

**EXECUTIVE & FINANCE COMMITTEE MEETING
JUNE 16, 2010**

IMMEDIATELY FOLLOWING CITY GROWTH OR 7:30 PM

Chairwoman Holzheimer Gail called an Executive & Finance Committee Meeting for Wednesday, June 16, 2010 immediately following City Growth Committee or 7:30 PM in the Euclid Municipal Center Council Chamber.

AMENDED AGENDA

Ord. (120-10) An ordinance amending Section 757.18(a)(6) of the Business Regulation and Taxation Code, and Chapter 1161 of the Health and Sanitation Code of the Codified Ordinances for the City of Euclid allowing for the regulation of mobile food vendors and the issuance by the City of permits authorizing the sale of food from mobile vending devices at designated locations. (Sponsored by Councilperson O'Neill)

Discussion on proposed legislation to make Euclid a founding member of a regional Advanced Energy Special Improvement District (SID).

Members Present: Gilliham, Scarniench, Jones, Minarik, O'Neill, Langman, Van Ho,
Holzheimer Gail

Excused: Wojtila

Councilman O'Neill moved to excuse Councilman Wojtila. Councilwoman Minarik seconded.
Yeas: Unanimous.

Others Present: Director Frey, Director Pietravoia, Capt. Brooks, Mr. Iorio, Asst. Clerk Lovett.
Ord. (120-10)

Chairwoman Holzheimer Gail – This ordinance was introduced by Councilman O'Neill. We will allow him to make some statements first. Just for those who are in the audience we will have some discussion from council and our Law Director and then we will allow time for you to ask questions before we take any action.

Councilman O'Neill – I introduced this, I entered into a conversation with the Law Director last year, 8 months ago or so. I'd like to say that I am a proponent of street vendors whether they be hot dogs or ice cream. I think they're an asset to the city and there are a number of reasons why it is a good thing for the city. They do it in the City of Cleveland and any large metropolitan areas do have them. One of the assets I think that the City of Euclid has and other cities is they are our eyes and ears of a location where they have their product. Most of the vendors I assume have cell phones, they kind of know what is going on around them, they kind of watch what is happening so if something is out of the ordinary I would assume, I probably shouldn't assume but I assume they would get on the phone and call the appropriate authorities, if they see something that is out of sorts.

Being that said, the purpose for this guideline if you will, although it is an ordinance, is to protect the residents of 1) the city of Euclid as to how, when and where these devices these carts are vending their product. 2) The established merchants of the City of Euclid whether it be somewhat in conflict with their established location. 3) To protect the vendors themselves and give them the opportunity to vend their product and have a business that they can earn, if not a full living, but certainly a partial living off of. Being that said, I would defer to Director Frey for any further commentary.

Director Frey – This legislation that is before you would create in Chapter 1161 a comprehensive regulation for food vending by way of mobile devices by food carts or hot dog carts for short and nomenclature and would restrict the sale or placement of those carts in the city's U4 Retail or Wholesale District. You've been provided tonight, thanks to the Development Dept. a map highlighting where those districts are, the U4 districts. You can see they are in the downtown area, fairly extensively along Euclid Ave., on our side of E. 185 St., on good sections of E. 200th St., portions of E. 222 and a little on 260th and also on Babbitt Rd. There are substantial locations that are zoned U4 and these restrictions would require or limit the mobile vending devices to those U4 districts.

Councilperson Jones sent a series of questions earlier today and my response to here which I copied to Councilman O'Neill, we drafted the ordinance, and certainly it is subject to Council's consideration and perhaps direction to change that. We drafted the ordinance that each vending cart would be required to have a location and a permit for that location. So the location might be at the intersection of E. 200th and Trebec. If that were the desired location, they would request the permit

for that location, there would be a permit fee that that's where that cart would be permitted to vend its product. Again, that's how we've designed the ordinance. It would require changes through most of the sections if we were to alter that to make a single permit available for that vending cart to be used anywhere in the U4 districts. That is an alternative. It is not what you have before you, but it is one that we could create if that were the preference of City Council. In that case I would recommend because it would be a mobile venture and essentially be able to move place to place in the city, we would have to amend the structure of several of these codes sections. Rather than saying you would get a permit for each location, we would probably want to modify the whole permit process where you have a citywide U4 permit and modify the permitting fees with that.

So, what did we do? We've tried to restrict as we said to the retail commercial districts places where people walk. We've tried to be respectful however of the fact that people are in fact using the sidewalks in those areas so we are not permitting the vending carts to obstruct the sidewalk to the extent that passerby could not use it. There is discretion in the Public Service Director to look at the proposed locations and say yes there's adequate space to safely establish the cart and yet maintain pedestrian traffic. For instance the downtown district is a prime example where there are sufficiently wide spaces where both pedestrian traffic and the carts can co-exist without interference. We've given the Public Service Director that authority to perhaps say to a vendor, this is just too narrow, it is a choke point, you can't set up the cart here because there's a substantial pedestrian volume and it can't get by safely, people are walking out in the street and it is not safe.

We have tried to recognize that one of the things that we don't want to have happen is we don't want to impede motor vehicle traffic. We've restricted the vendors from attempting to sell into traffic. If there's a cart on Lake Shore Blvd., it is not acceptable for a vehicle to stop on Lake Shore Blvd. to make that purchase, they would have to pull into a lot to do that.

We've limited this to food items. The vendors are required to have Ohio vending sales licenses and the Health Dept. requires in some cases food licenses. Those are not requirements but we've incorporated those as those licenses are required we've said that they must display those. I think the State law also requires it but we've included that in ours. Our license would have to be displayed. Our city issued license would have to be displayed so that our police dept., our building dept., our public service dept. would know that this is an individual who has obtained a license to sell on the public right of way in the City of Euclid. We would do a background check.

Councilman O'Neill – I want to interject that right now we have nothing that really governs where these carts go and the first thing I'd say, number one, the free market will dictate where the best bang, so to speak, for the vendor's buck will be. Being that said, and I would caution that by permitting a location for a cart, one location one protection, it really protects the vendor, it keeps that location accessible for them. Maybe they want to get multiple locations but they should be permitted for each location. It kind of protects any predatory things from happening. I know in the City of Cleveland you have vendors who have specific locations throughout the downtown area specifically which is probably the most bang for their buck. But it doesn't allow vendor to infringe on their area. I think the nuts and bolts of this ordinance is, not only protects the city and residents but it does also protect the vendor in their location for where they would want to vend from and of course it is first come first serve on the permit.

Councilman Van Ho – I question to use your example Director Frey that our hot dog vendor is licensed at 200th & Trebec. We have a Memorial Day parade and he can't move his cart down to where there is going to be several hundred people that day where he would be providing a service by selling the pop and water and the hot dogs because he has to stay on Trebec. That makes, not a whole bunch of sense to me.

Director Frey – Under this proposal, that vendor could also have a permit for that other location. Nothing would prevent that.

Councilman Van Ho – How much are we going to charge him for this?

Director Frey – I thought pretty darn nominal permit fee at \$50.

Councilman Van Ho – That's going to take a lot of hot dogs on Memorial Day to cover that.

Director Frey – Probably in that case it would be worth having more than one permit.

Councilman Van Ho – What I'm saying is, it wouldn't be worth it to him.

Director Frey – Given the crowd I would think so but that's a decision the vendor would have to make in determining if they're going to apply for that second. Yes it is, 1161.04 and it is \$50 for

the permit for the single location. I understand your point and I would imagine if the market as Councilperson O'Neill has indicated, the market is such that you're going to have that crowd at that location, and you know that as a vendor you're going to want to get a permit for that location. Again that's one alternative.

Chairwoman Holzheimer Gail – May I suggest before we debate that point that we get through the discussion of Director Frey going through what the ordinance is and then we'll come back to that discussion because I see a lot of people wanting to jump in. Let's understand the ordinance first and then we'll come to specific questions.

Director Frey – One of the other things we've established is hours. I suspect these are broader than what is actually used today. We would not permit street vending devices, food vending devices between the hours of midnight and 6 AM. My sense is no one is actually vending at those times, but that is probably a shorter prohibited time than is in fact used any how. We would require the vendor to provide, to be responsible for the litter collection within 50 ft. of the cart and provide a suitable container for people to throw the wrappers or the pop cans or the napkins, whatever in the trash so they don't end up on some adjoining property owner's lot or yard as the case maybe. That part of the license application, part of the license process is yes you get to use the public right of way for this business venture, you also have a responsibility to the city and its residents to maintain the area around your cart so it doesn't become a nuisance for those adjoining property owners.

Those are the types of restrictions. I have also provided for you what we put together and again we haven't published this yet because we don't have the legislation, but regulations for mobile vending devices, single page information sheet that we would give to anybody who is seeking a permit and then we have an application form that we're proposing the person would or vendor would fill out and submit to the Service Dept.

You asked about the permit fee, it costs the City probably \$25 or a little more than that to do a record check through BCI. Part of that cost of that permit is just that. The other portion of that permit is going to be the enforcement. The issuance, the administrative and the enforcement of that. I don't think it is an unreasonable permit fee by any stretch of the imagination. We do have Peddler's permits in Chapter 757 and I believe they are \$200 or \$250. It is a different animal because we're talking about door-to-door sales there then the street sales.

Councilman Langman – How is the vendor or vendors operating now? In other words, what section of code is governing their current operation?

Director Frey – We have tried to shoehorn it into Chapter 757 and it really doesn't fit very well.

Councilman Langman – But there are other sections of code that would address issues like impeding traffic?

Director Frey – Sure the traffic codes are fully applicable, they are today. Believe me we had not this year but last year we had a couple of instances where we sent our Police Dept. and Capt. Brooks is here and can verify that. We sent police officers to location because we were impeding motor vehicle traffic, we were selling to cars on the street. The traffic code is fully applicable here.

Councilman Langman – Our ordinances on littering that would apply?

Director Frey – Yes. We are adding an obligation on the vendor to both provide for a trash receptacle on the site, but also be responsible for this radius, if you will, around the vending machine or vending cart itself.

Councilman Langman – How many vendors do we have operating in the city?

Director Frey – As far as I know we have two.

Councilman Langman- We have two and do we know how long they have been in the city?

Director Frey – I think this is the second year.

Councilman Langman – Wasn't the original one here longer than that?

Director Frey – I don't believe so, I believe last year was the first year. It may have been longer. I stand corrected then.

Councilman Langman – Parts of the ordinance I understand, but others given the amount of people that we have, if we had marinas done and piers done and you had a lot of foot traffic, I can see putting a lot of regulations in place. But for one or two vendors, I'm having trouble with that, I don't see the point except choking off somebody's business and that concerns me. If we have a lot of things going on downtown, marinas, Shore, downtown redeveloped, and you have demand for vendors, then I can see elaborate amounts of code; but at the moment I don't see the point of this thank you.

Councilwoman Scarniench – I kind of agree with that. This is a good beginning, maybe it is to restrictive right now. I would really like to see the application be for citywide. What we could do is actually, instead of making them be in a specific place, only say that they can have maybe three carts and each one would fill out an application. But where you are doing the week is not necessarily where you want to be on the weekend. If they have to have a different application fee every time they want to be some place else, I don't think that's fair to them either. For the fact that we only have two of them right now, I don't know if we could do this but personally I'd like to have them come up and just give us a little feedback on where they are and how things are going with them, because I'd like to know before we go putting all these rules and regulations in. I understand it, it is a good thing, but I think right now we're putting way to much emphasis on it, that's my opinion.

Director Frey – From a Law Director's position, I think it is better to have your regulations in place before the activity blossoms than to try to regulate after the fact. We maybe late already with this in my opinion; I understand your point. We do not have 200 vendors and yes we looked at Cleveland's ordinance and copied information or language from Cleveland's ordinance. We also looked at other communities. One of the ones I have here and I don't have all of them but I have something from St. Petersburg, Florida. That may be a year round venture there but it is my opinion that it is clearly better to have the regulations in place before than to try to regulate after.

Councilwoman Scarniench – I agree with that but maybe right now we're making them too restrictive. I'd like to hear from them to see how they feel about that. I think the one application citywide would be sufficient at this time. We've already got in there, I think it is 50 ft. or something apart.

Director Frey – 500.

Councilwoman Scarniench – It is 500; first come, first served. If you're out there on Memorial Day, you better be there real early to get that good spot and if you're not, then you're going to be 500 ft. away. I don't know if we could do that or not.

Chairwoman Holzheimer Gail – We will. Councilman O'Neill, Councilman Van Ho, Councilman Gilliam, Councilwoman Jones. I'll try to get you in order.

Councilman O'Neill – I'm glad there's a lot of input. I guess this is why we're in committee with this. I can tell you right now that there are 4 vending carts in the City of Euclid and that's exactly why I brought this up. There are two carts in Memorial Park. There is one that vends mostly by the BP station on Lake Shore and there's a cart that vends mostly on 200th St. near Home Depot. My goal here is again to let the free market drive itself and those individuals that choose to put a vending cart in our city will find the best location and then they will get a permit for that location and then by the permit process it protects them, it protects the vendor and gives them that location.

I don't have a problem with taking a look at a temporary permit, maybe a one day permit on Memorial Day where unless that location is already permitted by a yearly permit, if a vendor wants to take out a one day permit, maybe it is a \$20 fee or whatever it is for that particular day because it is a holiday and that's a good location. To say you get a permit citywide, we may just throw this whole thing in the garbage because that really defeats the whole process or the whole reason behind putting this legislation together. I would not be in favor of one permit for the whole city. I agree with Director Frey that I don't want to over legislate this and I certainly want to let the free market work, let free enterprise get out there, let them start their businesses up again. I support the vendors, I like them, I use them, obviously, but I think we do need to have some guidelines. I would be willing to look at a temporary permit for a location that's a one day or one weekend type of thing as long as it doesn't infringe on a permit holder that maybe had the permit for a year.

Councilman Van Ho – When you had to send the police out to talk to the vendor because of traffic and other concerns, were they cooperative?

Capt. Brooks – Yes, very cooperative, we don't have any problems with them. Right now there aren't too many operating and we've got two and the one has three carts and one has the potential for two carts.

Councilman Van Ho – I find this ordinance almost a symbol of hope that if one of the biggest problems we have is to control a few hot dog vendors, then we've come a long way in the last three years. I can't say that I've visited with all of them but I do frequent one of them more than regular basis. This man is just out there trying to make some money. I've patronized him, he's polite, he's respectful, I'm sure if we ask him or any of the rest of them to do something to accommodate the citizens or the police, that they're going to do it because otherwise they're going to end up with legislation like this on their hands. I don't see why. It sounds like somebody got bent out of shape because they were in front of their shop or store or library or whatever and this is an overreaction. Why are we trying to regulate this? If we had 20 vendors like Cleveland does downtown, fighting over spots, I might be able to understand it and hopefully if we get the Lake Shore development up to where there is a lot of foot traffic, then I'd be in favor. Let's leave these people alone and let them make a little bit of money. I'm against it. I will vote no on it now and no on it in Council.

Director Frey – First of all one of the things I guess I should have also pointed out, while I've given you the map that shows where the U4 local retail districts are in the city, you'll note that not included in there are governmental and campus institutional properties. Those are not part of the permitted process. We have had a situation where one of the vendors set up on Library property and was asked to move the cart, not to return to the Library property. We have a provision in here that carts could establish on private property with permission of the owner in the U4 district.

Councilman Van Ho – I'm happy to tell you that the Library must have gotten religion because when I drove in earlier today to see what was on the Agenda, there was a hot dog vendor probably 20 ft. from the sidewalk of the main entrance of the Library.

Director Frey – I presume then that they got permission from the Library.

Councilman Van Ho – That's where the people are. Once again, they're taking 10 sq. ft. maybe. I don't see the sense of this legislation at this time. Five years from now when we've got the lakefront up and running there's all kinds of people walking up and down Lake Shore Blvd., good let's go for it at that point.

Director Frey – To respond to that, location restrictions are appropriate. I don't think you want to establish a hot dog vendor at the corner of a purely residential neighborhood. If you don't have that restriction, that is a permitted location.

Councilman Van Ho – With all due respect, I'd rather have him on my tree lawn than the ice cream guys driving down the street impeding traffic and encouraging kids to come out on the streets.

Councilman Gilliam – I guess I'm looking on both sides of the issue. If you're going to initiate a permit for a specific location, I don't know we could be constructing the business of a hot dog vendor. There are certain areas where there are definitely more walk through traffic, more vehicle traffic and there's more retail around there to encourage people to go to these vendors. I don't know necessarily that restricting individuals to different zones would be profitable for that individual vendor.

The other issue is that if we were to initiate or enact this legislation, who is to stop all the vendors from saying I want my particular hot dog stand to be on one particular corner and things of that nature, even with the 500 ft. you'll have people always trying to concentrate where they can get the most bang for their buck.

I would prefer a regional one but with strict enforcement about the particulars that you've already mentioned Director Frey, such as keeping the area clean 50 ft.; the separation of 500 ft. and I think it gives every individual who comes to the city an opportunity and it would also promote residents to invest in this as well.

I don't think this legislation is totally wrong. I believe that there are some things in here that are necessary, they're very stringent and it tightens up the particular service that is being offered. I have a huge concern with an individual having to buy three permits in one city to service three areas of the neighborhood. I just feel that at some point we are constructing how a person can make an income. I don't really believe in that and that's my comment.

Councilwoman Jones – I do feel that there needs to be some regulation even though we only have four vendors right now, we need to have something in place so that when the time comes when

there is the opportunity for more vendors to come in, it is just not an all at once type of thing. The regulation I feel that needs to be made is the type of things that they want to sell. I know we talked about food items for the carts because I don't want to see just any type of products being sold on the carts at any location. I also think there needs to be regulation of the hours of operation. The way this legislation is written I had a lot of questions that I submitted but maybe in further discussions some of those would be answered. I would like to hear from the vendors point of view, their perspective for those that are already operating whether in the City of Euclid or somewhere else to find out their perspective on some of the regulations that we talked about. Maybe in other cities they're already going through this type of thing and it could be an okay thing to put in as far as the regulations. I definitely would like to see some regulation as far as the types of products that are sold, if we can restrict it to just food products and the hours of operation of where they are.

I do understand not restricting somebody to one location. I'm kind of sitting on the fence about that. Because if you restrict somebody to one location to this corner and I have this corner for my cart, what is going to prevent me from buying other applications for other locations and blocking somewhere else of being able to have their carts on that location. I do understand if there is a special event going on and Shore Cultural Centre is having a big event and there are a lot of people there, then a vendor may want to have their cart on that location where they may not normally be there. I'm kind of on the fence as far as specific locations and the whole city application. I do see that there is a need for the types of products sold and the hours of operation. If we could open it up to those in the audience that maybe vendors for questions and comments I would like to do that.

Chairwoman Holzheimer Gail – Are the current vendors here, people who have carts with us? Would you like to come and sit up at this table? We'll have better discussion if you came up and sat at this table. That way we can have a conversation. Once everyone gets seated if you wouldn't mind telling us your names we would appreciate it.

Jim Emser – I'm the owner of Cleveland Classic Dogs. I have two carts in the city right now under operation.

Walter Ortman – I have one cart.

Lynn Ortman – I have a side permit to assist my wife and her cart.

Patricia Ortman – I own the Dog Gone Cart.

Tracy – I have no carts. I'm a long time family friend and business advisor of the Ortman's.

Marie Ortman – I'm an advisor after daughter and sister to Lynn, Patricia and Walter and I'm here to represent them and speak on their behalf.

Chairwoman Holzheimer Gail – The five of you on the left are all part of the Ortman family and you operate separate carts? If you won't mind, rather than specific questions, if you have comments on this or want to ask us questions, we'll start with your thoughts and then we can have a discussion with council members.

Mr. Emser – I do like the idea of having a permanent location. But I also like the idea of being able to move around. What I suggest is, since I have two carts, I can purchase two locations, not 10. I can go buy 10 locations in the same thing, I can stop some other vendor from using that location, which doesn't seem right to me. So now I have two locations, and there also is availability to get a special permit, let's say 200th Street is having a big event that day, I could buy a special permit for that day to go to that event. I think that is pretty fair and also you can move around the city. Until we get to the point where more legislation is needed. Right now, I was down talking to Mrs. Ortman down on her spot and it is a very nice spot. But I wouldn't want to go down there and take her spot because she's already developed some time, she's talked to the people and developed a relationship with the people. As of right now though, nothing would stop me from getting down there an hour before she and put my cart up, it doesn't make sense.

Chairwoman Holzheimer Gail – I just want to make sure I understand your point. With two carts you're suggesting having two permits but you would be able to go anywhere.

Mr. Emser – No. Two specific locations and nobody can come on unless they said, hey, could I use your location. There's always the ability to talk to each person and say yes, why don't you come over, I'm going to be out of town for three weeks if you want to use this location fine. But it would

stop somebody else from coming in, the hard work that the people have put in so far, that somebody could just come in and take that location, it doesn't make a lot of sense to me. Now the citywide, I like that idea too for the fact that maybe we want to go try some other area and then therefore we've developed this area and we like it. I do believe as the Law Director said, now is the time to start some kind of legislation to make sure that it doesn't go hog wild like Cleveland is right now. Cleveland has so much regulation it is just mind boggling.

Ms. Ortman – First of all I want to thank the Council for having us here and allowing us an opportunity to speak on this before it goes to a vote. Thank you for recognizing us. I'll introduce myself again, I'm Marie Ortman and I'm a daughter to Lynn and Patricia and I'm Wally's sister. Before I address that particular point, I have a few points that I would like to address overall. But I just wanted to give the Council a little bit of the background of some of the people that are here today, so you can have the face to go with what you're dealing with.

Lynn and Patricia, my parents, have been residents of Euclid for 22 years. Wally, myself, my brother Matt, were all raised in Euclid, we all grew up here, went to Euclid schools. I only left when I was 19 to go into the Military. Back in Cleveland and I'm still in Euclid all the time.

My mother started her hot dog business about 2 months ago, she's fairly new and my father is assisting her. Wally started his business last season. I think he may have been the first vendor in the city. To give you a little background on how they got here, my father has over 30 years in the vending and catering and food service industry. My mother recently left a career where she was in charge of inspecting food products for a large supermarket chain of stores. Wally has spent a number of hours, a couple of different restaurants serving as a cook. He also is very familiar with food service before he got here.

The reason they are in this current business is that they were all downsized from their other occupations and careers. They all found themselves looking for work and decided that they were going to go into their own business and wanted to have a business here in Euclid close to home. They found themselves purchasing the food service cart, Wally first.

I think that there's a lot of good information that is contained in this proposed ordinance and I agree with what several council persons have expressed that now is a good time to start regulation before this business kind of blows up like the City of Cleveland, however we are different than the City of Cleveland. There are a few items in here right now that while I know they were written with good intention, they are arbitrary in a sense that would constructively put my family out of business, all three of them as soon as this is passed.

If I could take a couple of those points. 116.107, sub-section A: part of the code that talks about dealing with the size of the hot dog cart itself or the mobile food service cart. I'm not going to read you the section, you've all read it. I can tell you my mother's cart exceeds this size that is listed here by 10 inches in length and 4 inches in width. I haven't measured Wally's but I'm sure his is very similar. The way this is written, without grandfathering in people who have been operating for the last few months or the last 12 months, they can no longer operate. My mother just spent a few thousand dollars on her cart 8 weeks ago. She had no notice or knowledge that was going to be in compliance any more with the law. If she is not able to operate, this is detrimental. She won't be able to recover the cost she spent on the cart, the cost of the money that came out of her savings when she was unemployed and she'll now have to purchase a new cart that is 10 inches shorter and 4 inches narrower.

The second point I would like to address is the one location permit item. I understand Councilman O'Neill's concern about turf wars in the City of Cleveland and I understand that's probably a reality in downtown where space is limited and vendors are numerous. However in Euclid, there isn't that competition for space right now that we're aware of. Traffic patterns change. My mother right now is currently operating on Lake Shore Blvd. in front of BP. If a new construction project started there tomorrow, say that only lasted 10 days and affected traffic, she would need the ability to move. That's the nature of a mobile food service operation is so that they can pick up and move and follow the business. Unlike year round businesses or restaurants, they can't rely on marketing, they can't afford marketing, they don't have that kind of profit margin. When you're talking about \$50 per application to have 2-3 different locations, you're talking about profit margin for an entire day's work.

We do agree there should be certain areas that you would prefer to zone, say a U4 district, that makes sense, it is not residential it wouldn't be disruptive to people's way of life. But to say that you can only have one location and not be able to change it every Saturday or every Sunday presents a problem. Potential solution that was raised was having a permit for two different locations. If one vendor is only operating one cart at one location, that leaves the other location that is blocked off and no one else can operate there. That seems to go against free market principles and we only survive based on those principles.

The next one is there is no exception in here regarding minors attending the cart. There's no exception for a minor employee. I don't think it is unreasonable to think that you may want to hire

a high school student, a 17 year old, to man a cart a few hours after school so you can take a dinner break etc. The Ohio Revised Code and the Ohio Administrative Code already regulate when and what type of occupations that minors can work within. There's already a thorough list and I can give you the legal citation if you'd like to see that. Hot dog mobile food service carts are not a prohibited occupation for minors. I don't see any reason why if Wally wanted to hire somebody, whether it is a cousin, whether it is a neighbor, somebody that he trusts to operate the cash for a few hours, he wouldn't be able to do that.

Councilwoman Scarniench – Do young people still have to get work permits?

Ms. Ortman – I believe for certain instances they do, I could be wrong. I think when they're applying for fast food restaurants, etc., any paperwork or tax information that they need to complete is already self-contained within that application. I don't know for this particular instance since he is an individual owner and his taxes are filing differently anyhow but I'd be happy to find that out and get that information to you.

Councilwoman Scarniench – That could be changed just so it pertains to the code. If they're allowed, then why should we say they couldn't if the State says it is okay.

Ms. Ortman – I would like to point out that it is very common in fast food restaurants to see people under the age of 18.

Councilman O'Neill – I don't have exception. This was put out here and I have no problem with amending it somewhat. However, to be age as long as the minor is permitted to work in the permitted hours by State. I do have a problem with the location of the vendor and again trying to protect another vendor who said earlier, most of the council didn't realize there were four carts vending in the city. Already we've tripled the size in one year the amount of vendors and what is going to happen next year. I believe that will be a problem. What's to say that we don't have a maybe, in this case it is hot food, who is to say it is not going to be ice cream. I will caution that although I'm pro-business, pro free market, I think you still have to have guidelines where carts are going and that area is protected. Certainly Mr. Emser said that he's not going to be at that location if it is a location that maybe your family member would maybe like to vend in that location temporarily and it is within agreement, that's between you two, that's not a problem. I think I'm trying to head off a problem before it happens here and I definitely see down the road a proprietary issue as hopefully not only the Lake Shore area which is the area that I represent, but I'd like to see carts vended in Ward 2, Ward 3 and Euclid Ave., Ward 1. As that progresses hopefully and the free market takes foot, I believe those vendors that is their area and they don't have to call the police and say hey, there's a cart on my spot. That's the reason that I put the ordinance together, I hope you understand.

Ms. Ortman – I absolutely understand and I know that it is meant to protect, I get that. The part you mentioned, I'd just like to offer, the part you mentioned about the vendors working out an agreement if someone is not in the location, I'm not sure what is preventing them from doing that right now. I'm not aware of any turf problems that have ever arisen. Your concern about the future, nobody owns the property that they're vending on. If somebody sets up at my mom's BP location where she has traditionally been and gets there an hour before her tomorrow, she now is going to have to resort to a different place. It is not her place to say I'm setting up here I want you to move, this is where my business has been, it doesn't work like that. That's the nature of mobile carts. I can say again I realize you're trying to help a problem and I truly appreciate that but right now this is only going to serve to hurt their revenue and their business as opposed to help which may happen in the future in 3-4-5 years if you really truly do have that increase in vendors here.

Councilman Gilliam – First I do agree with you that it should be a citywide permit. Individuals should be able to operate as long as they're legally operating within the city. Secondly my question about the minors and individuals under 18. No one is here to say that the Ortman's may not have a responsible teenagers, but I have seen the end result when there is an irresponsible teenager and it becomes a hang out and it impedes traffic. I don't want to necessarily say that would be the common theme in any particular vicinity or area but I do have a concern. There are responsible business owners and you all know there are irresponsible business owners. Opening up the floodgates initially could potentially be a problem even for your particular business at some point. When people identify certain businesses, hot dog vendors as being incorrigible, unruly and they may even miss-identify even one of your particular carts, yours or the Ortman's. I do understand that they're legally able to work a hot dog cart as a minor, my concern is the owner of the company being able to maintain control of that teenager and having the teenager work responsibly. I'm all about teens getting employed and I was a teenager once and most of the people I know were and we

all have our variations of how we project our professionalism in moving forward. I'm not adverse to the change but my initial response is that I would like it to be 18 or older and that be what we have established right now.

Councilman Langman – It is clear there are a lot of different opinions on what we should do and shouldn't do. Perhaps we should take the path that as we have with other businesses, they're a new business even though it is specific individuals, it is new type of business that is coming into the community. I would suggest that perhaps Ms. Ortman since she is well versed, well spoken on the matter or perhaps another representative, sit down with our Economic Development Dept. and the Law Dept. to come up with regulations that make sense overall for everybody. That way we're not impinging too much on the businesses and yet we're obviously addressing the concerns that Councilman O'Neill's legislation is trying to address. It is not unprecedented, we work with businesses all the time to harmonize these concerns. I think their information they have presented tonight has been an eye opener.

Chairwoman Holzheimer Gail – I would just add that Mr. Emser is involved too, or if there's others potentially coming in. I think that's a great suggestion because I'm not sure that we're going to get to consensus tonight. There's a lot of information, I'm very happy that you are all here and we want to certainly use your input and your expertise into making this work. I think it does make sense for us to work toward some regulation because the growth from one year to the second year from 1 to 4 shows that we may end up with more. Not only to avoid the competition but we also owe the service to our residents to make sure we are not, I'm not sure everyone wants carts on every corner, not that that would make good business sense but you don't know what is going to happen. I know there's a couple of other points, we do have another item on the agenda. Do people think that's a good plan to have a separate work committee, not our committee but Councilman O'Neill and members of both families and the Development Dept. get together to rehash this and come up with something that would work.

Councilman O'Neill – I have no problem with that. If the consensus is that we sit down with Community Development and really hammer something out. My goal was to involve the vendors and come up with something that is mutually agreeable and I think we have a starting point and I certainly think that we could sit down and bring something back to Council. I have no problem with that.

Councilwoman Minarik – Mr. Emser, how long have you been in the business?

Mr. Emser – This is the second year. I have a catering business too.

Councilwoman Minarik – When you guys talk about it being a mobile business and I agree it should go to Development. My question is on the mobility aspect. Instead of having a set spot, this ordinance talks about no one else can have a spot within 500 ft. Being mobile, is it better if you say you can move anywhere within a designated 1,000 ft., you can pick any corner you want? Is that similar to being a mobile business? Or when you say mobility, you want to go everywhere? Do you understand what I mean; instead of being at the corner of E. 222 and Lake Shore, you can't leave that corner, for example if the traffic patterns change. But if you had 1,000 foot swath or 500, that you could go anywhere in there; does that meet your need?

Ms. Ortman – I think what would be most beneficial based on the fact that this isn't a large profit business, is to have the maximum mobility possible within that U4 district. Whatever you define as that U4 district or whether you define it as the sidewalks being so large, whatever you've outlined on the map, I'm sorry I haven't had a chance to review it. Whatever you consider is a proper zoning area for a vendor to set up, to have the maximum mobility without getting within 500 ft. of other vendors who are already established.

Councilman Van Ho – Director Frey, why did we put a size requirement in there?

Director Frey – Other ordinances have size restrictions in them. We looked at the size restriction we thought might fit with our size sidewalks in areas. Certainly I don't think the difference is in 10 inches or 4 inches are going to be a problem to adjust the ordinance. But at some point you're going to have to have a limit.

Councilman Van Ho – My question was, was that narrowing it down to one manufacturing company's carts?

Director Frey – No, there was certainly no intention of doing that. We were taking that information from other ordinances that we were reviewing.

Chairwoman Holzheimer Gail – Certainly something that can be adjusted.

Councilman Van Ho – In response to Councilman O'Neill's concern about an ice cream vendor popping up next to him, I personally would appreciate dessert after I get done eating lunch. On Councilman Gilliam's concern about the teenagers. If the rest of the State can live with the requirements, are our teenagers that much worse than the rest of the State?

Chairwoman Holzheimer Gail – To me the question would be if you're working at a fast food restaurant you're being supervised, there's an adult onsite. The difference here is whether we feel it is appropriate to allow a minor to staff that cart all by themselves. Does that create opportunities for somebody to come take advantage? We don't need to debate that this evening, that's a point certainly this committee can look at.

Councilman Van Ho – I want to bring it up as a concern.

Councilman Gilliam – The implication wasn't that the teenager would be bad councilman, I know that you don't have any mal intent behind it but I never went to any place where the teenagers ran McDonald's or Burger King or they ran Friendly's or they ran Perkin's. There is an adult supervisor somewhere in that capacity.

Councilman Van Ho – I'm just saying the State doesn't regulate them and I'm not sure we should. We should have at least in theory a little bit more experience than we do.

Councilwoman Scarniench – I kind of agree with that. The fact is if they're screwing around and doing things that they shouldn't be doing and they're not selling products, the owner is going to know it right away and they're going to rectify that situation. More than likely it would be a child who is a relative who they trust and know they would allow to do this.

My other question is to the Law Director and it would be good to put this into the small committee so that we can work this out. Could we actually have a three tiered application? One would be for the single site permit; one would be that special event permit; one would be for a mobile permit that you could go into other places that are not infringing on someone who has a site permit? Just a thought.

Director Frey – Yes, I think we could create a specific location permit which is what we had contemplated with the legislation. A special permit for a single day or single event type activity. I'm a little, the citywide prospect is going to be a little more cumbersome because I think it is going to require the vendor to provide a plan as to where the location is going to be so there can be a review of the adequacy of that location for establishing a food vending location. I maybe wrong but I don't think these carts move all that easily. They're trailers that hitch, if I'm not mistaken, to a vehicle to move. While they have tires and so forth, they set up in a location and the intent is to sell from that location for a period of time. It is not pushing the cart down the street.

Councilwoman Scarniench – Instead of it being citywide, maybe just the district wide?

Director Frey – We'll have to work on it.

Chairwoman Holzheimer Gail – If you could work on that or the possibility of a main permit but a couple of ancillary spots. I think we want to anticipate that there maybe increased competition down the road. We want to put something in place that won't cause disagreements or undo competition or people pulling the rug out of someone else's spot later.

Councilwoman Scarniench – That is why I agree with putting together a little work committee using these folks because they are the ones who have been doing it for the last two years. We need their experience and expertise to make sure we're doing things right and they should have the benefit of helping putting this together.

Chairwoman Holzheimer Gail – I want to make sure we have your names and contact numbers.

Councilwoman Jones - I just want to piggyback on the comment that was made that I do agree that this would go into this other committee. I appreciate those vendors who are here tonight being here and giving your input because the way that this was written up, we had that size restrictions in there

and looking at a cart, as you said it is 10 inches over the size limit. Looking at one cart from another, I would never have known that. I do appreciate the input that you will give to this committee and it will definitely be beneficial.

The other question was about, Ms. Ortman you mentioned about the restriction of a permit for two different locations. So are you saying that you are in favor of having a permit for two different locations and using those locations, or you're more in favor of an overall?

Ms. Ortman – I'm in favor of full mobility once a permit is obtained for whatever the City of Euclid defines as mobile service operation friendly area, maximum mobility within that given the day, the weather, sales that maybe happening somewhere, etc.

Councilwoman Jones – I also wanted to comment that I do think it is important that we do address this issue now because there could be people out there that don't realize that we really don't have any regulations now and we have the four carts in the City of Euclid. But that doesn't mean that there's a potential, as the development of downtown, the lakefront and everything goes on. I know it is going to take years for that to happen, but as time goes on and we get caught up in other things, then we're going to be sitting here with trying to put something in place. If we have some guidelines at least so when a vendor comes in and says, okay this is what my requirements are and this is what my restrictions are. As new vendors come in they'll know that this is what they have to, the guidelines they have to go by. I thank you for being the pioneers of this and working with us to set those rules up.

Councilman Langman – Just a nuts and bolts question, we're going to leave this legislation in committee and then we'll have the sponsor and the representatives from the businesses, law, development, safety, work on revisions?

Chairwoman Holzheimer Gail – I think that makes sense.

Councilman Gilliam – Councilman Langman has definitely summarized what we will be doing in the next steps. With respect to the Ortman's about the size of your cart, I truly understand that you made an investment when there wasn't any regulation. Maybe these particular individuals could be grandfathered in. I'm from New Jersey and I've lived in New York and they can take a cart and make it a hot dog stand, a pretzel stand, a popcorn stand, they can keep going on and on and on and they're having those issues now where people are extending their carts to offer a variety of different foods under the guise of offering food. Not to limit the possibility of an individual coming in, or steering an individual to one particular brand of cart, but I think we either specify specifically that when they say specifically what foods are being sold that they actually are those foods being sold. Or we specify what sizes they are to avoid the possibility of ancillary services. I've seen chips, candy and everything, it is a convenience store on a public street. Those type of things need to be in a building. I just wanted to point that out. I think legislation is needed. These individuals have started it and I appreciate you being here because I believe in free enterprise. But at the same time, as Councilman O'Neill stated, with this business growing we have to have legislation out there to address the issue.

Councilman Van Ho – Unless there are other questions, I would move that we table this legislation as it is written, let Law Director Frey and Community Development and Police meet with these people and work out something that is going to be mutually acceptable.

Chairwoman Holzheimer Gail – We don't need a formal motion, we can just keep it in committee. I would ask that Council people who still have questions or if there are other council members that want to participate in the meeting to do so as long as it is not more than three. We do have another item but I'll allow Councilwoman Jones to ask a question and then we'll move onto the next.

Councilwoman Jones – I do have a comment regarding this committee, if we could put a time limit so we can hear a status in a month or six weeks. If we have a special meeting during the summer, maybe we can get a status update from them, but I don't want to just leave it in committee and this other group is meeting and we don't really hear anything that is going on so I would like some feedback. We're into the season now where the food carts will be more popular and I don't know if there's anybody who is waiting to bring a food cart out, but just in case they are, at least we can let them know that we are working on some guidelines.

Chairwoman Holzheimer Gail – Councilman O'Neill, a month or six weeks would work?

Councilman O'Neill – I would hope to get something together in six weeks. The legislation was put out with the intent that there was going to be feedback from the merchants and from Council. I have no problem with sitting down and work out the details with you folks and Council.

Chairwoman Holzheimer Gail – We appreciate you attending tonight. We will make sure we will contact you, Councilman O'Neill or Director Pietravoia, make sure you're part of the meeting.

Ms. Ortman – Thank you everyone for your time, we really appreciate it.

Chairwoman Holzheimer Gail – We don't have specific legislation yet, but there is the intent to bring it forward at our next Council meeting. We have on the agenda a Discussion on proposed legislation to make Euclid a founding member of a regional Advanced Energy Special Improvement District (SID). As Council remembers we did pass legislation authorizing us to submit the grant as part of the efficientgovnow process. Councilwoman Scarniench and I were able to attend the webinar here and I hope others had the chance to do it from home. There is a time issue so we did ask Director Pietravoia to at least have some initial discussion tonight so that hopefully we will be ready on Monday.

Director Pietravoia – I did also want to comment and thank members of Council and the community at large that took the time to vote for the efficientgovnow project. It did put us into third place which secured \$100,000 grant, which will go to the First Suburbs Development Council and help to administer this program that we're going to describe tonight.

Council President mentioned a time constraint. There are some special grants and tax credits that are in place at least through the end of this year, especially on the federal side that will either expire or be modified after the end of this year. So we're anxious to get the special improvement district approved by all the communities that are interested as quickly as possible so that companies in our communities can take advantage of installing energy improvements on their buildings and take advantage of these grants and credits that are available. That is the time constraint that was mentioned.

First Suburbs hired Ray Headen from Brickler and Eckler, the same attorney that helped us with the solar project on our City Hall and Library. They are becoming known in the area as experts in this field. We're fortunate that they're right here in Cleveland because they are actually consulting all over the State. They are right here in Cleveland and we're able to take advantage of their presence here. They helped to prepare the documents that we sent to you by e-mail. I apologize for the length of the documents it has been a learning curve for all of us when you look at what it takes to get one of these special improvement districts in place. On the surface the concept is pretty easily understand, but when you start looking at all the legislation and the documents required to establish it, there's quite a bit of detail there.

That was all prepared by expert attorneys that are very familiar with the State law. In essence what happened is Ohio passed a law recently that allowed property owners to ask for themselves to be assessed to pay for energy improvements on their buildings. Initially the law was only for solar, similar to what we're trying to do here and at the library. Just recently in the past week, two weeks at most, the State legislature expanded that to include wind, geothermal and energy efficiency in general, insulation, adding energy efficient windows, things of that nature, are all now eligible as a couple of weeks ago. It makes this district even potentially more valuable to our area companies.

The benefit of it is that by asking for the self assessment on their taxes essentially it allows the debt that they would otherwise incur to be off their books and it allows them because of the group nature of this, there's value in going after loans as a group through a bonding process, they would be able to take advantage of a lower interest rate and a longer term than they might get from a conventional bank loan. The real benefit is the financing side of this and taking that expense off their books.

From the city's perspective the benefit is that it provides another economic development tool that we can offer to our area companies and eventually to our residents. Initially it is proposed only for commercial and industrial companies and eventually after we get experience then to expand that to residential energy efficiency projects as well.

So it encourages economic growth by helping the companies to save on their energy costs. Hopefully those savings are then put into the property itself or continued hiring of their employees or expanding their employment. By saving on energy we hope it will help stimulate economic growth. Last but not least, the idea that we're serious about using renewable energy products in our community, not only on public buildings but now on private buildings, we hope will encourage in Greater Cleveland, the manufacturers of those products to want to locate here, particularly by creating more demand locally for their products to be bought and installed in the Greater Cleveland area.

We're looking at partnering with Cleveland and if all the First Suburb members join, upwards of a total of 16-17 communities including Cleveland; it will be the first of its kind, multi-jurisdictional in the State of Ohio. It will be the largest of its kind. It is a fairly new law so not surprisingly we would be one of the first. One of the other benefits of proceeding through a regional cooperation as I'm describing is that there's time and expense and administrative aspect to this that will be taken on by the First Suburbs and this special improvement district rather than each individual city in a very difficult economic time with tight budgets to try to do this on our own and pay all those costs, 100% locally, versus sharing any costs there might be through this collaboration.

And in fact the unique nature of that collaboration is what allowed us to get the grant which we're estimating at this point will fully offset any costs that are going to be, so there wouldn't be any administrative cost to the member community.

On the surface again just describing it very simply, all positive, all advantages to the community to be part of this. I know several members of Council if not the majority have expressed interest in all that we're doing to be a green community and to encourage energy and renewable energy in our community. So I'm hoping there will be support for this.

The ordinance itself in the package we sent does three primary things. It is actually a petition of the city to city council to say that we are asking that we want to be a member and part of the Special Improvement District.

The second thing it does, there's attached to the ordinance and the petition, there's an attached plan that outlines the activities of the Special Improvement District, what they'll do and it outlines the services that they'll provide to the members that undertake projects in the Special Improvement District area.

There is one thing that is unique about this special improvement district versus districts that were allowed in the State law prior to this. Prior to this change in the law, every single individual property had to be contiguous for the district boundary to be formed. Under this new law, as long as there is one project on any given property in an individual community and as long as the communities as a whole touch each other, the district can be as large and the entire city and all the cities that are members. This is a huge advantage because other let's say Lincoln was interested in doing a project under the old law and the city wanted to do a project. Under the old law if our properties didn't touch we couldn't be part of a district, we couldn't form a district. Under this new law, it only takes one property and then as many others that may want to join later for us to be part of the district and take advantage of all the financing and things that I've described earlier. The ordinance would petition for us to be part of the Special Improvement District; would approve the plan for the district and the services they would provide; and, it would identify a demonstration project in each community. In order to be a member of the special improvement district, you have to assess a project. So each community is going to identify a project and I'm going to talk a little bit about that for Euclid.

One of the last points before getting into any questions or some of the other details, it would appoint as the founding members and the founding board of this large special improvement district, the economic development directors from each community as a voting board member of the initial special improvement district. So Cleveland, Euclid, and all the other suburbs that joined will have a vote as to how the district operates in the future, what other projects they might take on, they will review and approve each new project that comes forward. So each company that might want to finance an energy improvement project would be reviewed and approved by that Board. It puts us in a tremendous position of the initial organization and control and ensuring that the District is actually doing what all the founding members were hoping it would accomplish.

The demonstration project, let me talk a little bit about that. We handed out spec sheet from a company called Everlast. You may all recall that we received Dept. of Energy grant. What we're proposing and the district allows this, is that we would do a demonstration project where a majority of that project would actually be paid for through our grant. So we'd be self assessing the city, even though we don't get a tax bill we would get a bill that just has this assessment on it. Over a period of whatever the time period ends up being, I believe the initial time period is 20 years, we would pay back the cost of that project. In our case all that's required for these demonstration projects is that a nominal amount of money remain unpaid for the full 20 year period. So what we would propose, this particular project that I'm going to describe would cost about \$10,000 and we would assess, we have two options and we're getting some advice from Brickler and Eckler on this. We can either only assess a nominal amount like \$50 and then pay for the rest of the cost of the project up front with our energy grant and just leave that nominal amount on the books for the life of the assessment. Or we can assess the entire amount with the option of paying most of it early but still leaving a nominal amount, \$50-\$100 on the books for the life of the assessment. Again, that's to become a founding member you have to actually do a project and you have to have an assessment for that project. This is a creative way of allowing all the member cities to do a project, even if they might be financially strapped. What most communities are doing because they haven't received an energy grant like we did, there's a particular product they've identified, it is a solar powered ground

mounted light that can light a sign for example at a park entrance, that sort of thing. It costs about \$500 and that's all that is required. There is no bottom limit for what your project has to cost in order to be a member and to do an assessment. Most cities that didn't receive a grant are going to be doing a very small, probably in the range of \$500 demonstration project. Because we received the grant we thought we would have the ability to do something more meaningful and a better demonstration.

Let me just explain briefly what the demonstration project is. You can see in the picture, this is a very unique, in fact we believe this is a sole source provider, Everlast company, combined street light or parking lot light that's powered by both a wind turbine and solar panels. With the change in the law and this is still a little bit up in the air, we could probably assess the entire project, if not we've already asked the provider to give us a cost just for the solar panel component and we know for sure we can at least assess that part as our demonstration project.

This would be completely off line in terms of First Energy. It would be completely independent. It has a battery back up that stores up to three days worth of power. So even if the wind is not blowing and the sun is not shining quite enough, there would always be a battery back up of at least three days time period. We're proposing to install one of these in the parking lot on the north side of the building, if you go by in the evening, it will probably be dark enough by the time we leave here, you'll see it is one of the areas on our public properties that is not as well lit at night as the rest of our parking lot. We thought since we would likely need to install another light there anyway, this would be a perfect opportunity to test out this new technology.

The other thing that is unique about it and I know Councilman Langman is a little bit familiar with this with some of the meetings and discussions he's participated in recently, this is a new technology called induction lighting. It is similar to LED. The company that has been discussing this with us has represented that it has similar energy savings to LED. Beyond this, there's even another technology coming using plasma, another whole separate type of technology that is supposed to be even more energy efficient than these but it won't come online, generally available to the market for probably another 3-4 years.

Regardless of what we choose, we could do the smaller demonstration project like the other communities, we would have the option to do that. We're recommending doing something a little more meaningful and showing that we're trying to test more technologies here in the community by testing the combination of solar, wind and induction lighting all in one demonstration project. We have the luxury of having the grant funds that allow us to do that. I apologize I really rambled on. I'm really excited about this and the fact that we can be part of this regional project. If it doesn't show, I'm very excited about it. As complicated as the materials are, my explanation in 15-20 minutes has hit all the high points. So if you had a chance to look at the materials or heard the webinar and have some specific questions, Brian has been assisting, he has been a tremendous help in reading and trying to understand all of these materials and we've been working together with First Suburbs to try to advance this project. The two of us would be happy to answer questions.

Chairwoman Holzheimer Gail – Just to clarify at this point there is no additional cost to the city to be a part of this. There's no liability to the city when these projects are assessed to the businesses, that's all separate.

Director Pietravoia – The part the city will play in the process is as each private company comes forward to do a project, they will petition the city just like we're doing to ourselves to undertake a project and to have the city file that assessment with the County Auditor every September like we already do for grass liens and things of that nature. That would be our role in the process.

Councilman Langman – Director Pietravoia, this is certainly good news and something that many of us have been working towards for a long time. I think Euclid must become green, not only because it is good for the planet but it is good for business. A couple of general questions. We've talked about City Hall and the Library, when is that actually going to happen?

Director Pietravoia – The solar projects, they are doing the engineering work now and they plan to install this summer, fall at the latest. There was one procedural issue that came forward after everything was approved by Council that we're working through if not already resolved, Director Frey is telling me. In order for OCS, the company we hired to take full advantage of the grants that are available for the two projects, they had to form a fifth incorporated company. There is OCS IV and OCS V. They will apply individually so they can take advantage of a grant for each project for each building. That took a little bit of extra time that we weren't anticipating.

Councilman Langman – We can't apply the grant that we just got to this particular project?

Director Pietravoia – We cannot and the reason why is that we have to actually own the project and incur the expense that we're assessing for. So in the case of the Library and City Hall project, a third party is going to own the solar panels and we're leasing the rooftop and buying the energy from them. It wouldn't qualify under the State law that was passed.

Councilman Langman – That leads to my next question as to the demonstration project. Awhile back, a few years ago now, Dovetail identified other areas within the City, like the golf course or Memorial, the ice arena. In my way of thinking we should try to get some bang for the buck as far as energy savings and so forth. I think I know how you're going to answer but why couldn't we pick one of those spots for strictly a solar project?

Director Pietravoia – A couple of important reasons. We learned through the process for the city hall project that since we can't qualify as a government agency for the tax credits and grants, it is not as cost effective for us to directly own a project like that. Even on our other buildings, the incentives that are out there aren't great enough for a city to take on a project like that on their own. The second reason, since we need to own it in order to assess for it, the numbers would have to work for us to own it and right now the numbers don't work.

Councilman Langman – In regards to the Everlast product, it is an interesting concept but who is responsible for the maintenance of the turbines, the batteries. Obviously turbines are under tremendous physical pressures, obviously it is a mechanical device that tends to wear quickly. Batteries you have issues of maintenance of that; who is on the hook for those expenses?

Director Pietravoia – In this instance we would be, we would own the product and we would be responsible to maintain it. I will ask Brian, I don't know if he had any discussions with the company about any ongoing maintenance costs, but I'm sure they provide that service as well. That wasn't part of the initial cost that I was describing.

Mr. Iorio – Director Pietravoia is correct we would be in charge of maintenance on this equipment. There's a ten year limited warranty on the installation but beyond that we would be responsible for any maintenance.

Councilman Langman – That is a concern because turbines are under tremendous stress especially if you're going to have one close to the lake you'll have all kinds of winds coming out there. I'm not saying I don't want to do it, but I think that's a consideration. There's a reason why turbine technology is still evolving because of the durability issues. Unless you're dealing with a gigantic turbine I'm concerned that we are going to have a lot of maintenance issues so we would have to be spending a lot of time doing that.

Also my other concern is, we seem to be going all out in one particular lighting technology which is induction and I don't see anything that we're doing with LED's. We have a company that is headquarters a community away that's very heavily into LED's, that would be General Electric. I've had conversations with Director Smith and other folks and we can't seem to get anywhere as far as comparing the two technologies. While I favor this installation I would like to see this city also look at LED technology because that is what a lot of other communities are looking at as far as outdoor lighting, indoor lighting, etc. I don't want us to put all our eggs into one induction lighting basket.

Director Pietravoia – I regularly continue discussions with Director Smith so I know that he is exploring LED's as well. We're talking about finalizing the use of the rest of our energy grant. At least one of the projects we're talking about using a demonstration of LED lighting and also doing another area where there would be induction lighting and have the ability to compare the two over a period of time.

Councilman Langman – What is the timeframe for that?

Director Pietravoia - The grant needs to be expended, we have another 18 months, in terms of the total time to get the grant to expend it. It would be over the next year, year and a half.

Councilman Langman – This induction lighting, does it contain mercury?

Director Pietravoia – There is a component that has a mercury compartment. My understanding is the way it is designed is when the product goes out of service it is designed in such a way that it can be literally broken off from the fixture and then it is returned to the company and they recycle that for re-use on new fixtures.

Councilman Van Ho – I notice in the background on the first page it talks about eventually homeowners being able to afford solar projects, no cost to the city which I like, financing at affordable rates for as long as 25 years. How are we going to be able to do that and when can we do it?

Director Pietravoia – If I understand the question, the financing part of it?

Councilman Van Ho – Yes, how can we finance it, or how can they finance it over 25 years and when can we start putting this out because it would be a selling point when we demolish these houses for people with a green conscience to come in and build if we can help them put up solar.

Director Pietravoia – The financing would be issued through the special improvement district itself, which the FSDC is going to establish. It will be issued through the Port Authority. That still has to be finalized and voted on by the new board of the Special Improvement District. The Port is very interested in the project and again it would be the benefit of a larger issuance that would cover the fees that are normally involved with issuing bonds and the ability to get longer term financing at a lower rate than through conventional. The ability to do that financing through the Port is going to acquire an assembly of the first round of projects. Which is also why it is so important that we be part of this larger district. Euclid alone, let's say that we had 2-3 interested companies which actually we're talking to right now. The value those projects wouldn't be enough to offset the cost of doing a bond issuance, the legal and other costs. So 16 communities together with several projects in each community will get up to that level of the bond issuance. (Approximately 2 minutes of discussion not recorded by tape)

Director Pietravoia - The entire group at the advice of Brickler and Eckler decided that we really need to get up and running and get some experience with this before we open it up to residents. So I imagine it will be at least a year or so until we get a few projects under our belt, go through on round of projects and then start looking at how we could expand that to residential projects.

Councilman Van Ho – I would like to echo Councilman Langman's concern about the lack of enthusiasm, for lack of a better way to phrase it, with LED. I had started talking with Director Gulich about doing LED street lighting because of a much lower maintenance cost that would be involved. The long term where you have to change out LED's. He was looking at a few things and thought they might work. I talked to Director Smith and haven't gotten that same warm fuzzy feeling, I really think we need to look at that.

Director Pietravoia – I can't speak as well to this as Director Smith would be able to but I'll comment at least generally. What we're finding because we've met with several representatives including the reps from GE. If we were going from incandescent street lights to LED, there's a huge savings. But the amount of energy used and the cost of that energy for metal highlight, am I getting it right, that we currently use. I apologize, I'm not as well versed as Director Smith. Is very similar to the amount of energy that an LED fixture would use. The initial upfront cost which is still very high because the technology is so new, is not offset by savings accomplished because the energy use is very similar to the product we already have out there and LED technology. It made sense on our traffic signals because we were going from incandescent to LED and there was a huge difference in the energy consumed and therefore the savings upset the upfront cost. In a nutshell that's the best I can explain it. As the prices come down for LED or as their efficiencies improve over what we already have out there, it will make more and more sense to look at that type of conversion. How other communities are doing it if they already had metal highlight, I don't know how they're really justifying the cost because the savings difference is minimal compared to what we already have out there.

Councilman Van Ho – I would like to see if possible from Brian, you or Director Smith, a comparison of what you have just outlined because I have not heard that. We also need to factor in the longer life of the LED's. I know we put LED, taillights on all of our buses at RTA because they've got a 12 year life expectancy and we were changing out bulbs on a much more regular basis.

Director Pietravoia – That is one of the tremendous benefits of the LED's is the longer life and therefore less maintenance involved. One of the biggest challenges Director Frey reminded of that I neglected to mention is that at least presently First Energy will not own or maintain the LED lights. If we wanted to use them, we would have to buy them, we have to own and maintain the poles

which we don't currently do. And, they still would still charge us a yet to be determined fee for distributing the electricity to those new fixtures. I want to say it diplomatically but the utility companies are not really yet in favor of seeing this conversion occur because they're really not being cooperative and there are major obstacles in place in terms of cost to us if we had to own and maintain all the poles, pay an additional fee which now might offset any savings incurred from LED lights.

Chairwoman Holzheimer Gail – Perhaps Councilwoman Minarik would like to have a committee meeting about LED lights.

Councilwoman Scarniench – I was at the webinar and it was exciting because I learned a lot of stuff. One of the questions we've been asked before is what benefit do we have? The benefit is fantastic. It costs us no money. It is going to let our businesses and then our residents tap into dollars that they don't have to have upfront to do these kind of projects, it is a great thing. One of the things they had, a cost benefit savings, just to give people perspective, \$275,000 project will end up costing only \$464 a month. One of the greatest benefits is we the city can also use this project. So instead of tying up all of our money to do these things one at a time, we can come up with a plan and let the Port Authority charge us that minimal amount of money, whatever it is and it is over a 30 year period. It makes a lot of sense to be part of this. As far as our little project, that is what it has to be, it has to be a little project that we're ready to do right now, if I remember correctly. We have to submit that with everything because this project has to be paid for over that 30 years. If the project stops, if we pay it ahead of time, then we're not part of it anymore. This little project and if it costs us \$5 a year, whatever it comes out to be, it is minimal but we have to continue to pay it for the 30 years.

Chairwoman Holzheimer Gail – Just to follow up, what Councilwoman Scarniench mentioned is that we have talked about other projects, we've talked about the golf course, we've talked about Shore Cultural Centre. If we have those projects ready to go, we can use this funding stream, maybe not with this first round because it is business, but eventually we can use this as a funding model. We can help fund these projects assuming it makes sense to do so through this as well.

Councilwoman Jones – The pilot project needs to go through the Board to get the approval. Once we have all the requirements it has to go through this board that's part of the SID to get the approval for this project; each city has to go through the same. Does each city come up with their own special pilot project?

Director Pietravoia – Yes each city is going to do their own pilot project and each city council will approve a similar petition identifying what that project is and what it will cost. As I understand it because we're forming a new district, each city will approve its project on its own. The board won't exist until each city approves that city being part of it. As I understand it, we're not going to actually vote on the initial projects, the Board won't vote on the initial projects, they are approved by the individual cities and then any new members that want to come forward, any property owners in our city or Cleveland or other members, those projects would then come forward to the Board for approval and each city would also pass an ordinance assessing that property owner for that project. The initial round of demonstration projects as I understand it will not have to go before the newly formed board for a vote.

Councilwoman Jones – The pilot projects, what the duration of the pilot project?

Director Pietravoia – In terms of the life of the project itself, or?

Councilwoman Jones – Is there a certain time span that has to pass before there's another project that we want to start? You mentioned this is a pilot project to see how the process goes, or just to start off. Is there a specific duration that has to pass before we can implement another project?

Director Pietravoia – There wouldn't be any specific time period that has to pass. What it is really going to hinge on is the ability to collectively get enough projects with a high enough value to issue bonds. That's really what it is going to hinge on. From what I'm hearing from my colleagues, there's enough interest out there that they believe very quickly after the formation of the district, we can work with the Port to do a first round of projects that will be valued at several million dollars collectively from all the cities.

Councilwoman Jones – Can you just review on this initial special project, can you just review the funding you mentioned about that? On this one description it mentions on the last line about estimated costs for the project and the total cost. Can you just review? Exhibit E.

Director Pietravoia – I had roughly said the project was going to be about \$10,000. This is a specific amount from the quote we got, \$11,833 with installation.

Mr. Iorio – The last line, the special improvement district will finance solar and battery portions of this installation and is estimated to cost \$4600 that's just for the solar portion and the battery, that is all that the SID is allowed to fund at this moment until it is expanded to lend. That's \$4600 out of the entire cost of the project which is \$11,833 which is the estimate. That includes \$1500 for installation so it was close to the \$10,000 that was referenced earlier.

Councilwoman Jones – What part will be distributed over the 30 years?

Mr. Iorio – 25 years. Our intention is the way the SID is set up, in order for us to be a member of the SID we have to have something being assessed for the entire period that we're a part of the SID so 25 years. We can leave \$25 as our assessment; not pay anything for 25 years and then the last year pay \$25 and that will complete our obligation to be a part of the SID. We can either not assess ourselves for the full amount and just pay for this out of our energy grant. Or we can assess ourselves for the full amount, pay early just so it is more a part of this whole project we're going through. And then leave \$25 to be paid in 2035. That way we're a part of the SID for 25 years. In order to be part of the SID you have to have a project that's being assessed on your property.

Councilwoman Minarik – For the \$4600 is being paid for through the financing?

Mr. Iorio – That is the portion of this project that is eligible to be assessed.

Councilwoman Minarik – That's going to be the assessed part. Then the city is picking up the balance?

Mr. Iorio – The whole thing is going to be paid with the Energy Conservation Block Grant.

Chairwoman Holzheimer Gail - \$4600 is because the special improvement could only pay for the solar.

Councilwoman Minarik – On page 2, how will it work? It talks about the SID board will aggregate the various projects. My question is, the proceeds and then it goes into the larger bond and all that. Is there a timeframe, you have 16 communities and there's two projects per community; are you going to have every six months you will put these all together and then go out for the bonds? You're not going to go individually out for bonds every time a project comes up, so what's the timeframe that the Board will look at these different projects from the 16 communities and will they annually go out for bonds, is that how it works? Is there a way so that no one community or it doesn't matter because it is all being financed because it is a SID district, never mind, that question doesn't matter.

Director Pietravoia – Those details are yet to be worked out and the board will have to establish all of those ground rules once the SID is established. The likely scenario is at most they may do bond issuance quarterly or twice a year. It all hinges on getting enough value so that you're offsetting the fees for the legal and the bond counsel to do the bond issuance. It is not a firm answer at this time because those rules will be established by the board once they're up and running.

Councilwoman Minarik – That answers the question because the heat treating plant, comes in with a project, it is not enough money to make it worth it, that was my question. The board has to keep going out there and reminding, come on, come on, come on, because the sooner we get these then we can go out.

Director Pietravoia – To that point because we hadn't commented on this earlier, one of the tremendous benefits of receiving that \$100,000 grant is that the board will actually hire staff that will help develop marketing programs and actually be advising and consulting with individual companies from all the member communities on the various projects, helping them run the numbers to see if financially it makes sense, helping them fill out the application. They'll do all the preliminary reviews and approvals before it actually gets to the board. So there's a huge benefit of

having the district with a staff that's actually going to be marketing and getting those projects generated.

Councilwoman Minarik – For how many years will the grant pay for the administration of this before the 16 communities have to start kicking in their own?

Director Pietravoia – We estimate the initial application suggested that we would put about \$60,000 of that grant towards staffing. Essentially that would hire one full time person with benefits. So we're looking at, if you use all the money towards staffing which that was not the original proposal, you could get maybe a year and a half, a year and three-quarters out of the \$100,000. There are legal expenses and other things we'll be paying for. We're assured for at least a year with that funding, maybe a little bit longer, for the staffing. What will happen is the board will establish a fee for being part of, for your project being funded through the special improvement district and that fee will help create the funds needed to continue the staffing for future projects.

Councilman Langman – As far as the Port Authority undertaking the financing, I think we all know we have other projects we would like their assistance on. Will this tie up their capacity to issue debt for economic development projects?

Director Pietravoia – It is my understanding they are very anxious to continue and jump start again their economic development projects because they've had a time period here where that activity has slowed down at the Port. The folks that are in charge now are very much encouraging not just this but other economic development projects.

My answer would be no, this would in no way tie up their capacity for future projects.

Councilman Langman – That's good because obviously we've talked about marinas being green, etc., so this technology lends itself to when we get to that point.

Director Pietravoia – It is very likely it will be the Port, but that won't be decided until the Board is in place and with the advice and help to negotiate on the part of Bickler and Eckler. We'll look at several different options, but the Port is already showing interest and it is very likely that they will be the ones, at least to issue the first round of bonds.

Councilman Langman – We might have to have a committee meeting on this whole LED thing, only because I sat with General Electric about three weeks ago. They indicate that the pay off to a place the metal halide lights that we own on 222 is three years. It is not this indefinite period. Many, many other municipalities, including Cleveland are going towards the LED's. I don't know all the technical aspects of it, but when you have that many communities, not only in this country but around the world embracing LED, I am growing concern that there seems to be reluctance to do anything with that product. I've been to both external and interior applications and it is a viable technology right now. I'm going to start copying you on some of this stuff that I've had with General Electric along with Councilman Van Ho. We need a fair evaluation of these two technologies and perhaps others. I don't want to drag out the time period before we do anything with LED's. Thank you.

Councilwoman Scarniench moved to go beyond the hour and half time limit. Councilman Gilliam seconded. Yeas: Unanimous.

Councilwoman Jones – Director Pietravoia, this project initially is going to be open to commercial properties and then eventually residential properties?

Director Pietravoia – Correct.

Councilwoman Jones – Once it is open to commercial properties, is there a process that a business owner or a property owner would need to go through to apply for this type of funding?

Director Pietravoia – They would work with the staff that SID board will hire and they'll have actual application forms and will advise them on filling them out and the financials of the project they're trying to accomplish.

Councilwoman Jones – That won't be until that SID board is created?

Director Pietravoia – We're hopeful that it will be as early as this fall that all that will be in place and ready to start taking applications.

Councilwoman Jones – There is a property owner on Euclid Ave. that had expressed interest in this type of technology.

Director Pietravoia – If you could convey that information to me, I'd like to contact them. I have already talked to several companies that have approached me about are there ways to help finance solar energy projects. If you're aware of others, let me know and we'll get this information to them. Even though it hasn't been approved yet, it is not too early for them to start understanding and thinking about it.

Councilwoman Jones – This maybe one of the ones that you are already aware of because I sent them your way when they were asking me about it.

Councilman Van Ho – Director Pietravoia, it just so happens that Chad Self who is our CEI representative is an RTA alumni that I happened to run into the other day and he mentioned that he would be very anxious to sit down and talk to Council in general. I think it would be worthwhile to call him and set up a meeting for the whole council and have him come in and explain this but explain it with true numbers. I like Councilman would also like to see real numbers, not just people's gut feelings of whether it is ready or not ready; whether it is cheaper or not cheaper. Show me numbers I can digest that much better.

Director Pietravoia – Director Smith is taking the lead on this. I would be happy to be part of it along with Brian and I know Director Frey has had a keen interest in this as well. We're all very interested in the technology but I would defer to Director Smith to organize a presentation like that.

Councilman Van Ho – I think a good leader listens to his people to if you could put a bug in Director Smith's ear, it would be greatly appreciated.

Chairwoman Holzheimer Gail – Thank you Mr. Iorio, Director Pietravoia and Director Frey. We appreciate the advance discussion of this legislation. We don't have anything in committee so we don't have to act on it, but it will be introduced at the next council meeting, so I will ask Council, I know we did get a lot of information. Make sure you take a look at it and if there's questions ahead of time, ask them so hopefully we'll be prepared to act on this on Monday. I think it is a good step forward. There's no legislation so we don't need to send it.

Director Pietravoia – We had a draft in this package but it won't be introduced until Monday.

Chairwoman Holzheimer Gail – It seems it would be appropriate to have all of Council sponsor the legislation to move forward on this.

Councilwoman Scarniench moved to adjourn. Councilman Van Ho seconded. Yeas: Unanimous.

Meeting adjourned.