



**Concord Township-City of Painesville
Joint Economic Development District (JEDD)
Board Meeting Minutes
June 28, 2024
8:00 AM**

I. Call to Order:

The Concord Township-City of Painesville Joint Economic Development District (JEDD) Board met on Friday, June 28, 2024, at Concord Township Hall located at 7229 Ravenna Rd., Concord Township, Ohio. **Mr. Chris Galloway** called the meeting to order at 8:09 am.

II. Roll Call:

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

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

III. Approval of JEDD Minutes:

- ❖ **Mr. Chris Galloway** entertained a motion to approve the March 15, 2024 JEDD Board Meeting Minutes as written. **Ms. Christine Shoop** moved to approve the March 15, 2024 JEDD Board Meeting Minutes as written. **Mr. Morgan McIntosh** seconded. **VOTE:** All in favor of approval (4 Ayes).

IV. Board Member Business/Correspondence:

- ❖ **Mr. Chris Galloway** stated Concord Township has made an appointment to fill the JEDD Board member vacancy. We are pleased to welcome our newest JEDD Board member, Joe Popely, to the JEDD Board as the Business Representative.
- ❖ **Mr. Joe Popely** thanked the Board for welcoming him into the position and introduced himself. He is currently employed with University Hospitals, in charge of Lake West from an operations and clinical services perspective. He has lived in the Lake County community his entire life and has lived in Concord Township the past seven years. He is very active in the community and familiar with what is going on. In addition, he serves on several boards. He is engaged in making responsible and growth-related decisions moving forward and progressing.
- ❖ **Ms. Christine Shoop** stated the streetscape and the Farmer's Market in Painesville are going well. The new dog park and the new splash pad opened on Memorial Day.
- ❖ **Mr. Morgan McIntosh** stated the LGF (Local Government Fund) was a huge effort that began in January 2024 and made a recommendation to the Lake County Budget Commission in the middle of May 2024. So far, there is unanimous support from those in the county that have voted. If passed, this will be a huge help to Concord's budget. Right now, the LGF contribution Concord receives is 50% of what we turn around and give to the health district. We will no longer be under water with that. We received approval of waterline matching grants, spending ARPA funds. We potentially have some favorable extra capital money for our Fire Station project.
- ❖ **Mr. Andy Rose** stated the extra capital is tied to the Agricultural Farm Bill. Expect to see something after the election. This is federal dollars.
- ❖ **Mr. Morgan McIntosh** stated we just concluded a Citizen's Advisory Committee (CAC) regarding safety services. They recommended to run a fire levy this year to shore up our safety funding. If we do not get more money we will have to make significant cuts.
- ❖ **Mr. Chris Galloway** commended the Townships in leading the LGF process. Morgan McIntosh and Chuck Hillier put in a lot of great work to help move the process along.
- ❖ **Mr. Morgan McIntosh** stated when the fire levy failed last year, we took the last of our ARPA money and directed it to safety funding. That is why we needed state funding for the waterline.
- ❖ **Mr. Chris Galloway** stated the tentative abstract was approved by Taxation on Wednesday. We were the first county to submit. At the county level, we are in the middle of a large sexennial reevaluation of all real property. The Auditor's Office will be sending out value notices in late July and setting up informal hearings late-August to mid-September to complete that work. Approximately July 30th, we will put up our reappraisal website with the GIS based dashboard. Regarding the mailer, we are investigating incorporating a QR code tied to every single property. The idea is the property owner would scan the QR code, and they would be taken directly to the GIS page with all the extra details on their property. The average residential value increase in Lake County is 28.6%, but this percentage varies by communities taxing districts.
- ❖ **Ms. Rita McMahon** stated the Ohio Auditor of State sent a bulletin regarding required fraud reporting and training for all entities every four years. I believe the JEDD falls under the "All Other Entities" category. Beginning October 1, 2024, but no later than December 29, 2024, each JEDD Board member will be required to complete the online training. I have the responsibility to keep track of who has completed the training and renewal dates.



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IV. Board Member Business/Correspondence (Continued):

- ❖ **Mr. Mike Lucas** stated he believes the training discussed above applies to the JEDD Board, but will review it further.
- ❖ **Mr. Chris Galloway** stated it is his understanding that the training will apply to all public employees.

V. Department Reports:

A. FINANCE – Mr. Doug Lewis, Treasurer

Revenue and Expense Worksheet

- ❖ **Ms. Rita McMahon** provided the JEDD's finances in Doug Lewis's absence to the JEDD Board. Through June 18, 2024 the total gross receipts were \$699,251.81. We are \$92,317 ahead of this time last year, up 15%. The breakdown of revenue received by each entity is JEDD \$52,116.41, Painesville \$149,834.71, Concord Township \$449,504.12. We are right at 50% of what we have budgeted, therefore, on track to meet our budget of \$1,370,000.00 for this year.
- ❖ **Ms. Rita McMahon** stated we have had a couple of months where we have received one distribution, rather than the usual two received. The first distribution is an estimate of what the total receipts are going to be, and the second distribution is a balance of what the actual receipts were and what the estimate was. RITA over estimated our distributions a couple of times this year. Rather than pay back the over payment, RITA did not distribute any money in the second distribution and then offset the amount in the next month's distribution.
- ❖ **Ms. Rita McMahon** stated the meeting packet includes the latest updated version of the monthly expenses. We have more revenue than expenses year to date.

STAR Ohio Investment Review

- ❖ **Ms. Rita McMahon** stated, at the last meeting, Chris Galloway asked her to evaluate where we are relative to our investment. We are making decent money from the STAR Ohio investment.
- ❖ **Mr. Chris Galloway** asked the Board if the JEDD should consider moving more money into this investment.
- ❖ **Ms. Rita McMahon** stated, year to date investment revenue is \$3,560.00. If we make our budget amount in terms of income this year, I am estimating our ending checking account balance will be approximately \$171,585.00. If the Board does want to move money, I am suggesting to move \$25,000.00 to the Star Ohio account.
- ❖ **Mr. Chris Galloway** suggested to make a deposit of \$50,000.00 to STAR Ohio.
- ❖ **Ms. Rita McMahon** stated we have a couple of potential expenses coming up (SDC rebate, potential legal expenses).
- ❖ **Mr. Joe Popely** asked how accessible are the monies that are invested in STAR Ohio.
- ❖ **Ms. Rita McMahon** stated the funds are immediately accessible. However, there must be two people available simultaneously to authorize a transfer for a withdraw and/or a deposit. My recommendation is at least \$25,000.00, but the Board will have to decide the final number.
- ❖ **Ms. Christine Shoop** recommended to meet in the middle of both recommendations and transfer \$35,000.00.
- ❖ **Mr. Chris Galloway** stated if we can pull the money back if needed, he is still thinking to transfer \$50,000.00 or double that. Why would we not want to maximize our interest.
- ❖ **Ms. Rita McMahon** stated our current checking account balance is about \$149,000.00.
- ❖ **Mr. Chris Galloway** stated if we move \$75,000.00 to STAR Ohio, we have plenty of money to cover our expenses.
- ❖ **Ms. Rita McMahon** stated our biggest expenses are ICSC and Silverlode.
- ❖ **Mr. Chris Galloway** stated we still have revenue coming in and have plenty of wiggle room.
- ❖ **Mr. Chris Galloway** suggested we move this item to New Business.

B. ECONOMIC DEVELOPMENT COMMITTEE

Quail Hollow Hotel Project

- ❖ **Mr. Morgan McIntosh** stated a draft report from Silverlode has been received, and we will have to discuss further steps to take.
- ❖ **Ms. Rita McMahon** reiterated the Silverlode report is a draft. The draft provides Silverlode's suggestions of potential future uses based on the current market at this point in time. They have indicated there are no hotel opportunities for reuse of that building. Bottom line, Silverlode believes the best reuse and potential next steps for the property is a site demolition and reusing the 12+ acres of the property. How we get there, how we accomplish that, and how we deal with the property owners is what this Board needs to discuss. In addition, we will need to present this to the Concord Township Trustees because the JEDD Board is just making a recommendation for the redevelopment of this property.



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V. Department Reports (Continued):

B. ECONOMIC DEVELOPMENT COMMITTEE (Continued)

Quail Hollow Hotel Project (Continued)

- ❖ **Mr. Morgan McIntosh** stated when you read the report you will see the amount of damage to the property. The revenue per room has plummeted. The economics in the Cleveland metropolitan area do not support this type of venue any longer.
- ❖ **Mr. Morgan McIntosh** stated, regarding the water problem, there are a lot of dynamics and work to be done to address those problems and make this property viable for development. It is significant. In addition, the property is very dated and there is no bringing it back.
- ❖ **Mr. Morgan McIntosh** stated what we have come to understand about the current owners is they have purchased seven similar properties, two of which are closed and all are failing. Their investment portfolio is poor, which is why they are selling the property for \$7,000,000.00. Locals have offered in the 30% space (somewhere just under \$2,000,000.00), which is what the land is worth and knowing all the work involved. At some point, we will need a cooperative seller, or we will have to dig into some toolboxes to look at how to deal with that.
- ❖ **Mr. Joe Popely** asked if there is any enforceability regarding the cosmetic appearance of the Quail Hollow property grounds.
- ❖ **Mr. Morgan McIntosh** stated after a couple months of emails, they have agreed to hire a landscaping company.
- ❖ **Mr. Andy Rose** stated the landscaper contract was signed, however, because of the owners' financial situation, the landscaper wants the entire year of service paid up front. We have been told to expect to see the grass cut within a week.
- ❖ **Mr. Morgan McIntosh** stated this is the process we go through with the property owners. If they tell us a week, we are lucky if the task is completed a month later. The property representative on site goes through the same thing, making a request that is not resolved for 60 days.
- ❖ **Mr. Morgan McIntosh** stated the person behind the poor process put the company in this bad investment. He is currently the consultant (middle person) between the local property representative and the owners. Wondering if people behind this investment really understand what is going on.
- ❖ **Ms. Rita McMahon** stated she talked with the consultant last week and he is very interested in the next steps relative to the Quail Hollow property and working with the community. He was originally an investor/partner in the New Zealand company (property owners) and since left the company and set up his own consulting firm. The New Zealand company reached out to him to unload the failing properties. They have unloaded a couple of properties but they have about a half dozen left in their portfolio in the United States. Most of the properties they are trying to unload are in a similar state.
- ❖ **Mr. Morgan McIntosh** stated he would be interested in a conversation with the consultant regarding the report findings. Maybe the conversation is that we can talk to people because we already understand what the property is worth in the marketplace. I would steer back to the fact that two offers have been made on the property, and they have been rejected. We have this report and have gone around the track, and we are right back at the start. They probably already know that no one is going to come in and keep the property as a hotel. It's right for some kind of development, be it mixed use or residential, just an extension of what we have going on in Concord. The Township and the JEDD Board are supportive of continuing that kind of economic development in Concord and are prepared to market the property. We have to begin coaxing them to take a position and express an opinion.
- ❖ **Ms. Rita McMahon** stated she would reach out to the consultant to set up a meeting.
- ❖ **Ms. Christine Shoop** asked if we should send the Silverlode report to the Quail Hollow consultant and copy the owners.
- ❖ **Ms. Rita McMahon** stated we have not had a way to get in touch with the investors.
- ❖ **Mr. Morgan McIntosh** stated the consultant is a complete buffer to the investors. We have no access to them.
- ❖ **Mr. Morgan McIntosh** stated in order to move forward with development will take cooperation with the owners. It is currently not going anywhere unless they get on board with something.
- ❖ **Ms. Rita McMahon** stated she would like JEDD Board comments regarding Silverlode's draft report back to her July 10, 2024 and will then finalize the report with Silverlode. One of the options in the Silverlode contract is to provide a formal presentation to the Concord Township Board of Trustees, inviting the JEDD Board to attend. The JEDD Board has to decide if they want to do that, and if so, when.
- ❖ **Mr. Morgan McIntosh** stated residents are aware we are working on the Quail Hollow Project and believes a public presentation to the Trustees, from the standpoint as to this is what is happening, is important. Will work with Rita McMahon to get the presentation scheduled.
- ❖ **Mr. Chris Galloway** stated the property owners need to understand there are two ways out, 1. Sell the property at a big loss, or 2. Partner, long term with a buyer.



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V. Department Reports (Continued):

B. ECONOMIC DEVELOPMENT COMMITTEE (Continued)

Quail Hollow Hotel Project (Continued)

- ❖ **Mr. Morgan McIntosh** stated he talked to Silverlode and Kevin Malecek in Mentor regarding equity partner options.

VI. New Business:

A. CERTIFICATE OF RECORDS DISPOSAL (RC-3) – VOTE

- ❖ **Mr. Chris Galloway** entertained a motion to approve the Certificate of Records Disposal (RC-3). **Ms. Christine Shoop** moved to approve the Certificate of Records Disposal (RC-3). **Mr. Morgan McIntosh** seconded. **VOTE:** All in favor of approval (4 Ayes).

B. STAR OHIO INVESTMENT (Continued from V. Department Reports)

- ❖ **Mr. Chris Galloway** stated his recommendation is to move \$75,000.00 to the STAR Ohio investment account in terms of where we are with the budget.
- ❖ **Ms. Christine Shoop** stated that is more than our Administrator recommended and wants to make sure she is comfortable moving \$75,000.00 to STAR Ohio.
- ❖ **Ms. Rita McMahon** stated we will still have enough cash flow if we move \$75,000.00 to the STAR Ohio account. I am more conservative.
- ❖ **Mr. Chris Galloway** stated he would be more conservative if pulling it back was difficult or if the monies were locked in for six months. But, that is not the case. It is a function of getting three of us together and doing it.
- ❖ **Ms. Rita McMahon** stated from an operational standpoint, transferring \$75,000.00 will not hinder our daily operations.
- ❖ **Ms. Christine Shoop** stated that will leave about \$75,000.00 in our checking account.
- ❖ **Morgan McIntosh** added, plus our income.
- ❖ **Mr. Chris Galloway** stated if we need to pull dollars out, we have weeks of notice to do so.
- ❖ **Mr. Morgan McIntosh** made a motion to move \$75,000 from the JEDD checking account to the STAR Ohio investment account. **Ms. Christine Shoop** seconded. **ROLL CALL VOTE: Mr. Morgan McIntosh-YES; Mr. Joe Popely-YES; Ms. Christine Shoop-YES; Mr. Chris Galloway-YES**

VII. Old Business:

A. JEDD MEMBERSHIP RECRUITMENT

JEDD Recruitment Update

- ❖ **Ms. Rita McMahon** stated there is no JEDD recruitment update at this time. We continually have conversations with a number of different entities that have been ongoing and are similar to what we have been doing over the past couple of years.

NextSite Reports

- ❖ **Ms. Rita McMahon** stated you do not have any NextSite reports in your packet. At the last meeting the Board asked me to obtain a report for Lucky's now that they have had changed their product mix. Charles Branch of NextSite has received information on Lucky's, but the data did not look right, so they are going through the information to clean up the report. In addition, I have asked NextSite for the leakage report and Charles Branch communicated there have been some challenges in getting that report as well.

B. ICSC 2024

- ❖ **Ms. Rita McMahon** stated she had a follow up conversation with Charles Branch regarding ICSC. He is following up on items he discussed with Chris Galloway and Morgan McIntosh at ICSC.
- ❖ **Mr. Morgan McIntosh** stated overall, ICSC was constructive. We talked with Casto for the third year in a row, and they are very interested in the Hilton. I met the representative from Marriott for the first time and there is still an interest, however, it does not appear to be high on his radar. It will take a lot to get them to move.
- ❖ **Mr. Chris Galloway** stated Marriott is no different than any other brand. They need a franchisee, and they do not have that yet. They would like to be here and see the value, but just do not have a connection with franchisee yet.



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VII. Old Business (Continued):

B. ICSC 2024 (Continued)

- ❖ **Mr. Morgan McIntosh** stated the meeting with Goodman provided an update to what they have going on. Met with Matt Wilson with Anchor Retail. His big project is 7 Brew Coffee. He is more interested in putting a 7 Brew Coffee in Painesville more than in Concord. We also had a meeting with The Retail Coach.
- ❖ **Ms. Rita McMahon** stated The Retail Coach sent a follow up after their meeting and the proposal is provided in the meeting packet.
- ❖ **Mr. Morgan McIntosh** stated The Retail Coach meeting was interesting. In the beginning, we all see the problems the same. In my experience, it is one of two things, they are not good at what they say they are or they are good at what they do but there are outlying obstacles that get overlooked or just under appreciated. In the past, the JEDD hired Buxton, then NextSite. NextSite has given us information and provided a tool we were not able to produce. The Retail Coach provided information of what they do differently from the NextSite type of companies. They do not work with retainers because they believe retainers create a stagnant situation if projects do not come. This sounds great and is probably worth some diligence.
- ❖ **Mr. Chris Galloway** stated he believes The Retail Coach is good at what they do. We got something from each entity. Buxton was our start and gave us a lot of data and insight on how to get the ball rolling. It was valuable in that regard. We then understood our market and data and then shifted to NextSite. NextSite has been good. The Retail Coach is bigger, and we will always have the problem of being the little fish in the sea. Therefore, I do not recommend we do anything with The Retail Coach right now. We need hand holding, specialized niche type of company, assisting us.
- ❖ **Mr. Morgan McIntosh** stated that is a very good point. Is it realistic that anyone would spend their time doing that? Where are the economics that drive that?
- ❖ **Mr. Chris Galloway** stated we would need someone on the Matt Wilson level, who is located in Northeast Ohio but has all the national connections. More of a broker style is what we currently need because that is where we are at. There is a market for entities our size and there is no one providing it.
- ❖ **Mr. Morgan McIntosh** stated NextSite has not let us down per se. We continue to receive good data and to that end it has been good. However, we did not get anything big done and not moving forward at any great clip. As a result, no success fees have been paid.
- ❖ **Ms. Rita McMahon** stated her focus on ICSC this year was meetings with brokers. I believe our emphasis needs to be reaching out to brokers going forward. We should follow up with them here in Ohio and start talking with them on what they see and how do we play into this marketplace. How are we going to put ourselves in line to be the location for the next whatever it is that is coming down the pike.
- ❖ **Mr. Chris Galloway** stated he agrees with Rita McMahon, our focus has to be local developers. Post pandemic, everyone is focused on five-acre development projects. That is our sweet spot.
- ❖ **Mr. Morgan McIntosh** stated this is the second year in row we have heard the focus is on smaller projects. I also agree with Rita McMahon's focus and to her point, we should get more aggressive with that focus.
- ❖ **Ms. Chris Galloway** stated we need to make calls and get appointments set. To sum up, I do not believe The Retail Coach works for us right now. Our focus has to continue to be in this marketplace, matching up local developers with the brokers and making that pie come together.
- ❖ **Mr. Charles Branch** with NextSite joined the meeting via telephone.
- ❖ **Mr. Charles Branch** presented a brief ICSC overview. He stated they are getting aggressive on restaurant options for the hotel site. NextSite obtained information from several developers. In conversations with another property owner in the JEDD area, but are having financing difficulties post pandemic. NextSite is attending the Retail Live! Conference in Nashville and will continue representation there for the JEDD.
- ❖ **Mr. Charles Branch** stated he is working on a report for Lucky's Market and should be able to turn that around quickly.
- ❖ **Ms. Rita McMahon** stated she is also looking for an updated leakage report.
- ❖ **Mr. Charles Branch** stated he should have the leakage report available for the next JEDD meeting.
- ❖ **Ms. Rita McMahon** stated the JEDD is going to attempt to send two representatives to Retail Live! in Indianapolis. Asked Charles Branch his opinion on the ICSC Chicago conference.
- ❖ **Mr. Charles Branch** stated the Chicago ICSC conference is Chicago centric. There are developers from Ohio, but if you are planning to attend an additional conference, making a decision to attend Retail Live! better suits what the JEDD is trying to accomplish.
- ❖ **Mr. Chris Galloway** stated we look forward to some restaurant options on the out parcel for the hotel.
- ❖ **Mr. Charles Branch** left the meeting.



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VII. Old Business (Continued):

C. RETAIL LIVE! – NOVEMBER 21, 2024

- ❖ **Ms. Rita McMahon** stated there is a Retail Live! Conference on November 21, 2024.
- ❖ **Mr. Chris Galloway** suggested Rita McMahon and Morgan McIntosh attend the conference to represent the JEDD. It is worth taking a look at this conference.
- ❖ **Ms. Christine Shoop** stated she would ask Doug Lewis if he wants anyone from Painesville to attend. She would be willing to attend or possibly Susan Crotty.

VIII. Executive Session for the Purpose of Pending Litigation:

- ❖ **Mr. Chris Galloway** entertained a motion to go into Executive Session for the purpose of pending litigation. **Mr. Joe Popely** moved to enter into Executive Session for the purpose of pending litigation. **Ms. Christine Shoop** seconded. **ROLL CALL VOTE: Mr. Morgan McIntosh-YES; Mr. Joe Popely-YES; Ms. Christine Shoop-YES; Mr. Chris Galloway-YES**
- ❖ **Ms. Christine Shoop** moved to close Executive Session for the purpose of pending litigation and return to regular meeting session. **Mr. Morgan McIntosh** seconded. **VOTE: All in favor of approval (4 Ayes).**

Mr. Chris Galloway entertained a motion to adjourn the JEDD Board Meeting. **Ms. Christine Shoop** moved to adjourn the June 28, 2024 JEDD Board Meeting. **Mr. Joe Popely** seconded. **VOTE: All in favor of approval (4 Ayes).**

The Board Meeting was adjourned at 9:48 a.m.

Meeting(s) scheduled below are subject to change:

September 13, 2024
December 13, 2024

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