

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

September 7, 2021

Members: Tim Gorbach, Chair
Mary Nichols-Rhodes
Jeff Iula

Mr. Gorbach called the meeting to order at 6:30 p.m. All members were present.

Legislation Discussed

Temp. Ord. B-62

Temp. Ord. B-63

Discussion:

Temp. Ord. B-62

An ordinance providing for the issuance and sale of Notes in the maximum principal amount of \$2,255,000, in anticipation of the issuance of Bonds, for the purpose of paying the costs of various road improvements including the construction, reconstruction, widening and improving of Sourek Trail from Sand Run Road to the intersection west of Sand Hill Drive, including improvements to the vertical profile, ditches, storm sewer and reconfiguration of the three-leg intersection at Sourek Trail, the acquisition and construction of waterlines on Sourek Trail, Sand Hill Drive and Kubic Drive, and the acquisition of real estate or interests therein, and all related improvements and appurtenances, and declaring an emergency.

Mr. Bryan Hoffman, Finance Director, presented Temporary Ordinance B-62 to Council. It is necessary to issue bonds of this City in the maximum principal amount of \$2,255,000 (the "Bonds") for the purpose of paying the costs of various road improvements including the construction, reconstruction, widening and improving of Sourek Trail from Sand Run Road to the intersection west of Sand Hill Drive, including improvements to the vertical profile, ditches, storm sewer and reconfiguration of the three-leg intersection at Sourek Trail, the acquisition and construction of waterlines on Sourek Trail, Sand Hill Drive and Kubic Drive, and the acquisition of real estate or interests therein, and all related improvements and appurtenances (the "Improvement").

The Bonds shall be dated approximately November 1, 2022, shall bear interest at the now estimated rate of 5.50% per year, payable on June 1 and December 1 of each year, commencing June 1, 2023, until the principal amount is paid, and are estimated to mature in twenty (20) annual principal installments that are in such amounts that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable are not more than three times the amount of those payments in any other fiscal year. The first principal installment is estimated to be December 1, 2023.

Mr. Hoffman stated that both of these ordinances are regarding public infrastructure and road improvements around Sourek Trail. They're both being paid by TIF funds that are a revenue

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source due to the increased valuation of private property in and around the Sourek Trail development. There are two ordinances because there are two steps to this project. Temporary Ordinance B-62 are notes that are anticipated for the payment of the Sourek Trail road improvements that were done very recently and are just now being finished with some street tree plantings and some other things. Temporary Ordinance B-63 is rollover notes that were taken out previously for public improvements done in and around those homes. His anticipation on both of these notes is to keep them into notes and roll those over when they get a better interest rate in short-term financing. Once they start to receive some of the pilot payments from the County Fiscal Office and they get an exact number of how much is going to be realized, they may pay these off a little quicker, or they may have to roll them over a little longer than the initially thought.

Mr. Gorbach stated it was discussed earlier that the City was in the position to fund portions of this project in advance and then be paid back when the property taxes start to be received and other monies to pay back the City. He stated that he was glad that the City was able to kick start the project and for all the additional enhancements that the current residents received as part of these projects. The infrastructure there is going to be an improvement.

Ms. Nichols-Rhodes moved to bring out Temp. Ord. B-62 with a favorable recommendation, second by Mr. Iula. Motion passed (3-0).

Temp. Ord. B-63

Mr. Bryan Hoffman, Finance Director, presented Temporary Ordinance B-63 to Council. An ordinance providing for the issuance and sale of Notes in the maximum principal amount of \$1,245,000, in anticipation of the issuance of Bonds, for the purpose of paying the costs of improving municipal public infrastructure including Sourek Trail, Sand Hill Drive, Kubic Drive, West Woodland Drive, East Woodland Drive and South Woodland Drive between certain termini, including but not limited to the construction, reconstruction, installation or improving of public utility improvements, communication service facilities, stormwater and flood remediation improvements and facilities, bridges, streets and roadways, sidewalks, lighting systems, signalization and traffic controls, storm and sanitary sewers, and water lines, streetscape and landscape improvements, and acquisition of real estate or interests therein, and all related improvements and appurtenances, and declaring an emergency.

It is necessary to issue bonds of this City in the maximum principal amount of \$1,245,000 (the “Bonds”) for the purpose of paying the costs of improving municipal public infrastructure including Sourek Trail, Sand Hill Drive, Kubic Drive, West Woodland Drive, East Woodland Drive and South Woodland Drive between certain termini, including but not limited to the construction, reconstruction, installation or improving of public utility improvements, communication service facilities, stormwater and flood remediation improvements and facilities, bridges, streets and roadways, sidewalks, lighting systems, signalization and traffic controls, storm and sanitary sewers, and water lines, streetscape and landscape improvements, and acquisition of real estate or interests therein, and all related improvements and appurtenances (the “Improvement”).

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The Bonds shall be dated approximately November 1, 2022, shall bear interest at the now estimated rate of 5.50% per year, payable on June 1 and December 1 of each year, commencing June 1, 2023, until the principal amount is paid, and are estimated to mature in twenty (20) annual principal installments that are in such amounts that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable are not more than three times the amount of those payments in any other fiscal year. The first principal installment is estimated to be December 1, 2023.

Ms. Nichols-Rhodes moved to bring out Temp. Ord. B-63 with a favorable recommendation, second by Mr. Gorbach. Motion passed (3-0).

Mr. Mark Ludwig, 2558 Grant Avenue, Cuyahoga Falls, addressed Council and cited his concern with the number of vacant buildings in the area of State Road south of Broad Blvd. He stated that an online petition has been circulated and received over 500 signatures. Mr. Ludwig stated that one solution would be for Council to pass a Vacant Property Registration Ordinance as a resolution to the vacant building problem. This type of ordinance penalizes property owners for vacancies.

Mr. Gorbach read an email from Mr. Roger Lol, owner of the Ponderosa Restaurant, which is attached to these minutes.

Ms. Janet Ciotola, Law Director, stated that private property is protected under the Constitution and that laws like what Mr. Ludwig is proposing could violate the due process of the property owners. Before a city would take action such as imposing a fine or ordering the property demolished, there has to be a finding of a public nuisance, unsafe conditions or blight. It is her recommendation that Council not entertain any proposed laws that impose sanctions on property owners unless the law contains two things: Upon a finding of a public nuisance, unsafe conditions, blight and other issues such as that, the property owner must be provided with the ability to obtain due process, meaning, under City code, they have to be notified of the violations and given an opportunity to cure them, and if a property owner disagrees with the administrative agency's determination, they must be given the opportunity to seek judicial review in a court of law.

Ms. Diana Colavecchio, Community Development Director, stated that she has been in touch with Mr. Lol, the owner of the former Ponderosa restaurant. He has had offers to lease that building, but turned them down because he felt they were not in the best interest of the surrounding area. Mr. Lol has his properties listed on two rental websites, including on a pay service. This is not an abandoned building according to their standards. Mr. Lol has maintained the property quite well. Not too long ago, he resurfaced the parking lot. He owns a couple other buildings in that corridor. There's a four-unit complex that sits right on State Road. He has informed them that two of those four units have been leased. Mr. Lol has asked the City to assist in helping him find tenants for the other two units. Their Department does provide that information internally when they meet with business owners looking to relocate. From their perspective, there is no appreciable harm that comes to the City. These buildings are not, in any way, draining the City or city government by sitting vacant. The philosophy in their department is to work with businesses; not against them.

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They try to assist them and get them the resources they need to grow, to thrive and to keep their investment and keep their jobs in Cuyahoga Falls. Akron and Stow are across the border. They want to make them choose Cuyahoga Falls.

Ms. Colavecchio stated that as far as the South State Road district, upon her arrival, the Mayor was in her office and said that the number one priority is they do something with that district. It's been on his agenda for a while. They have had three meetings with the business owners on South State. This past year, they were able to obtain \$200,000 for facade improvement grants for businesses in that district. Twenty-one of them have asked for an application and three of them have actually completed applications. In this year's budget, they will be asking for an additional \$200,000 for the same thing, for a total commitment of \$400,000. Those projects will renovate the exteriors and add signage. It's going to take time, but she is confident, with the efforts they are making there, that they will get where they want to be.

Mayor Walters stated that he wanted to make clear that there is a huge difference between vacant and abandoned. In the United States, property owner rights are sacred and protected by the Constitution. Owning property is desirable and the American dream. He will go on record that he is probusiness, not antibusiness. They must encourage and not threaten. Cuyahoga Falls has worked hard to be known as business-friendly and he wishes to continue that trend. He stated that there are events in the works, such as a South State Road Halloween Hunt October 4th through 25th. Customers will receive one raffle ticket for visiting a business and five raffle tickets for purchasing something. They will then hold a drawing. Multiple contestants will receive gift cards to South State businesses and keep the money there. It will drive people to visit and drive people to that corridor.

The meeting adjourned at 7:02 p.m.