

MINUTES OF THE HOUSING, PLANNING, & DEVELOPMENT COMMITTEE
MAY 4, 2020
REMOTE MEETING DUE TO COVID-19

Present: Councilmembers Shachner (Chair), Rader & Kepple

Also Present: Councilmember Neff, Mayor George, Director Gelsomino, Director Rancatore, Director Gelsomino, Chief Dunphy, City Urban Designer Allison Hennie, Kyle Baker of the Planning Commission, Allison Urbanek of Lakewood Alive, Rob Donaldson of Moody Nolan, Clerk Bach taking minutes, Deputy Clerk Lascu, and members of the public

Call to Order: 6:30 p.m.

RESOLUTION 2020-26 - A RESOLUTION to take effect immediately provided it receives the vote of at least two thirds of the members of Council, or otherwise to take effect at the earliest period allowed by law, authorizing the Director of Public Works to enter into a design-build form of agreement for the design, hazardous substance abatement and construction of improvements to Cove Church for the repurposing of the facility as a intergenerational community center in an amount not to exceed \$4,150,000 with Infinity Construction Co., Inc. (*Referred to HPD 4/20/2020*)

Councilmember Shachner made opening remarks and noted that the resolution to approve a contract with Infinity was put before Council. Subsequently, on April 28th, Mayor George communicated to Council that due to the uncertainty surrounding the city's finances in the near term due to COVID-19, she is planning to pause the intergenerational community center project for up to six months, and possibly longer. He noted that there is unanimous agreement around the value of the project in that it supports the critical services that Human Services provides.

Dir. Rancatore reviewed the spreadsheet emailed earlier today detailing the expenses incurred on the project and those anticipated. In 2019, the City spent \$900,000 to purchase the property. These funds came out of the Land Acquisition Fund. Another \$600,000 is estimated to be spent in 2020 - \$500,000 from the Land Acquisition Fund and \$100,000 in CDBG dollars for asbestos abatement. The project calls for another \$4 million investment in 2021. The previous administration only made suggestions as to where that money would come from. Those suggestions were reviewed.

Councilmember Shachner asked for an explanation of the budgetary advantages of delaying the project. He noted that the money to be spent in 2020 is budgeted to come out of discrete funds, not the General Fund or those meant to be used for streets or operations.

Other councilmembers remarked on the value of the project and its broad support. The question of whether delay could result in additional costs was raised.

Mayor George agreed with the value of the project and reminded the committee of her support for it. She explained that a pause is necessary in her view in order to better understand the impact on the City's revenue stream before moving forward. Regarding the \$4 million needed in 2021, she stated that she was planning to use the Land Acquisition Fund, which currently has \$3.5

million, assuming that it could be replenished. At this point she is not comfortable liquidating any cash reserves in case the City needs to tap into them. Furthermore, she stated that the City has the benefit of time because the project is ahead of schedule right now.

Director Rancatore underscored the uncertainty that the City is facing in its fund balances over the next 6 months and reviewed the financial breakdown of the project in further detail.

Councilmember Shachner acknowledged the many unknowns such as the number of residents who are unemployed and the impact of the drop in sales tax. He asked the administration to explain the use of additional liquid assets. He remarked that the project creates additional capacity and long-term benefits that may outweigh the short term loss.

Mayor George responded that Lakewood has one of the highest rates of unemployment applications and the City's income tax will be greatly impacted. She stated that pausing the project is the most responsible thing, given the many unknowns. She stated that the City may need to tap into its reserves to fill gaps and pay salaries. She cited an obligation to the City workforce and taxpayers.

Councilmember Rader echoed the sentiments of Mayor George and stated that a pause is understandable considering that the total remaining project cost exceeds the \$3.5 million in the Land Acquisition Fund.

In response to a councilmember question regarding when the City will have more certainty on its financials, Mayor George stated that it will have more information in August or September. She stated that the City still plans to move forward with the abatement in September using CDBG dollars.

Councilmember Bullock expressed a desire for the City to have a broad financial strategy regarding COVID-19 in order to understand how this fits in. He wondered if delay could increase costs and stated that delay makes sense if the project is ultimately to be cancelled. He suggested moving forward this year, pointing out that the City still has plenty of time to determine how to raise the \$4 million needed in 2021. He advised against using one-time money to fill gaps and pay salaries.

Mayor George responded that the City does have a broad policy which includes a freeze on all hiring, training, and travel and daily re-evaluation.

In response to a question by Councilmember Kepple, the Mayor explained that the waste water treatment portion of the project doesn't appear in the City's EPA plan for 7-10 years.

Mr. Baker, Chair of the Planning Commission made suggestions based on his experience working on staff at the Metroparks. He suggested getting Infinity under contract and to pursue the design work now and get a guaranteed maximum price (GMP). If the City finds the GMP to be too high it could take the design and go out to bid using the design. He noted that such a strategy could well-position the City for stimulus dollars.

In response to a question from a councilmember, Mayor George stated that she was considering financing the project in 2021 using debt.

Rob Donaldson of the Moody Nolan design-build team expressed that they are agreeable to a delay and understand the City's position.

Director Gelsomino assured the committee that this setback will not deter Human Services from carrying out its core functions and services. She remarked that this project has been a need for 25 years and that she is certain that it will be carried out at some point in the future.

Outdoor Dining

Councilmember Shachner announced that he has been researching ways to encourage more outdoor dining due to the pandemic.

Residential Rent Relief Communication

Due to lack of time, this topic was not addressed.

Approval of the minutes of the April 21, 2020 Housing, Planning & Development Committee meeting.

A motion was made and seconded to approve the minutes of the April 21, 2020 meeting. A roll call vote was taken as follows:

Yeas: Kepple, Rader, Shachner

Nays: none

Motion passed. Minutes approved.

Housing, Planning, & Development adjourned at 7:31 p.m.

May 4, 2020 Comments on Resolution 20-2026

1. Opening Remarks: Mayor Meghan F. George
2. Peter Rancatore on information provided below

Cove Church Project - Key Financing Facts

Amounts Spent to Date			
<u>Year</u>	<u>Amount</u>	<u>Fund</u>	<u>Purpose</u>
2019	\$920,328	Land Acquisition	Cove Church Purchase
Amounts Appropriated			
<u>Year</u>	<u>Amount</u>	<u>Fund</u>	<u>Purpose</u>
2020	\$500,000	Land Acquisition	Placeholder/Design/Jump Start Process
2020	\$100,000	CDBG	Asbestos Removal
Other - In 5 year Capital Plan			
<u>Year</u>	<u>Amount</u>	<u>Fund</u>	<u>Purpose</u>
2021	\$4,000,000	Unspecified	Design Build for Cove Church
Financing Tools Originally Proposed			
<ol style="list-style-type: none"> 1. Debt Financing 2. CDBG 3. State and Foundation Grants 4. \$3.5 M - Land Acquisition 5. Hospital Fund 6. Real Estate Sales <ol style="list-style-type: none"> a) Community Health Center - 1450 Belle b) Residential Home stock on Belle and St. Charles c) Lawther Center on Northland & Madison d) Hilliard Theater e) Youth offices on Madison 			