership of them. Temp. Ord. A-39 is to give authority to issue debt not to exceed \$11 million. The reason for the increase over \$10.2 is because there are other claims and costs involved in the settlement. It is not going to be \$11 million but they need to have a cushion to allow the City to take care of issues. They are shooting for a July 1 closing date. They need time to get the notes approved and put into play. They are hoping Council can vote next Monday to get the notes finalized and the title work done. He pointed out there are some questions he may not be able to answer since this is on-going litigation.

Mr. Walters asked if the July 1 deadline was requested by the owner. Mr. Arrington stated both parties want to do it as quickly as possible. The owners are concerned that they are missing opportunity to get more tenants right now. Mr. Walters asked what portions can change by next week. Mr. Arrington answered that the purchase price could change because of other claims and costs. There is also detailed language in the settlement agreement waiver and release language. The liquid damages language could

also change. Mr. Walters asked if that could all be discussed publicly or considered off the record next week. Mr. Arrington stated until everything is final, it is not a public document. His concern about public discussion is because there are still tenants the City needs to negotiate with individually. He does not want the public discussions to be used against the City. The main settlement with the owners would be o.k. to discuss.

Mrs. Truby stated when they are ready to search for a developer, they will put out requests for proposals, which would have a lot of information such as site definition, easements, improvements already made to State Road, and demographics of the area including incentives. They need to be very specific on what the City is selling and what it would like to see developed. She indicated it would take approximately two to four weeks to put together a complete document and mail it to developers. They would then give a deadline for a response which would be a minimum of 30 to 60 days. It could be late summer when they receive proposals to evaluate.

Bill Rhines, 1868 Windsor Street, stated if there were tenants wanting to be in the plaza, they would have been in there. He did not believe the owners really had any tenants to turn away. Mr. Walters stated that one of the owners claims he turned people down because he had already started this process. Mr. Arrington added that the owner doesn't have a line of people but claims he turned way one national offer for a rental. Mr. Rhines stated he would wait until the following week to voice more comments.

*Committee recommended holding Sub. Temp. Ord. No. A-15.*

**Temp. Ord. A-39**

An ordinance providing for the issuance and sale of not to exceed \$11,000,000 principal amount of notes, in anticipation of the issuance of bonds, for the purpose of revitalizing the State Road Redevelopment Area by acquiring, clearing and improving certain properties in that area, and declaring an emergency.

Mr. Brodzinski stated with the passage of A-15, this legislation gives the City the authority to issue notes. If this legislation passes, he will work on an ordinance for an increase in appropriations and will show in the five-year plan the pay-out out of capital projects fund. Mr. Arrington indicated those should be the only three pieces of legislation in this matter and that the plat can be handled administratively as a minor subdivision.

Mr. Walters asked if the \$11 million would cover the demolition, purchase and other increases, and asked if the City still planned to do the demolition in-house. Mr. Brodzinski stated the City has a grant for the demolition. This legislation was just for the purchase. Mr. Walters asked if the note counsel fee of \$10,000 was based on the amount of notes being issued. Mr. Brodzinski stated it was based on the amount borrowed and the amount of work needing to be done.

Mr. Walters indicated that the committee would hold this legislation so that all of the related pieces could be kept as a package.

Tom Sullivan, Tallmadge Road, stated this property would be just like the Ascot property in that it will become worth more once the buildings are gone.

*Committee recommended holding Temp. Ord. A-39.*

**Temp. Ord. A-46**

An ordinance authorizing the Director of Public Service to Enter into a contract or contracts, according to law, for the sale of used equipment no longer used by the City, and declaring an emergency.

Chief Conley indicated he would like to get rid of old components which were numbered 13 through 19 on the list. The City is also using this process to get rid of other stuff that departments no longer need. Mr. Walters stated normally these things are put on ebay and wondered if this was a different situation due to the large quantity. If this is advertised locally, it would be limited to local interest whereas ebay can find sellers anywhere. Mr. Arrington stated this ordinance was designed to get rid of dispatch equipment. When the request came in, a memo was sent to all departments to see if there were other items. Information Systems has a lot of obsolete computer equipment. No one wanted it on ebay so this is the last resort. This does not preclude using ebay. This just opens the opportunity to use other methods to get a return where ebay could not.

***Committee recommended bringing out Temp. Ord. No. A-46.***

**Temp. Ord. A-47**

An ordinance authorizing the Mayor to enter into an amended contract with the Village of Silver Lake, Ohio extending the existing agreement for water services to Silver Lake, and declaring an emergency.

Mrs. Carr stated there have been many contracts since the City began serving Silver Lake in 1928. They have been charged the City's rate plus 20 percent. In 2000, the City renewed the contract with Munroe Falls. The language in the Silver Lake contract was based on that contract with Munroe Falls. The only change they made was that Silver Lake City Council wanted a different timeframe in which to review it. She feels the 20 percent is a fair surcharge. Silver Lake buys as a commodity and the City delivers it to one point, and there are no maintenance issues. Silver Lake is an important customer. They are the second largest and they pay on time. She estimates revenue at \$150,000 per year.

Mr. Walters asked if there was any other source Silver Lake could tap into if Cuyahoga Falls didn't provide the service. Mrs. Carr stated they have an emergency connection to Stow. However, Silver Lake is happy with us providing service. They are considered a commercial customer and are charged \$21.54 for the first 20,000 c.f. and then \$14.98 for anything over 20,000. They started with the new rate on April 1. Mr. Walters felt the 20 percent was fair.

***Committee recommended bringing out Temp. Ord. No. A-47.***

The meeting adjourned at 7:40 p.m.