

**SPECIAL COUNCIL MEETING  
MONDAY, JUNE 27, 2005**

At the call of Mayor Cervenik a Special Council Meeting will be held on Monday, June 27, 2005 in the Euclid City Hall Council Chamber for the purpose of considering the following subjects: to-wit: President Sustarsic presided.

Members Present: Daly, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic.

Excused: Delaney

Councilwoman Holzheimer Gail moved to excuse Councilman Delaney. Councilman Daly seconded. Yeas: Unanimous.

Others Present: Mayor Cervenik, Law Director Frey, CS&ED Director Pietravoia, Finance Director Johnson, Service Director Gulich, Director Will, Capt. Repicky, Manager Petkovic, Mr. Sonnhalter, Mr. Gliha, Sgt.-at-Arms Nagy, Asst. Clerk of Council Miller.

**ADMINISTRATION REPORTS & COMMUNICATIONS**

Mayor Cervenik – The City of Euclid last week, I believe it was Thursday evening lost a very good outstanding supportive citizen, Steve Valencic. Steve Valencic was very, very involved in the Slovenian Community as well as the Veterans Community and was involved in many, many charitable organizations that helped this city grow. Steve is the father of Denny Valencic who is our Building Supt., he is also the father of former Councilwoman Beverly Valencic. I attended the wake last night and I attended the funeral today and it was very evident of the great contribution that Steve Valencic made to this community. He was a funny guy, he had a little rough grain about him, but once you got to know that roughness, you knew he would do anything he could for anybody that ever needed any help. With your indulgence, I would like us all to stand and have a moment of silent prayer.

Mayor Cervenik – As this is a Special Council Meeting, I will make my comments very brief. I believe Housing Manager gave you a memorandum on our housing inspection program. We have been flooded at times by many calls from council people as well as residents concerning various homes in various neighborhoods about violations. As we examine the budget, we usually go over our budget at least once a month, we have, because we have not filled positions as of January 1<sup>st</sup> until later on in the year, we have the funding, we have the ability to hire one additional housing inspector through the end of the year. This housing inspector would be used for pro-active duties only. That's very important. Not only for pro-active but also for complaint matters. So many of our inspectors right now are hung up on the point-of-sale that we're just not able to handle some of the problems that come up in the neighborhood. The objective for this inspector would be to provide exterior inspections of all single family dwellings in our city. He will cite violations of our ordinances and he will track this violation to make sure they are taken care of by performing the re-inspections of the citations that were noted and to make sure that compliance is and has been done on that compliance date. If violations are not corrected on the compliance date, this inspector will be instructed to issue the proper procedures and take these cases before the Prosecutor.

It is our hope that within a 3 year period this inspector will be able to inspect the entire city. This inspector will also be assigned complaints that are normally called in by you, the council members, and we will be able to handle these in a much quicker manner than we do know. His primary duty will be to examine each and every exterior of all the homes on a street. He will also keep a record of the homes that are in compliance with our exterior ordinances and they will receive a Certificate of Appreciation for keeping their properties in compliance. We are going to call this program the Euclid Good Housekeeping Program. As I said, we only have funding through the end of the year so we will be sitting down in the next few weeks to put together a rating and a performance action so that we can report to you the progress this program has made because I do intend to ask you on January 1<sup>st</sup>, or back in December, but on January 1<sup>st</sup>, to fund this position completely.

At one time I believe we had 10 housing inspectors. This will bring us back to 8. We firmly believe we can do what needs to be done with 8 inspectors. If you have any questions, I'd be happy to answer them now, or we can talk further. It is our goal to do this sometime in mid-August. Again we want to make sure that we put together the program so that we can rate ourselves and track our progress. We need to prove to you that this is the right thing to do. It will take care of a lot of the problems that we get in the summertime. During the wintertime we can make sure that there are no outside violations that need to be taken care of. If there are any comments or questions, I'd be glad to answer them.

Councilwoman Holzheimer Gail – Thank you Mayor and Mr. Petkovic. This is very good news. Have you made any progress looking at whether we could have a Tuesday through Saturday or any day but include Saturday as one of the work days? Could we perhaps, or have you thought about making the tracking of the Section 8 certificates and the upkeep of those homes as well as safety reports part of these duties?

Manager Petkovic – First question is the work days, that has to be negotiated with the unions which is Local 244. I have to review with the Law Director the contract, especially under Management's Rights, if we can change their work week so to speak. Not change their hours, but their work week.

The second question is we are going to by September have a program ready for you when you come back from recess, regarding the housing voucher program from CMHA. We will have a nuisance abatement ordinance in place to take care of that.

As far as our new inspector goes, currently we're in the process of hiring an inspector that will be qualified as an electrical inspector. The inspector that the Mayor is talking about is a pro-active inspector. He will be in charge of the program Euclid's Good Housekeeping Program. The reason you have a colored map in your packet is that we changed the area that we want the inspector to concentrate in. That will be, we took a ward map and he's going to do each ward every year. He's going to concentrate on every single family home and two family homes in every quadrant of the city. I will assist him at times when he needs it to address complaints that come in. This pro-active inspector will also have to be associated with the Prosecutor's Office because there will be some non-compliance and that is our standard operating procedure is to take the case to the Prosecutor's Office. He will be busy with that and if need be, the last step is the Judge. We're excited about this because it is growing the Housing Dept. and our staff really takes pride in the housing stock in Euclid. This is really going to benefit everyone. I appreciate all of your support and I want to thank the Mayor also.

Mayor Cervenik – Councilwoman Holzheimer Gail, that is on our list of items to negotiate with that Local. I also feel it is very important that we have someone on duty on the weekends. Obviously it is going to cost us some type of shift differential or something in that nature, but it will be worth it. I think the union will be very receptive to what we present to them as well.

Councilman Gruber – Will sidewalks be part of this inspector's duties as well?

Manager Petkovic – Currently sidewalks are not part of a point of sale inspection. Sidewalk repairs have been traditionally referred to the Engineering Dept. If Council would like to change that, we'd be happy to make that part of the point-of-sale inspection.

Councilman Gruber – For a short time when Manager Tollerup was here I believe that did fall into your department. I know it came back out again. In effect we have no program to inspect the sidewalks whatsoever. We need somebody to pick up the ball because we do have some that are in very bad repair and we should probably figure out a way either for pre-sale inspection. I believe they said it would be 25 years though through the pre-sale inspection before all the sidewalks have been checked. Maybe this might be part of your program while they are driving around or inspecting the neighborhoods they could also look at sidewalks, something we could work on.

Manager Petkovic – We could possibly do that. It would be an additional cost to the owners, especially if there is a point-of-sale on the home. However that can be an assumable violation if necessary.

Councilman Gruber – As long as somebody gets over there and fixes it. I have another question about some HUD homes. When these homes are sold and the new people are moving in, are all these homes have occupancy permits?

Manager Petkovic – Yes they should. Anybody who buys a HUD property has 10 days to come into the Housing Dept. and pay for a point-of-sale inspection. Then we do our inspection and then the certificate is issued.

Councilman Gruber – Do you get a list from HUD saying that these homes were sold so you are anticipating someone to come in? Or what's the mechanism to know that the home has been sold?

Manager Petkovic – We do not get a list from HUD.

Councilman Gruber – So you just have to hope the homeowner comes in and applies for it?

Manager Petkovic – Usually they deal with a realtor and the realtor is in contact with our department all the time and/or title agencies.

Councilman Gruber – I have several addresses for you.

Manager Petkovic – That’s fine. I’m on your speed dial.

Councilman T. Sustarsic – I think this is a great program. The majority of the complaints we get from residents are based on problems in the neighborhoods, appearances of homes and stuff like that. You guys have done a fantastic job thus far but to expedite the process is great. One thing too, the garage sale ordinance, is this individual going to be handling that kind of stuff as well?

Manager Petkovic – Currently all the inspectors are involved with the garage sales. I only had one complaint of front yard garage sale during the week. Being off on the weekends, I have seen a few in the front yards. But mostly what we see is the placing of signs that are nailed to the poles all over the city of Euclid. As we know we asked the people not to do it because we have an ordinance for that and we work with the Illuminating Company. So we ask if you do have a garage sale and you do have a sign up there and we don’t get it down, please take it down when you are done with your garage sale. But better yet, don’t put it up.

Councilman T. Sustarsic – The posting for the position to hire, when is that?

Manager Petkovic – Currently we will be posting a position for an electrical inspector and then shortly thereafter this pro-active inspector will come on board.

**COMMITTEE OF THE WHOLE FOR LEGISLATIVE MATTERS ONLY**

Councilman T. Sustarsic moved to go into the Committee of the Whole for Legislative Matters Only. Councilwoman Hufnagle seconded. Yeas: Unanimous.

Mrs. Dorothy Fike – 20271 Delaware Rd. I do have 4 questions but I hope they will be answered during the process. I have a question, I know its really not part of it, but I feel it is. Has the developer heard from the Corps of Engineer about the permit for the marina because I think that ties into the whole project? On 4, 5 & 7 I would like to know when they are going to start, each of them and how long will they take approximately? Thank you.

Councilman Daly moved to rise and report. Councilman Gruber seconded. Yeas: Unanimous.

**LEGISLATION**

**Ord. 118-2005 (397a-05) Harbor Town**

An emergency ordinance authorizing the execution and delivery of a Tax Increment Financing and Development Agreement with Coastline Investments, LTD. relating to the Harbor Town project; authorizing the disposition of certain real property owned by the City and the acquisition of certain real property by the City; authorizing the execution and delivery of a construction agency agreement, a property management agreement and a submerged land sublease with Coastline Investments, LTD. and an intercreditor agreement with Coastline Investments, LTD. and its lenders and related matters. (Sponsored by Mayor Cervenik)

Councilman Daly moved for passage, Councilman Gruber seconded.

Mayor Cervenik – Tonight we present to you the development agreement that will allow our long awaited lakefront development in Euclid to take place. I would like to first name the team, the project team. They have been meeting together for quite awhile, a number of months to work this document out. They are not all here tonight but I still think we need to mention the names. Doug Price from K&D is here and Karen Harrison has been very instrumental in this. Coastline Investments LTD and K&D Enterprises, Inc. We’ve also been working with Sharon Veverka the Chief Financial Officer of K&D Group. Mary Lovett, Esq. legal counsel from Cowden, Humphrey, Nagorney & Lovett Company LPA. On the city’s side of the team, Frank Pietravoia, Development Director; Law Director Chris Frey; Finance Director Jack Johnson; Bob Gliha and Jim Sonnhalter. Then we have our financial consultant from the Patco Group, Pat Kost who is

here tonight as well as Virginia Benjamin from Calfee, Halter, Griswold and she has also been assisted by Christina Tait from Calfee & Halter.

Their efforts are presented to you tonight that will allow us to move forward and have the largest lakefront development on Lake Erie that northeastern Ohio has seen. The development agreement is conservative and yet it is very flexible approach to public financing, a component of the total project by being able to issue the TIF bonds to pay for all of our public improvements.

This development agreement includes financial protection for both the city and the developer and it is important to understand that that this agreement does need to protect both parties because both parties have a lot to invest and a lot to lose.

We have enhanced public access to the lakefront through the construction of the boardwalk, public parking, public roadway and a restaurant situated right on the lakefront. With your support tonight of Ordinance (397a-05) this project will move forward this year as planned.

This agreement before you tonight will make Harbor Town a reality by helping to publicly finance the public improvements that are a major portion of this project. We're doing this without any increases in taxes to our residents. As I told you many times, I firmly believe that the Harbor Town development is just a beginning and a catalyst for spin-off investment all the way through Lake Shore Blvd., up through 260<sup>th</sup>, right through to downtown.

I thank these people that I mentioned tonight for their hard work and dedication in coming up with this development agreement. At this time I would like to turn it over to my Development Director Frank Pietravoia.

Director Pietravoia – Members of Council and members of the general public, I just wanted to walk through some of the highlights of the development agreement. As members of Council know we did distribute the document to them about a week ago at our last regular meeting of the season and also more recently distributed copies of the Exhibits that are part of that document.

The agreement overall is the logical next step in this whole process. As the Mayor mentioned over the past several months we've been negotiating on this particular document and that follows the work that we did this past Spring when we came before Council and we actually established the TIF district where the project will take place. And we entered into an agreement with the Schools which is required by State Law when you do a TIF project.

With the assistance of our consultant Pat Kost, we've also been before Council already reviewing the financials related to the project. Given the size and the complexity of the Harbor Town project, in addition to the agreement that we already distributed to you, there will be a number of sub-agreements that will follow later in the year, just in terms of giving you an idea of what the next steps will be after tonight's meeting. Those are all referenced in the document and they are also referenced in the exhibits and we can respond to questions and comments about those as we get a little further along in our presentation.

This evening we're focused specifically on the development agreement itself which establishes the responsibilities of both the city and the developer in moving forward in our public/private partnership on this project. In effect it acts as the key document and outlines the business deal that we've put together through our negotiations.

One of the primary things that the document does is establish the public/private financing components of the project. The public part of it is tax increment financing as the Mayor mentioned. We're estimating a bond issuance of about \$7.3 million, that will generate \$5.5 million in proceeds that will actually be available for public improvements. Specifically we expect those dollars go toward the construction of the breakwall which is part of the project.

For members of the viewing audience because I know with Council we've been through this several times already, but I just want to mention briefly when you hear us use the term TIF, tax increment financing, what that is. A TIF is a public financing tool. It is authorized through the State of Ohio and many other States throughout the country have similar laws to assist communities in paying for public improvements that are part of an economic development project, such as Harbor Town. What happens as I mentioned this past Spring we already did this, the City establishes a TIF district and then we issue bonds for the project to fund the public improvements that are needed. As new property tax revenues are generated from the new development that takes place within the district, those dollars are then used to pay off the annual debt on the bonds that were issued toward the beginning of the project. The developer, or in this case because a lot of the housing units will be sold to future owners, the developer or the future property owners will still pay their full taxes due each year and those dollars will be used in the TIF district for the public improvement. Just a brief explanation of what a TIF is and how it functions.

I think it is very important to highlight and this agreement sets in place the fact that there will be a very major private financing component of this project through Doug Price, Coastline

Investments which is the name of the company established for this project and K&D Enterprises. They will finance the remainder of the project. This is almost a \$40 million investment. \$5.5 coming from the TIF bonds and over \$35 million, the remainder of the project is valued over \$35 million. That investment will come from the private developer. It is a very substantial investment.

The document outlines the timing and the benchmarks that would have to be met in order for the TIF bonds to be issued. It also provides several guaranteed mechanisms for the city under different possible development scenarios if things slow down, the units aren't built or don't sell as fast as we hope, or if they accelerate, it establishes guarantees for the city to protect us in those circumstances.

It also describes the procedure, you may recall there is a city-owned parcel of land right in the footprint of the development. It establishes a procedure for swapping that parcel for land that's currently owned by the developer, or soon to be owned by the developer, where the public roadway and the public parking will be built on the site. So we'll exchange the city parcel for the developer owned property. This agreement establishes the procedure for doing that.

The document also hires Doug Price and his firm as the city's construction agent for the public improvement. In essence, they will build everything even the things that are publicly owned. They'll act as our agent to do that.

It requires for the public improvements, it requires payment of prevailing wages and also puts in place a competitive bidding procedure for the public components of the project.

The document also establishes and this is very important from the city's perspective, as well as the developers, that the developer will manage and maintain both the private and public components of the project. So once everything is built the developer will manage and maintain everything and there will be an actual management agreement between the city and the developer that will come later. It is one of the Exhibits.

It also to ensure that what we've seen in all the wonderful drawings and designs so far establishes the process for the review and approval of all the plans and specifications related to the project. For the most part utilizing our city's normal review processes before the Planning & Zoning when necessary and before the Architectural Review Board. In fact with the phenomenal jump start that the developers already had in terms of marketing the project, we did bring the plans that you've seen before the Architectural Review Board just this past month and the developer received conceptual approval for all the design work that is done to date. Specifically more detailed designs were presented for the buildings that are expected to be in the first phase of the project. They'll come back later as they develop more detailed designs for the later buildings, in the later phases of the project.

Finally it lays the groundwork for the city to cooperate if necessary in rezoning portions of the property if we determine that is necessary giving the types of uses that are proposed here. Even suggests that if necessary we will look at adding specific type of new district, mixed use district for example if we need to for a project like this where you have housing and commercial components together.

With that, I just wanted to give a brief overview and highlights of the agreement. The members of Council did receive since it is a fairly lengthy document about a 3 page summary that goes into even more detail than I did just now. We thought our time might be best spent after Director Frey explains the piece of legislation itself to open it up to questions and comments. With that I'd like to turn it over to Director Frey to describe what happens with ordinance (397a-05). Thank you.

Director Frey – This is a rather lengthy ordinance by our typical standards. Really what we're doing is several different steps. The first is making a determination that the property that the city owns that is referenced in Exhibit N to the Development Agreement is property that you as city Council have determined is no longer needed for municipal purposes and can be sold or exchanged in this case, the exchange is what is being authorized here for property the city will eventually own as a public road and public parking again within the confines of the development area itself.

That's the first section. Our Codified Ordinances, specifically 109.04(b)(3) allow Council to make that determination without appraisals although we have indicated in the ordinance and by ratification of the development agreement that the property the city will obtain in this is at least as valuable as the property that the city will be exchanging with the developer. The purpose of that first section is to authorize that exchange so that we don't have to come back later to Council and make that determination. This will allow that phase of the development agreement to be executed when the time is right. That is anticipated as a later step in Phase B of the development.

The second section then will actually allow the development agreement which you have received a copy of to be executed by the Mayor and any other agreements that are necessary along the way. For instance we have the management agreements and the easements for public access all of which will subsequently be drafted and need to be executed. This will authorize the Mayor to do so.

Section 3 actually allows the Mayor to convey the property and to receive the swap property. If you look at Exhibits N and O for the map of those, to make that exchange to allow the development in Phase B to go forward and the city to receive the property necessary for the roadway and parking lot.

We have a series in Section 4, a series of other agreements that I had indicated that will have to be executed in various steps along the way. Some of those yet to be fully negotiated and detailed with the developer, you have a frame work for those in the exhibits attached to your development agreement. Those are the terms that we anticipate will be in the final version. Those final versions until actually some events occur along the way it is premature to try to negotiate those to the final detail. Again we've attempted to show what will be in those agreements and what you would be doing in this ordinance is authorizing the Mayor and the Director of Finance as necessary to go through to complete the negotiations to execute those documents.

Competitive bidding, I know Director Pietravoia has mentioned competitive bidding. Because the developer will act our construction agent for those publicly owned improvements and the TIF public improvements are defined in the development agreement. We are requiring and the developer has agreed to competitively bid that work. So you have a separate schedule, I believe that is J that details that competitive bid agreement and this was modeled after another public/private development agreement where the developer served as the public construction agent. There will be competitive bidding for those public components of this. The details of that are evidenced in that schedule J.

Finally we've asked that this be declared an emergency ordinance so that hopefully before we reconvene in September we'll see construction activity on the site. The sooner we get moving with the authorization to do so, the sooner Coastline Investments will be able to take its necessary steps to commence activity. It is obviously a long term project and is going to require a fair amount more negotiation. Maybe not negotiation as much as the detail work with the city and the lenders to get this forward. That is the jest of the ordinance and again I would be along with Director Pietravoia glad to answer questions.

Councilman Langman – Law Director Frey is the swap permanent? Or if something unforeseen should come up would that swap revert back if the project weren't to move forward?

Director Frey – The swap itself would not occur until the second phase of the development is to occur. At that point before that second phase is to occur, the developer has to meet certain goals for sales and pre-sales. It would coincide with the issuance of the bonds. The guarantees or the protections in there for the issuance of the bond is also triggers the timing of swapping the parcels. Once swapped, it is permanent.

Councilman Langman – So what you're saying is that the timing of the project indicates the need for any protections.

Director Frey – That's correct, right.

Councilman Gruber – On the drawings here this would be to Director Pietravoia, will there be a public boat launch in this project?

Director Pietravoia – The slips themselves will be open to the public. But there will not be a launch at this site that's a public boat launch.

Councilman Gruber – Will there be any indoor boat storage over the winter? Do you have a building to store them in or the boats go elsewhere?

Director Pietravoia – At this point, the building that was originally planned as a boat storage facility along Lake Shore, that land was deemed to be more valuable for commercial or office type development. There's no on-site storage planned at this time.

Councilwoman Holzheimer Gail – I just wanted to follow up on the boat launch. I know we've asked that and it is not in any drawings, but I did notice in Exhibit D/1 there is a small area

marked boat launch well. That may have been an earlier, it is the exhibit that shows the breakwall.

Mayor Cervenik – Mr. Price might correct me if I'm wrong, but I think that's going to be used for the owners of the boats and the slips to get their boat into the water, take it out if it needs to be fixed. That would be the facility only for those that have purchased the slips. To have a public boat launch we would need a great deal of land for parking that would really underutilize what we're trying to do here and that is to build up the value of the land itself. If they have the slip there, they will need, they will have the services to put their boat in the water there and take it out.

Councilman Daly – One question that keeps coming up with residents is how soon or when do they see a completion date for the restaurant portion of this. That is one thing that is needed in this city. Do you have a date there? The other question was how soon will we see the remaining homes on the street taken down?

Mayor Cervenik – I think Mr. Price would be the best person to answer that question.

Councilman Daly moved to suspend the rules, Councilman Sustarsic seconded. Yeas: Unanimous.

Mr. Price – We plan on starting construction late summer for the first phase. We've been marketing now for about three months. We have several units sold. The people have a lot of interest and I think the people will want to see the building up before we move into the next step. Our goal now is to release construction drawings for the town home part of the project. The first 8 units. So we would hope to start construction on some of those and then it really depends upon the pace of the sales. We've had architects review nice with potential clients. Probably had 50 people that have been through that we deem as serious people. Again, it is hard to envision something that is not there. So our goal is to start construction in late summer and continue construction until completion. The restaurant would be in the part of the phase with the breakwall. The bluff would have to be done, the breakwall would have to be in for the placement of the restaurant. We're probably looking at some type of a two year cycle, the breakwall alone is a two year build out. Again the way the agreement is set up, we would only need to develop block A, sell that, move to block B and then the TIF monies would be issued. We would hope that would happen next year and that we will get this thing up.

Councilman T. Sustarsic – This is a question to the administration, a project of this magnitude as far as all the construction going into it, is there a ballpark of how much income tax we'll be able to generate from this project?

Director Pietravoia – I'm going to ask Pat Kost our financial consultant who brought all the figures with her again tonight to review that with Council.

Ms. Kost – We went through a Harbor Town Project financing summary back in February. The budget, the number of units, everything is preliminary and estimated at this point but hasn't changed from that mark. At that time we were estimating income tax for the schools over a 30 year period of about \$3 million. Estimating income taxes for the city at about \$2.5 million over a 30 year period.

Councilman Langman – As the project is built out, it will also increase the value of the existing structures there. We do hope for more income taxes based on the value of the apartments. One of the residents asked about the permitting process and Director Pietravoia why don't you go ahead and address Mrs. Fike's question.

Director Pietravoia – One of the portions of the agreement does cover is the requirement that the developer obtain the necessary permits to actually build the marina and breakwall, both through the Army Corps as well as the Ohio Department of Natural Resources. They are well underway with that process. In fact Bob Gliha and Jim Sonnhalter from our staff are participating with Mr. Price's engineer that he's hired to actually do the work that is required related to this. The hope is and expectation is that by the end of this calendar year we'll see approvals from those entities. I'm not sure if we'll expect both by the end of the year, or if it was just the Army Corps. I might ask either Bob or Doug Price to comment on that.

Mr. Gliha – when the permits are issued, they will probably most likely be joint issuance of permits because the Army Corps of course will not issue until the ODNR issues their permits. Right now we're sort of in a code review with both agencies, actually a little further ahead with the Army Corps than we are with ODNR. That was due to the fact that ODNR could not officially kick off their review until the submerged lease was taken care of and that's now been implemented. We hope to see a lot of progress with ODNR in the next couple of months.

Councilman Langman – I would like to thank someone in particular who has worked very hard over a couple of different administrations now and that's Mr. Gliha. When we first came in talking about this, gosh it's been three years ago now that we began talking about TIF's and developer's agreements and so forth. We didn't always agree on what should be done or the timing, but Mr. Gliha really deserves a tremendous amount of credit for his efforts in seeing the project move to this point, along with the current members of the administration staff. He's really done an outstanding job. When you think about the process behind this project has worked very well so far. I think Mr. Chairman when you were a Ward Three Councilman and you decided to bring on experts for legal and financial, you said you hope this works. I think this has proved that it has worked. We've taken a variety of steps over a period of years and each time we said this a crucial step. The dedication of 242, the rezoning, etc. It wasn't necessarily a slam-dunk with all of those items. People are concerned about the project will happen or whether it would go apartments at 242. Or whether the legal and financial experts were really working the best. But I think that as we've heard tonight that the project is at the cusp of taking that next step and actually building the homes and building the marina. I urge my colleagues to pass this unanimously. Thank you.

President Sustarsic – I think that it goes without saying that the whole Council is very appreciative of all the hardwork done by the team comprised of the administration as well as the developers. Yes I did say back then that I hope it works, but at the same time I think that with the quality of the consultants and the individuals that we've been able to gather together to work together to this end, there's no question in my mind that it will be a successful venture and again we'll do very well to enhance the reputation of the City of Euclid. Are there any other comments?

Mayor Cervenik – I would just like to thank the team for what they've done. As the Ward Two councilman mentioned Bob Gliha. Back in 1987 then Mayor David Lynch pointed me to the, I don't even know what the technical term of that Committee was it was so long ago, but it was a lakefront development committee and I was the vice-chair. We relied heavily on Bob Gliha at that time as well. That just gives you some idea of how long this process has really taken and we're looking at 18 years and we've got a few years to go before its completed, but we're there now and it couldn't be done without the ladies and gentlemen here before you. I can't be done without the present Council, former Councils, former administrations. It took a long time to get here but we're here. I think we're all going to enjoy the ride that we take from here on end. Thank you all very much.

Councilman Langman moved to close debate. Councilwoman Mancuso seconded. Yeas: Unanimous.

Councilman T. Sustarsic moved to suspend the rules, Councilman Gruber seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic.

Passed.

President Sustarsic – Continued success.

**Res. 119-2005 (396-05) DARE Grants**

A resolution authorizing the Mayor, as Ex-Officio Director of Public Safety of the City of Euclid, or his designee, to apply for funding from the D.A.R.E. Grants Program through the office of the Attorney General of Ohio for 2005-2006. (Sponsored by Councilman Gruber by request of Police Chief)

Councilman Gruber moved for passage, Councilwoman Holzheimer Gail seconded.

Capt. Repicky – This legislation, resolution asks for your support. We've received last year, I think, around \$13,000-\$14,000 for payment of the DARE officer which is only a portion, but that's more money than if we didn't apply. So we've been getting this for the last 5-6 years. We ask for your support on this resolution.

Councilwoman Mancuso – We received last time \$14,000 and we added \$14,000 to it?

Capt. Repicky – No we get between 12 and 15 every year from the Attorney General's office.

Councilwoman Mancuso – Do we have to add anything to it?

Capt. Repicky – Yes whatever the cost of the salary is for the officer.

Councilwoman Mancuso – I just wanted to ask are we getting matching funds?

Capt. Repicky – No.

Councilwoman Mancuso – So how much more would you estimate we add when we get DARE funds?

Capt. Repicky – We estimate the officer works 9 months in the schools. I don't have it off the top of my head.

Councilwoman Mancuso – So about 9 months of his salary?

Capt. Repicky – Yes 9 months of his salary. If I had my calculator here I could figure it out. It is probably about \$34,000 for his salary for 9 months. We're only getting a portion of it.

Councilwoman Mancuso moved to close debate, Councilman Langman seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic.

Passed.

#### **Ord. 120-2005 (395-05) Police Vehicles**

An emergency ordinance authorizing the Mayor as Ex-Officio Director of Public Safety of the City of Euclid, or his designee, to enter into a one-year lease with Ambrose, Inc., 8555 Mayfield Road, Chesterland, Ohio, for the lease of three vehicles to be used by the Police Department, in an amount not to exceed Sixteen Thousand Two Hundred Dollars (\$16,200.00). (Sponsored by Councilman Gruber by request of Police Chief)

Councilman Gruber moved for passage, Councilman Sustarsic seconded.

Capt. Repicky – This \$16,200 is the Weed & Seed Grant we just received. There's no cost to the city. One of these vehicles will be a 15 passenger van to be used for PAL activities. The other two are being used by the Police Dept.

Councilwoman Holzheimer Gail – These will not be patrol cars. Will they be used in community policing activities or something you can't talk about?

Capt. Repicky – The later.

Councilwoman Holzheimer Gail – Sorry.

Councilwoman Holzheimer Gail moved to close debate, Councilman Langman seconded. Yeas: Unanimous.

Councilman Gruber moved to suspend the rules, Councilman Daly seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic.

Passed.

**Ord. 121-2005 (394-05) Brandywine Pump**

An ordinance authorizing the Director of Public Service of the City of Euclid to advertise for bids and enter into a contract for the Brandywine Pump Station Replacement Issue II Project. (Sponsored by Councilman T. Sustarsic by request of Service Director)

Councilman T. Sustarsic moved for passage, Councilman Gruber seconded.

Director Gulich – We're very happy to bring this project up to you tonight, allowing the city to enter into a contract after advertising for bids. The Brandywine Pump Station currently serves what is known as the Scottish Highlands up on the hill, and it also services a part of Richmond Heights. We are able to use Waste Water Treatment funds for the city's portion of this project. We have been able to fortunately secure Issue II grant and 0% loan money to pay for the lion's portion of this project. You heard from me before on how we need this project so badly. This station has failed twice in the last two years. Fortunately we've had an emergency contractor able to secure the needed improvements right away. Now I can actually answer questions about how soon we're going to get started and when it is going to get done. We plan on advertising a week from Friday. We should be under construction in about two months and we expect to be completed with construction by about year's end. We will definitely be meeting with the residents of Euclid and Richmond Heights, let them know what to expect. They are well aware there is a pump station back there. They know we've had problems with it. We have been in contact with a number of them to let them know that we intend to remedy the situation once and for all. Again, once we have received bids, we have a contractor lined up, we will indeed be meeting sometime later this summer with the residents and be on our way of getting this project complete.

Councilman Langman – How old was the current pump station? How long do you expect the rebuilt pump station to last?

Director Gulich – I think Councilman Gruber may be aware when that construction first happened up there, when the project was first conceived there was actually what we called a package plant up there. The package plant had difficulties from the onset. I wasn't here at the time, it pre-dates me even. But the remedy in the late 70's was to abandon the package plant and install a pump station. The pump station currently has problems mainly by the location it was built in, it wasn't properly secured with a retaining wall as it should have been. The new project will have the proper retaining wall in place and we expect a good long life out of this project. We have guaranteed Issue II 30 years, I certainly hope to get at least 50 years out of this.

Councilman Langman moved to close debate, Councilman Gruber seconded. Yeas: Unanimous.

Councilman Sustarsic moved to suspend the rules, Councilman Daly seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic.

Passed.

**Ord. 122-2005 (393-05) Euclid/Babbitt Sewer**

An ordinance authorizing the Director of Public Service of the City of Euclid to advertise for bids and enter into a contract for the Euclid Avenue/Babbitt Road Sanitary Sewer Issue II Project. (Sponsored by Councilman T. Sustarsic by request of Service Director)

Councilman Sustarsic moved for passage, Councilwoman Hufnagle seconded.

Director Gulich – Again a very badly needed project. The majority of the work to take place in the area just east of Babbitt Rd. on Euclid Ave. for a few hundred feet and then another 100 ft. north on Babbitt Rd. We will be installing a new sanitary sewer that will enable us to abandon an overflow that has existed there for many years. This is an overflow that down the line, near the golf course, does hook up with the Moss Point Storm Sewer. That has created a problem in past summers that I think we're all aware of because that's the water we have used to water, irrigate the golf course, pump up into the ponds. It has saved us tons of money and I think you've heard me say it, if we use City of Cleveland water it cost us in excess of \$1,000 a day. So, I'll be very happy when we get this project in place. We're in the process of getting final

EPA approvals now. I expect to be in the bidding process during the summer. Again have the lion's share work completed this construction season. Work of this manner obviously can take place anytime of the year. I would anticipate at this time probably a spring completion to deal with some paving matters and some landscape. Issue II loans and grants have helped us realize this project and the city's share will be paid for with Waste Water funds.

Councilman Langman moved to close debate, Councilman Gruber seconded. Yeas: Unanimous.

Councilman Sustarsic moved to suspend the rules, Councilwoman Mancuso seconded. Yeas: Unanimous.

Roll Call: Yeas:       Daly, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso,  
                              Sustarsic, Sustarsic.

Passed.

**Res. 123-2005 (390a-05) UDE 20001 Euclid Ave.**

A resolution granting a Use District Exception & Special Use Permit, pursuant to Chapter 1375 of the Planning & Zoning Code of the Codified Ordinances of the City of Euclid, to Rachel Layton of Euclid Realty, LLC, for property located at 20001 Euclid Avenue (Permanent Parcel #646-25-001), to allow a U-5 (Commercial) use in U-6 (Industrial/Manufacturing) and U-8 (Office Building) Use Districts and a Special Use Permit for a self-storage facility. (Sponsored by Planning & Zoning Commission)

Councilman Gruber moved for passage, Councilwoman Holzheimer Gail seconded.

Director Frey – This is déjà vu all over again. We had this piece last Monday evening. I apologize to Council. Councilman T. Sustarsic called my attention to the fact that the Planning & Zoning minutes differed in the zone classification for this property. When I submitted the legislation last week we had included just the U-8 office building, when in fact the parcel that has the office building on it, which will be the site of the self-storage facility is actually zoned both U-6 and U-8. To correct that, to make sure that there were no down the road problems with the planned use of this facility for self-storage that Council approved last week, I brought this piece back tonight as an "A" version to include the U-6 industrial manufacturing classification as well as the U-8 and apologize again to Council and thank Councilman Sustarsic for calling this to my attention.

Councilman T. Sustarsic moved to close debate, Councilman Gruber seconded. Yeas: Unanimous.

Roll Call: Yeas:       Daly, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso,  
                              Sustarsic, Sustarsic.

Passed.

**Ord. 124-2005 (398-05) Chatworth**

An emergency ordinance authorizing the Director of Public Service of the City of Euclid to enter into a contract with Terrace Construction Company, 3965 Pearl Road, Cleveland, Ohio 44109, for the Chatworth Drive Sewer Separation issue II Project in the amount of Nine Hundred Eighty Five Thousand Five Hundred Thirty Four Dollars (\$985,534.00)

Councilman Sustarsic moved for passage, Councilman Gruber seconded.

Director Gulich – The reason I've asked for emergency status on this ordinance, not because it is an emergency, but we would like to enter into a contract in less 30 days. We have taken bids, Terrace Construction has given the lowest and best bid. We would like to sit down with Terrace later this week, review their construction schedule so we can set up a meeting with residents. We would like to get underway as soon as they have their materials ordered and their men scheduled. This would be the middle of this summer and we intend to have this work complete by the end of the year. Probably some spring clean-up, we always need to come back and do a little landscaping or planting on items such as that. I want to stress that we will be meeting with the residents and we'll have the contractor on board and again, Issue II had made this project possible with very little city money being required. That money will be furnished through Waste Water Treatment Fund and Peterson Fund.

Councilman Gruber – I look forward to working with you when it comes time to notify the residents. Could you just give an overview of the scope of the project about the pavement and what is going to happen.

Director Gulich – Thanks for asking because that is one of the reasons it is important to the residents because this is a many faceted project. There is going to be sewer separation, there is going to be waterline relining. There is going to be manhole separation. Above and beyond that, there is going to be total pavement replacement. There is going to be sidewalk replacement. There is going to be areas where it would be more cost efficient to simply resurface in areas where we're doing the manhole separation. Again, it is important that we communicate with the residents and again a lot of facets to this project. It will be a fun project.

Councilman Gruber – Will this be the entire Chatworth or just the lower half of Chatworth?

Director Gulich – It is what is referred to as the horseshoe portion of Chatworth. We will be separating manholes in other areas where we have a lot of inflow and infiltration into the sanitary sewer which is what we're trying to get out of the business of doing. Again this project will enable us to eliminate one of our combined sewer overflows and eliminate a combined sewer in this area.

Councilman Gruber – I look forward to working with you on that Director. Thank you.

President Sustarsic – We'll have to have the residents endure all this work and pardon our dust as we continue to have a successful and progressive summer.

Councilman Gruber moved to close debate, Councilman Sustarsic seconded. Yeas: Unanimous.

Councilwoman Hufnagle moved to suspend the rule, Councilman Daly seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic.

Passed.

#### ADJOURNMENT

Councilman Daly moved to adjourn. Councilman Gruber seconded. Yeas: Unanimous.

Attest:

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Clerk of Council

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President of Council