

MINUTES OF THE COMMITTEE OF THE WHOLE
October 1, 2018
Auditorium

Present: Councilmembers Anderson, Bullock, George, Litten, O’Leary, O’Malley, Rader

Also Present: Law Director Butler, Mayor Summers, Finance Director Pae, Fire Chief Gilman, Planning Director Sylvester

Call to Order: 7:10 p.m.

RESOLUTION NO. 9021-18 - A RESOLUTION authorizing the Mayor and Director of Law to enter into a purchase agreement with The Trinity Lutheran Church located at 16300-16400 Detroit Avenue, Lakewood, Ohio, and to execute all documents necessary to effectuate the purchase and sale according to the terms of that agreement.

Mayor Summers outlined five major reasons he believes the City would benefit from purchasing Trinity Lutheran Church:

1. It allows the City to control the outcome of the property to achieve the best long-term land use.
2. It allows the City to explore adaptive re-use. There is no street level in the church and so ADA compliance is a challenge.
3. Under City ownership, the property can qualify for matching grants for asbestos removal, brownfields remediation and attract other resources that a private developer could not.
4. The City can ensure complementary development – make sure it adds value to other nearby developments.
5. Purchasing this property at this price is not a big risk because the City would likely get the money back if it sold it on the private market.

If Council approves the purchase, the City plans to use the last big influx of estate tax funds to make the purchase. Because the City no longer receives estate tax from the State it is looking to spend those funds on a one-time-use purchase like this one; and one that helps create a strategic advantage.

President O’Leary acknowledged the many apparent strategic benefits of this purchase.

Councilmember Anderson expressed support for the sale and noted that the City has taken proactive steps over the years to be able to react to an opportunity like this. He noted that the property represents the interface between the commercial and residential corridor and that the City has a big interest in controlling that.

In response to a Councilmember’s question, Director Pae explained that when the City received its last influx of estate tax, it chose to put \$5 million of it into a land acquisition fund. It is

proposing to use that money to make this purchase. If it were the will of Council, the City could potentially transfer the \$5 million out of the land acquisition fund and spend it elsewhere.

The Committee discussed the potential uses of the property. Mayor Summers remarked that a company explored use of the property for office space and found many challenges and expenses. He stated that in the future the City may find it appropriate to give the building to a private entity for free to offset the significant costs of adaptive re-use.

It was clarified that the building is very unlikely to remain a church in the future.

Councilmember O'Malley expressed support for the purchase, remarking that by making this purchase the City can be strategic about who will inhabit the space and seek a tenant/owner that will provide a revenue stream that fits the City's vision.

The Committee discussed the option of deed restricting the property, which it would likely do upon sale – not at this time. Director Butler described other instances in which the City deed restricted properties upon sale.

The possibility of Lakewood Alive temporarily inhabiting the space was discussed.

The Committee discussed the tax ramifications of the purchase. The City would not have to pay property taxes unless it leased to a for-profit tenant.

The Committee discussed the timeline. Trinity Lutheran would like to close by the end of the year and the administration is requesting passage by the second meeting in October.

The Committee discussed the various parcels and structures on the site.

The Committee discussed the estimated holding costs of owning the property including paying utilities and a property management firm.

Committee of the Whole adjourned at 7:40 p.m. in order to commence the Regular Meeting of Council.