



**Concord Township-City of Painesville
Joint Economic Development District (JEDD)
Board Meeting Minutes
December 4, 2020
8:00 AM**

I. Call to Order:

The Concord Township-City of Painesville Joint Economic Development District (JEDD) Board met on Friday, December 4, 2020, via Zoom. **Mr. Chris Galloway** called the meeting to order at 8:04 am.

II. Roll Call:

Roll Call: Painesville City Representative, **Mr. Doug Lewis**-YES; Concord Township Representative, **Mr. Morgan McIntosh**-YES; Painesville City Council Representative, **Ms. Christine Shoop**-YES; Business Representative, **Mr. Ray Sines**-YES; Lake County Auditor, Chairman of the Board, **Mr. Chris Galloway**-YES.

Others in Attendance: JEDD Legal Counsel, **Mr. Mike Lucas**, (Wiles & Richards); and JEDD Administrator, **Ms. Rita McMahon**

III. Approval of Minutes:

Mr. Chris Galloway stated there is one minor change to the minutes on page two, under Old Business / JEDD Membership Recruitment / second point by Ms. Rita McMahon. Correct the statement that reads, "We currently have a company that is considering the seven acre parcel." This is not accurate. We have a northeast company looking at sites. They have not approached us specifically for this parcel to date.

Ms. Rita McMahon stated she will have the language on the minutes revised to read, "We currently have a company that is looking for a location, and we want to use this as a test case."

Mr. Chris Galloway asked the Board if there were any other corrections or comments regarding the minutes. There was none.

Ms. Christine Shoop entertained a motion to approve the 9/18/2020 meeting minutes with the one revision stated above. **Mr. Morgan McIntosh** seconded. **VOTE:** All in favor of approval (5 Ayes).

IV. Board Member Correspondence:

- ❖ **Mr. Chris Galloway** asked each Board Member for their input regarding correspondence.
- ❖ **Ms. Christine Shoop** stated the Painesville City Council approved the recommended change in the JEDD Board representation at their November 16, 2020 meeting.
- ❖ **Ms. Rita McMahon** stated the JEDD Board is in receipt of Painesville's new appointments. Effective January 1, 2021, Ms. Christine Shoop will become the Painesville City Representative to the JEDD Board, which is the position Mr. Doug Lewis is currently filling, with another year on his term. Mr. Doug Lewis will become the JEDD Board Painesville Employee Representative, serving a four year term effective January 1, 2021.
- ❖ **Mr. Ray Sines** stated Lake Health is maintaining. The biggest issue is employees (nurses) that are unable to work due the Coronavirus and/or quarantining. We are not at critical stage for beds.
- ❖ **Mr. Doug Lewis** stated he will be serving as the interim Painesville City Manager until a new City Manager is hired.
- ❖ **Mr. Morgan McIntosh** stated Ms. Rita McMahon, Mr. Andy Rose and himself met with a company called Clear Sky. They are interested in building a hospital in Concord Township. We have another medical office that is interested in purchasing the Buddhist property across from Vista Springs. Our goal is to see if we can get both entities into the JEDD.
- ❖ **Mr. Andy Rose** stated Concord is in discussions with the doctor that has the letter of intent on the Buddhist property. The doctor and her team have contracted to complete the environmental study of the property. Furthermore, the Painesville City water easement goes down the middle of the property. They are hoping to split that parcel and potentially sell the other half. Ms. Heather Freeman is working closely with the doctor on the zoning requirements. In addition, I have reached out to Mr. Todd Victor to touch base on the commercial lots that are in the JEDD on Hunting Lake Drive and Crile Road. No response from Mr. Todd Victor to date.
- ❖ **Mr. Andy Rose** stated the Crile Road widening project is scheduled for Spring 2021. The Lake County Engineers office stated this will be the first project slated for the 2021 construction season. In a perfect world, this is an 8-10 week project. If they begin in March, the project should be completed by early May. There are two phases: the northern portion of the project is Fredle to Capital Parkway, the second phase is Capital to Girdled Road. We believe they are going to begin at the northern portion. Lucky's representative stated they will not open until the Crile Road construction is complete. Remodeling of the store will begin late December. Lucky's is planning an early May opening.



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V. Department Reports:

A. FINANCE – Mr. Morgan McIntosh, Treasurer

- ❖ **Mr. Morgan McIntosh** stated, through November, the JEDD has received just over \$1 million dollars in income tax. Of that, Concord Township has received around \$681,000, the City of Painesville \$227,000 and the JEDD \$82,000. The revenues are about equal to 2018 but still about four percent lower than 2019. Since the June 2020 meeting, the only significant expense the JEDD has incurred is for NextSite.
- ❖ **Mr. Morgan McIntosh** stated there is an insurance budget adjustment. We will need a vote because the estimate has been changed from \$2,300 to \$2,500 as part of the 2020 year-end adjustment.
- ❖ **Mr. Chris Galloway** stated he would accept a motion as outlined by the JEDD Treasurer. **Mr. Ray Sines** entertained a motion to approve the insurance budget adjustment from \$2,300 to \$2,500. **Ms. Christine Shoop** seconded. **VOTE:** All in favor of approval (5 Ayes).
- ❖ **Mr. Morgan McIntosh** stated both Mr. Galloway and himself consulted with Ms. Rita McMahon regarding the 2021 JEDD Budget and proposed an adjustment in the consulting fees. We are working with a carryover and our budget is very consistent with the past couple of years.
- ❖ **Ms. Rita McMahon** stated she sent out a memo highlighting the various line items that were changed. After discussions with Mr. Andy Unetic, Painesville's Finance Director, we are keeping the estimated revenue for 2021 to be equal to what we estimated in 2020, which is \$1,175,000. We anticipate carrying over about \$184,000 from this year to next year, which is up considerably from 2019. This will give us some flexibility for the incentives and various things we want to do moving forward. In addition, I am requesting a \$200 a month increase, \$1,000 to \$1,200 for my Administrative fee, which is a \$2,400 increase in that line item. The economic development line item has been increased to \$55,000 from \$50,000 (this is where NextSite, marketing, architect, incentives and potential success fees charges will appear). NMS's contract has increased by \$10 per month so the financial services line has been increased. In addition, we have an audit next year so that is included as well. Both insurance proposals came in at a slight increase, which is why we made the budget adjustment for 2020. I have revised that item to reflect the increased insurance premium. The travel and legal line items remain the same. Office expenses as well as dues and subscriptions have been reduced. The budgets for overhead, City of Painesville and Concord Township amounts are based on our percentage of the \$1,175,000 estimate we anticipate the revenue to be. Overall, the total expenditures are slightly more than the existing anticipated revenue, but that will be covered by the carryover if we spend 100% of the budget. We have never spent 100% of the budget (the most we have spent is 96% of the budget).
- ❖ **Mr. Chris Galloway** asked Mr. Mike Lucas, if the legal line item budget figure will be sufficient as it relates to court of appeals and other matters.
- ❖ **Mr. Mike Lucas** stated he believes the line item is not sufficient as shown. There is still billing that needs to go out. He represents both the JEDD and Concord Township regarding the pending litigation with Concord Investments and is taking the time to split his fees between the two entities. The trial work is completed, however, the battleground regarding potential appeals lie ahead of us. Based on that litigation, the legal budget line item may be a little light. Occasionally, with other litigations, the budget was amended.
- ❖ **Mr. Chris Galloway** stated he will leave it up to the Board to leave the legal budget line item as presented today or adjust it now.
- ❖ **Mr. Doug Lewis** asked Mr. Mike Lucas for an adjusted figure if the Board were to adjust today.
- ❖ **Mr. Mike Lucas** recommended an additional \$5,000 budget adjustment. He does not believe one-half of the cost to appeal would exceed \$5,000.
- ❖ **Mr. Doug Lewis** stated he would recommend modifying the legal budget line at this time.
- ❖ **Mr. Chris Galloway** stated if the Board does not have an objection, the legal budget line item will be revised to \$12,000. No objections from the Board were received.
- ❖ **Ms. Rita McMahon** stated the total expenditures will increase to \$1,182,330. The additional \$5,000 will come out of the carryover.
- ❖ **Ms. Christine Shoop** entertained a motion to approve the 2021 Budget as presented, with the legal counsel budget line adjusted to \$12,000. **Mr. Chris Galloway** seconded. **ROLL CALL VOTE:** **Mr. Doug Lewis-Yes; Mr. Morgan McIntosh-Yes; Ms. Christine Shoop-Yes; Mr. Ray Sines-Yes; Mr. Chris Galloway-Yes.**

B. ECONOMIC DEVELOPMENT COMMITTEE

- ❖ **Mr. Chris Galloway** stated the Economic Development Committee has not met since the last JEDD Board meeting. No report.



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C. ICSC 2021

- ❖ **Ms. Rita McMahon** stated ICSC has been moved back to December 5-7, 2021 in hopes that COVID will be cleared up enough to hold the entire event. At this point, we still have three registrations that we carried forward from 2020 to 2021. Please review your schedules. As we get a little closer, we can review who will be attending.

VI. Old Business:

A. JEDD MEMBERSHIP RECRUITMENT

- ❖ **Ms. Rita McMahon** stated we are in discussions with the woman who holds the purchase agreement for the Taiwan Buddhist property to engage them into the JEDD. We are looking at potential incentives and/or assistance we can provide to her as she moves forward.
- ❖ **Ms. Rita McMahon** stated we are still in discussions with the Chapin property folks. It looks good, just a matter of when they can obtain an agreement and pull the trigger.
- ❖ **Ms. Rita McMahon** stated we continue to identify additional locations that might be appropriate for inclusion in the JEDD.

B. NEXTSITE THIRD QUARTER REBOUND REPORT

- ❖ **Ms. Rita McMahon** stated she has had several conversations with Mr. Charles Branch since our last meeting relative to where we are at and how we compare with other entities. Both the Crile Crossing and TriPoint rebounds reports (through the end of September) indicate that we are approaching back to the pre-COVID timeframe, particularly at Crile Crossing, which is positive. Mr. Charles Branch stated this is what they are starting to see in other areas as well. They are also seeing that revenues are down, similar to the four percent range we are experiencing. Many thought the revenues were going to fall off to 20-25%, however, in most places that is not happening. Two to six percent is the average revenue loss most communities have faced. Overall, we are close to returning to normal. NextSite will be producing a larger year-end report showing year-over-year changes, graphing and a greater summary. It will be interesting to see what has happened over time.
- ❖ **Ms. Rita McMahon** stated an interesting point on the rebound reports shows home location by zip code. The 44077 zip code is the highest for both Crile Crossing and TriPoint. For Crile Crossing, Chardon comes in second followed by the 44060 Mentor zip code (although a piece of that is Concord). Mentor 44060 comes in second for TriPoint followed by Madison. We are getting the north/south (SR 44) flow that we have always discussed, verifying the information we had believed. The other interesting point is the customers' journey. The report shows where customers are going before and after visiting Crile Crossing and TriPoint. This information is obtained from cell phone data, not expenditures.
- ❖ **Ms. Rita McMahon** stated she had a conversation with the Geneva-Harpersfield JEDD people about two weeks ago regarding Spire. Spire is under new ownership, and they are making a significant investment in renovations and are planning to build a new hotel. However, all agree the new hotel should not have a substantial impact on our hotels but could have an impact on hotels further southwest on I-271 and I-90. It is good to hear the investment is going to be there, which we were hoping to maintain. Large Spire events create a positive impact on customers to our area.
- ❖ **Mr. Morgan McIntosh** asked if there have been any discussions as to what type of hotel/facility Spire plans to build.
- ❖ **Ms. Rita McMahon** stated no discussions to date. They are currently collecting data.
- ❖ **Ms. Christine Shoop** asked if NextSite could get a little more finite in their rebound reporting and state Concord 44077 and Concord 44060.
- ❖ **Ms. Rita McMahon** stated yes they will. As part of the Painesville information NextSite is putting together, that data will be available to you. They can narrow it down by distance within the zip codes so we can see the Painesville piece versus the Concord piece.
- ❖ **Ms. Christine Shoop** asked if this breakdown is important data for the JEDD.
- ❖ **Ms. Rita McMahon** stated it may be important for Painesville but does not believe it is critical for the JEDD. We are looking at the market area and our market area is fairly large. The zip codes just reinforce our market area.
- ❖ **Ms. Cathy Bieterman** stated NextSite will track some of that data for Painesville because it will ultimately help us attract some of the retail we are going after and into the Richmond Street Corridor as well.



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VII. New Business:

A. ADMINISTRATOR CONTRACT / RESOLUTION 2020-02 – VOTE

- ❖ **Mr. Chris Galloway** stated we have a previously mentioned Resolution 2020-02 by the Board of Directors authorizing the Concord Township-City of Painesville Joint Economic Development District to enter into an agreement to renew the appointment of Aislinn Consulting, LLC as its administrator.
- ❖ **Mr. Morgan McIntosh** made a motion to approve retaining Aislinn Consulting, LLC as described in Resolution 2020-02 by the Board of Directors authorizing the Concord Township-City of Painesville Joint Economic Development District to enter into an agreement to renew the appointment of Aislinn Consulting, LLC as its administrator. **Ms. Christine Shoop** seconded. **ROLL CALL VOTE: Mr. Doug Lewis-Yes; Mr. Morgan McIntosh-Yes; Ms. Christine Shoop-Yes; Mr. Ray Sines-Yes; Mr. Chris Galloway-Yes.**

B. INSURANCE RENEWAL – VOTE

- ❖ **Ms. Rita McMahon** stated an RFP was sent out in the beginning of November to three entities. We received responses from the Public Entities Pool of Ohio (PEP) and Ohio Plan. Ms. Christine Shoop and I reviewed both plans. We came to the conclusion to change from the Ohio Plan to PEP. The amount of coverage with PEP is higher and the deductibles are less than the Ohio Plan proposal. The other difference is between occurrence and claims made.
- ❖ **Ms. Christine Shoop** stated the Ohio Plan is an occurrence plan. Claims made from the inception date of the policy forward to December 31, 2020 will still be covered. PEP is a claims made policy. As long we stay with PEP and a claim is made during those years we will be covered. For example, say we decide to go with PEP and in 2-3 years we decide to move back to the Ohio Plan, we will have a gap in coverage for those years. There is coverage available to buy in between the gap. The Ohio Plan believes the gap plan could be expensive. However, the JEDD has had zero claims so the underwriting is going to be how likely are we to have a claim with such a small entity. I am comfortable with gap/tail insurance. Just wanted to make the Board aware of the gap in coverage if we go with PEP then decide to switch plans and to recommend tail insurance in this situation. Several local entities use PEP as their insurance provider. I recommend moving forward with the PEP plan as it gives us more coverage and less exposure.
- ❖ **Mr. Chris Galloway** stated when he was a Concord Township Trustee reviewing insurance plans, the gap issue is what stopped them from changing policies. Obviously, Concord Township is a much larger entity than the JEDD, so in this case, I would concur with Ms. Christine Shoop. I have no issue with switching policies for the JEDD.
- ❖ **Ms. Rita McMahon** stated the PEP plan is \$6.00 cheaper than the Ohio Plan premium.
- ❖ **Ms. Christine Shoop** stated PEP offers a \$1,000 grant for the ability to purchase safety equipment. We were told we could purchase safety equipment for Concord Township as well, not just for the JEDD.
- ❖ **Ms. Rita McMahon** stated since both Concord Township and Painesville are entities, we could use those dollars to support them as well if the JEDD does not need them.
- ❖ **Mr. Chris Galloway** stated we have a recommendation from Ms. Christine Shoop and Ms. Rita McMahon to switch our insurance coverage to PEP. There was no further questions or comments from the Board.
- ❖ **Ms. Christine Shoop** made a motion to move the JEDD insurance policy to the Public Entities Pool of Ohio for 2021. **Mr. Doug Lewis** seconded. **ROLL CALL VOTE: Mr. Doug Lewis-Yes; Mr. Morgan McIntosh-Yes; Ms. Christine Shoop-Yes; Mr. Ray Sines-Yes; Mr. Chris Galloway-Yes.**
- ❖ **Ms. Rita McMahon** thanked Ms. Christine Shoop for her assistance with the insurance policies.

C. FINANCIAL RENEWAL AGREEMENT – VOTE

- ❖ **Mr. Chris Galloway** stated NMS is seeking an additional \$10/month increase over the life of the contract (2021-2022). In my opinion, NMS has done a great job for the JEDD and have been very responsive. As previously discussed, there are not many firms that are willing to do low volume bookkeeping at the cost they are willing to do it for.
- ❖ **Mr. Chris Galloway** stated there are no questions from the Board so he will entertain a motion to approve the NMS contract.
- ❖ **Mr. Morgan McIntosh** made a motion to approve the financial renewal agreement with NMS for 2021-2022. **Mr. Ray Sines** seconded. **ROLL CALL VOTE: Mr. Doug Lewis-Yes; Mr. Morgan McIntosh-Yes; Ms. Christine Shoop-Yes; Mr. Ray Sines-Yes; Mr. Chris Galloway-Yes.**



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D. CHAMBER MEMBERSHIPS 2021

- ❖ **Ms. Rita McMahon** stated this is a reaffirmation that we are members of the Eastern Lake County Chamber and the Mentor Chamber. During COVID, they have been very good at disseminating information and keeping us in the loop as to what is happening at the state level and down. I have no problem with retaining the memberships. The total membership for both is approximately \$300 a year.
- ❖ **Mr. Chris Galloway** stated he thinks the JEDD should maintain the memberships. We have been members since the inception of the JEDD, and membership is an important part of our engagement with the local business community.
- ❖ **Mr. Doug Lewis** made a motion to approve retaining our Chamber memberships. **Ms. Christine Shoop** seconded. **VOTE:** All in favor (5 Ayes).

VIII. Set 2021 Meeting Schedule:

- ❖ **Ms. Rita McMahon** identified the proposed 2021 JEDD Board meeting dates: March 12, June 11, September 10 and December 10.
- ❖ **Mr. Christine Shoop** stated since ICSC has been moved to the beginning of December, should we adjust the proposed December 10, 2021 JEDD Board meeting date.
- ❖ **Ms. Rita McMahon** stated all meeting materials are ready in advance, at least one week prior to the meeting dates. We typically like to have a late November or December meeting for budget approval and year-end items. From my standpoint, I have more going on before ICSC (putting together materials and setting up meetings) than after ICSC. In the past we have not stayed at ICSC for the whole event, so we should have several days after ICSC before the next Board meeting.
- ❖ **Mr. Chris Galloway** stated Ms. Christine Shoop's point is good but would recommend keeping the proposed December 10, 2021 JEDD Board meeting date as suggested.
- ❖ **Ms. Rita McMahon** stated since the Board is meeting now in December, the first meeting for 2021 has been pushed back to March and then quarterly after that.
- ❖ **Mr. Chris Galloway** stated we can always schedule a JEDD Board meeting earlier in 2021 if needed. He suggested an Economic Development Committee meeting in January or February 2021 could be more valuable to us.
- ❖ **Ms. Rita McMahon** stated she would schedule an Economic Development meeting.

IX. Executive Session for Purposes of Pending Litigation and Economic Development:

- ❖ **Ms. Christine Shoop** made a motion to enter into Executive Session for purposes of pending litigation and economic development. **Mr. Ray Sines** seconded. **ROLL CALL VOTE:** **Mr. Doug Lewis-YES; Mr. Morgan McIntosh-YES; Ms. Christine Shoop-YES; Mr. Ray Sines-YES; Mr. Chris Galloway-YES.**
- ❖ **Ms. Christine Shoop** made a motion to close Executive Session for purposes of pending litigation and economic development. **Mr. Morgan McIntosh** seconded. **VOTE:** All in favor (5 Ayes)

Mr. Chris Galloway confirmed Ms. Rita McMahon will set up an Economic Development Committee in January/February 2021 and Mr. Mike Lucas will get answers on the issue raised in Executive Session regarding the pending litigation.

Mr. Morgan McIntosh made a motion to adjourn the December 4, 2020 JEDD Board Meeting. **Mr. Ray Sines** seconded. **VOTE:** All in favor of approval (5 Ayes).

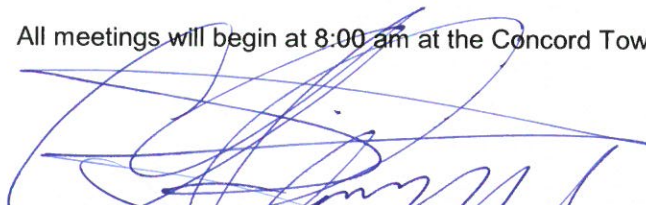
The Board meeting was adjourned at 10:06 a.m.

Calendar for 2021

Meeting(s) scheduled below are subject to change:

March 12, 2021
June 11, 2021
September 10, 2021
December 10, 2021

All meetings will begin at 8:00 am at the Concord Township Hall Meeting Room unless otherwise notified.


Chris Galloway, Chairman


Rita McMahon, JEDD Administrator