



**Concord Township-City of Painesville  
Joint Economic Development District (JEDD)  
Board Meeting Minutes  
September 13, 2024  
8:00 AM**

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**I. Call to Order:**

The Concord Township-City of Painesville Joint Economic Development District (JEDD) Board met on Friday, September 13, 2024, at Concord Township Hall located at 7229 Ravenna Rd., Concord Township, Ohio. **Mr. Chris Galloway** called the meeting to order at 8:02 am.

**II. Roll Call:**

**Roll Call:** Concord Township Representative, **Mr. Morgan McIntosh**-YES; Painesville District Employee Representative, **Mr. Doug Lewis**-YES; 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:**

- ❖ **Ms. Christine Shoop** made a motion to approve the June 28, 2024 JEDD Board Meeting Minutes as written. **Mr. Morgan McIntosh** seconded. **VOTE:** All in favor of approval (4 Ayes, **Mr. Doug Lewis** abstained).

**IV. Board Member Business/Correspondence:**

**Doug Lewis's Re-Appointment to the JEDD Board as District Employee Representative**

- ❖ **Mr. Chris Galloway** acknowledged Doug Lewis's re-appointment to the JEDD Board by the City of Painesville.
- ❖ **Ms. Rita McMahon** stated we need to receive the official letter from Painesville stating his re-appointment.

**Board Discussion**

- ❖ **Mr. Morgan McIntosh** stated Johnny's Auto Detail will be open next week. The car wash and ice cream shop will not be opening in sync as much as the owners wanted that to happen. The ice cream shop will open in a few weeks. Had an informal tour about month ago of both facilities and both are fantastic and beautiful. They hired a gelato chef, received recipes from Italy and acquired the rights. They are making everything fresh on site.
- ❖ **Mr. Andy Rose** stated the car wash will open Monday, and they are offering free car washes for one week to raise awareness.
- ❖ **Mr. Joe Popely** stated, to that point, do they anticipate issues with traffic spilling out.
- ❖ **Mr. Morgan McIntosh** stated traffic was part of the original conversation. Initially, the plan was to locate the businesses on Gold Court. They were slow in their process and meanwhile Classic considered building a car wash in the area. For a period of time, we had competing car washes both to be located on Gold Court. It was decided to move both the car wash and ice cream shop on to Old Crile Road.
- ❖ **Mr. Chris Galloway** stated being located on Old Crile Road helps alleviate the traffic issue. Flow should be good.

**V. Department Reports:**

**A. FINANCE – Mr. Doug Lewis, Treasurer**

**Revenue and Expense Worksheet**

- ❖ **Mr. Doug Lewis** stated the Board has the budget and revenue expenses in the meeting packet for review. The ending balance for August 2024 was \$66,525.06. Through September 3, 2024, there is \$1,081,496 in total receipts. That is \$98,486, or 11%, ahead of this time last year. Breakdown of revenue by entity is, JEDD: \$76,894.91, Painesville: \$221,072.89 and Concord: \$663,218.68. Receipts for the year are at 74% of the budget of \$1,370,000. This is on target to make our budget amount.

**STAR Ohio Investment Review**

- ❖ **Mr. Doug Lewis** stated, Morgan McIntosh transferred \$75,000 to the STAR Ohio account on August 13, 2024. Year to date revenue is \$5,948. We are seeing good returns on this investment.





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**V. Department Reports (Continued):**

**A. FINANCE – Mr. Doug Lewis, Treasurer (Continued)**

**Anticipated Budget Adjustments for 2024**

- ❖ **Mr. Doug Lewis** stated we have anticipated budget adjustment items for 2024. The anticipated adjustments are:
  - Overhead will need to be increased as a result of a refund to RITA in April of this year.
  - Insurance will need to be increased if we pay for the 2025 insurance before the end of the year since we paid for 2024 this year.
  - Update the interest revenue expected from STAR Ohio based on increased investment.
- ❖ **Ms. Rita McMahon** stated the Board will vote on the anticipated budget adjustments at the December 2024 meeting in the event more adjustments arise.
- ❖ **Mr. Chris Galloway** asked if the JEDD is required, by our bylaws, to have the budget in place by the end of November.
- ❖ **Ms. Rita McMahon** stated that requirement was changed to the end of the calendar year.

**Accountancy Contract with NMS**

- ❖ **Mr. Doug Lewis** stated NMS accountancy contract expires at the end of this year, so we need to determine if we want to ask for a renewal. I would recommend we move toward a renewal with NMS.
- ❖ **Ms. Rita McMahon** stated we do not currently have a renewal contract, however, just wanted to make sure the Board was okay with going out for a renewal. Currently, it is \$248/month for their services.
- ❖ **Mr. Chris Galloway** stated NMS's rates will increase, however, they basically provide their services as a public service to the JEDD.
- ❖ **Ms. Rita McMahon** stated NMS has been great. They are quick, thorough and know our finances very well.
- ❖ **Ms. Rita McMahon** stated if the Board approves, I will request a quote. In the past, we have had two-year contracts with NMS. I can ask them if they will go longer if the Board desires.
- ❖ **Mr. Chris Galloway** entertained a motion to authorize the JEDD Administrator to obtain a quote for a renewal contract with NMS for a period of three years. **Ms. Christine Shoop** made a motion to authorize the JEDD Administrator to obtain a quote for a renewal contract with NMS for a period of three years. **Mr. Doug Lewis** seconded. **VOTE:** All in favor (5 Ayes).

**B. ECONOMIC DEVELOPMENT COMMITTEE**

**Quail Hollow Project Update**

- ❖ **Ms. Rita McMahon** stated there has been some activity with the Quail Hollow project. Morgan McIntosh and myself had a conversation with the ownership in New Zealand. We now have a contact.
- ❖ **Mr. Morgan McIntosh** stated the owners lowered their selling price to \$6M from \$8M. We discovered one of the most lucrative things they are exploring is working with Spire. I believe the community would not get outraged if some type a partnership with Spire would happen, even though the Silverlode project talked about the metrics that do not work for hotels. If a fixed rate of occupancy over 12 months was known, marketing the over and under during those periods of time is one model that could work.
- ❖ **Mr. Morgan McIntosh** stated they also discussed terms. The person speaking for the owner made it sound like they would be willing to hold money for a year or two and then get paid. They are not interested in anything long term or being part of an ongoing concern (e.g. someone puts up a facility and they have a 20% partnership waiting for their equity). We presented the idea of going to the state. If it is a term deal in financing, we could help find investments, grants or economic development incentives to bridge the gap. He was open to that idea.
- ❖ **Ms. Rita McMahon** stated Jeff Orloff runs Spire locally, and I have had previous conversations with him regarding collaborating with the Quail Hollow Hotel owners. Jeff Orloff stated he presented the idea to Jonathon Ehrenfeld, owner and managing partner of Spire (works out of Baltimore, Maryland), and he was not very interested in the arrangement but would be willing to explore options. Jonathon Ehrenfeld reached out to me and asked if there were any available grants. Also, if the use is the same, the property could be used for possible dormitory facilities for Spire, town homes for people coming in (for the NCAA Tournament) as well as student camps and other housing. In addition, would a 20-year tax abatement potentially be on the table? I conveyed a tax abatement is available but do not believe for 20 years. This is not anything the JEDD can do. There is still interest from Spire, but it is very uncertain at this point. However, they have not slammed the door shut.





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**V. Department Reports (Continued):**

**B. ECONOMIC DEVELOPMENT COMMITTEE (Continued)**

**Quail Hollow Project Update (Continued)**

- ❖ **Ms. Rita McMahon** stated she spoke with Patrick Mohorcic with Lake Development Authority and he is not aware of any specific grants to allow that type of use. Most state grants are for industrial and historic. Spire is still dangling out there. We need to have more discussions about that.
- ❖ **Mr. Doug Lewis** asked if they would renovate the existing building.
- ❖ **Ms. Rita McMahon** stated the hotel would have to be rehabbed.
- ❖ **Mr. Morgan McIntosh** stated the Silverlode report is mostly about the economics driving the hotel business. In my conversations with Patrick Mohorcic, if we decided to go the redevelopment route, there would be opportunity for grant money to redevelop the site. The vibe I received was highly confident that this could be something realistic.
- ❖ **Mr. Morgan McIntosh** stated he had a conversation with a local developer who read through the Silverlode report. The developer discussed local projects that were successful and unsuccessful contrasting them against the conclusions in the report from Silverlode. It was relayed that the rents needed to make the projects successful required very high rents. In the case of a commercial project, the industrial land was highly improved with easier access than the Quail Hollow property. An unsuccessful residential project demanded rents at or above \$2,000/month, suggesting that significant subsidies would be necessary to make a residential project viable in Concord as those are rents typically seen in urban centers, not distant suburbs like Concord. In both cases the developer felt that development of the property on the Quail Hollow site will continue to face economic challenges, in particular with the high sale price expected by the owner. Our understanding of the challenges to develop the Quail Hollow property are pretty spot on
- ❖ **Mr. Joe Popely** asked if there is any consideration of upkeep of the property in the meantime.
- ❖ **Mr. Morgan McIntosh** stated it is difficult to get work completed. The boat has been moved to the back of the property.
- ❖ **Ms. Christine Shoop** asked what kind of money are we getting now from the Quail Hollow property.
- ❖ **Mr. Chris Galloway** stated they are not paying taxes. The Auditor's Office lowered their value to approximately \$1.6 million. The building itself is in such bad condition that it no longer has value from a valuation standpoint.
- ❖ **Ms. Christine Shoop** stated, when the Auditor looks at tax abatement, do you look at what it is worth today and what it is worth after it is developed.
- ❖ **Mr. Chris Galloway** stated that is like a TIF. You would abate the taxes on it if they develop it the way they say they are going to for the amount of years agreed upon.
- ❖ **Mr. Morgan McIntosh** stated the Senate granted Townships the ability to do CRA's without the Commissioners approval.
- ❖ **Mr. Andy Rose** stated in the past, historically, the Commissioners did not support or approve CRA's more than for a ten year period at 50%. That is on the new value versus the old value.
- ❖ **Mr. Chris Galloway** stated to obtain Spire's attention, we need to come up with an impressive package (e.g. Brownfield money from the state, etc.).
- ❖ **Mr. Andy Rose** stated he spoke with Patrick Mohorcic and he is in the process of setting up a Phase 1 and Phase 2 plan.
- ❖ **Ms. Rita McMahon** stated Patrick Mohorcic is in the process of making an application to the state for Brownfield money for the Phase 1 and Phase 2 plan. He has included the Quail Hollow property in that application as a potential entity. I have sent drawings and pictures of the Quail property to Patrick Mohorcic so he can use those as part of the application.
- ❖ **Ms. Rita McMahon** stated she has spoken to two other entities besides the one Morgan McIntosh has spoken to. One is a gentleman looking at a mixed-use type of development that would have a retail component plus potentially a multi-family and/or a senior housing component. He has contacted the New Zealand owner. The developer communicated to me that part of the issue is the New Zealand company has \$20 billion plus dollars of hotel investments. This property is a little drop in the bucket for them. As far as he understood, the people in New Zealand will sit on this property forever because there is no reason for them to move it. However, the owners do want to get out of the United States by the end of the year. There are a lot of moving parts. The good news is, since we have done the study and got the word out, there is interest. The other developer is interested in apartments and are planning a tour next week.
- ❖ **Mr. Morgan McIntosh** stated his take on it is the owner was animate with the \$6 million price, however, he is motivated to move the property and exit out of the United States. They do not want to be a bank again. My feeling is the walk away number is lower. We may gain some leverage the longer it sits there. With grants and incentives, maybe the selling price is \$3-4M.
- ❖ **Mr. Chris Galloway** stated they want to get out, but they do not want to lose the \$7M+. They want to get something back and then get out.
- ❖ **Mr. Doug Lewis** stated either way they will take a loss.





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**V. Department Reports (Continued):**

**B. ECONOMIC DEVELOPMENT COMMITTEE (Continued)**

**Quail Hollow Project Update (Continued)**

- ❖ **Mr. Chris Galloway** stated while the door is slightly open with Spire, we need to pursue that avenue. This is the best possible outcome.
- ❖ **Ms. Rita McMahon** stated she will need to meet with the Township to discuss what they are willing to do (e.g. tax abatement) to move forward with the project.
- ❖ **Mr. Morgan McIntosh** communicated to the owner that if the property is redeveloped as some type of hotel property, they will have the least path of resistance from the community. Anything else could be problematic.
- ❖ **Mr. Chris Galloway** stated a tie into Spire would sell in the community easily. For example, it could be its own quasi mixed use with NCAA events, onsite store and restaurant, lodging for visitors and dorms for athletes.
- ❖ **Mr. Morgan McIntosh** stated many people want to see Quail Hollow return to its former glory in some way. Since the report has come out, a number of people that have approached the trustees with stories of its glory days. Many want it to go back to what it once was. If we could make that happen, it would be a huge win.
- ❖ **Mr. Chris Galloway** stated the local businesses would benefit greatly as well.
- ❖ **Mr. Chris Galloway** stated that was a great update. Is there a need for an Economic Development Committee meeting or any action needed to move this along?
- ❖ **Ms. Rita McMahon** stated let us follow up on the conversation we had today and then we will determine the next steps.
- ❖ **Mr. Doug Lewis** stated there are other approaches as well.
- ❖ **Ms. Rita McMahon** agreed with Doug Lewis stating there are other tools, like TIF tools, that could potentially help.
- ❖ **Mr. Doug Lewis** stated the tools can be structured in a variety of different ways.
- ❖ **Mr. Chris Galloway** stated we would have to involve the new county engineer. If we redevelop the site, the intersection at Auburn and Concord-Hambden Roads will have to change.
- ❖ **Mr. Morgan McIntosh** stated the owners are more interested in selling the main site are willing to sit on the vacant parcel (the space between Concord-Hambden Road and I-90). My read is they want to hold the vacant property to the north and when the other parcel gets redeveloped, gain an increase on the vacant property.

**VI. New Business:**

**A. INSURANCE RENEWAL REVIEW (PUBLIC ENTITIES POOL OF OHIO) – VOTE**

- ❖ **Ms. Rita McMahon** stated there is a PEP annual renewal questionnaire in you packet that I will complete and send back. Also included is the Intergovernmental Contract, which they are asking us to resign. Before I proceed, I wanted to obtain approval from the Board. These are the same documents that we have signed in the past, with no changes. The cost has been reasonable. In recent conversations with PEP and the agent, the increase will be around 10%. We should have a renewal figure by our next meeting.
- ❖ **Mr. Chris Galloway** entertained a motion to authorize the JEDD Chairman to sign the PEP Intergovernmental Contract. **Ms. Christine Shoop** moved to authorize the JEDD Chairman to sign the PEP Intergovernmental Contract. **Mr. Joe Popely** seconded. **VOTE:** All in favor of approval (5 Ayes).

**VII. Old Business**

**A. JEDD MEMBERSHIP RECRUITMENT**

**JEDD Recruitment Update**

- ❖ **Ms. Rita McMahon** stated we continue to have conversations. Lake Hospital System has listed 7670 Auburn Road with JLL Commercial Realtor. We have a contact with JLL Commercial Realtor. Heather Freeman has been in contact with them regarding zoning issues, and I have been in contact with them relative to the fact that this property is in the JEDD, potential available incentives and our willingness to work with them.





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**VII. Old Business:**

**A. JEDD MEMBERSHIP RECRUITMENT (Continued)**

**NextSite Reports**

- ❖ **Ms. Rita McMahon** stated the Lucky's market comparison is provided in the meeting packet. The custom polygon report shows Lucky's is maintaining, however, there was a drop in the summer.
- ❖ **Mr. Joe Popely** stated he believes the drop in the summer is due to vacations.
- ❖ **Mr. Chris Galloway** stated that could be true, but then you lose all the snowbirds. Those months seem stronger.
- ❖ **Ms. Rita McMahon** stated that people could be willing to travel to other places in the summer to get their items.
- ❖ **Mr. Chris Galloway** stated the statistics drop at the end of April and never gets back to those peaks. It is interesting, because driving by Lucky's it seems like the traffic has picked up.
- ❖ **Mr. Andy Rose** stated the owners conveyed that no one comes to Lucky's to do a full shop. Shoppers come in for only a few items.
- ❖ **Mr. Chris Galloway** stated Lucky's opened up as more of a boutique grocery store. However, they have introduced several national brands to try to mitigate that. In addition, they recently sent households within the community a \$10 off coupon to inject people in their store.
- ❖ **Mr. Andy Rose** stated Lucky's continues to shift their inventory, but there is still a perception in the general public.
- ❖ **Mr. Joe Popely** stated price sensitivity has become an issue for shoppers.
- ❖ **Mr. Andy Rose** stated he would like to obtain a report on Drug Mart to see if their numbers follow the same trends as Lucky's.
- ❖ **Ms. Rita McMahon** stated she will contact NextSite to obtain a report on Drug Mart.
- ❖ **Mr. Doug Lewis** stated the report is showing that shoppers are going to a grocery store before and after going to Lucky's.
- ❖ **Mr. Chris Galloway** stated that backs up theory that shoppers are stopping at Lucky's to pick up specific items and getting their bulk elsewhere.
- ❖ **Ms. Rita McMahon** stated the reports are based on credit card usage as well as cell phones.

**B. RETAIL LIVE! – NOVEMBER 21, 2024**

- ❖ **Ms. Rita McMahon** stated she has made reservations for Morgan McIntosh and herself to attend Retail Live! in November for one night. Will someone from Painesville attend? If so, will the JEDD cover those expenses?
- ❖ **Mr. Chris Galloway** stated if Painesville would like to attend, I would entertain a motion for the JEDD to cover the cost for a Painesville representative to attend Retail Live!.
- ❖ **Ms. Rita McMahon** stated there is enough money in our budget to cover the additional expense without making a budget adjustment.
- ❖ **Ms. Christine Shoop** made a motion for the JEDD to cover the traveling expenses for one City of Painesville representative to attend the Retail Live! event in November 2024. **Mr. Doug Lewis** seconded. **VOTE:** All in favor of approval (5 Ayes).
- ❖ **Ms. Rita McMahon** stated to make a reservation before the registration price increases in October.
- ❖ **Ms. Rita McMahon** stated there is going to be an ICSC retail event in Columbus on October 30, 2024. Do we want to send anyone?
- ❖ **Mr. Chris Galloway** stated he is not sure the deal making scope of this ICSC event is a good fit for the JEDD.
- ❖ **Ms. Rita McMahon** stated that was her initial thought. They talk about engaging retailers, landlords and service providers.
- ❖ **Mr. Chris Galloway** stated the only reason he would recommend sending one to two people to the ICSC event is so we can gain insight on what the event is about and determine if it is worth attending in the future.
- ❖ **Mr. Doug Lewis** agreed with Chris Galloway's statement regarding sending one to two people to ICSC Columbus.
- ❖ **Ms. Rita McMahon** stated the member registration rate is \$195.
- ❖ **Ms. Christine Shoop** offered to attend the Columbus ICSC event.
- ❖ **Mr. Chris Galloway** stated he is in favor of sending two people. He recommends Rita McMahon attend and for Painesville to decide who they would like to send.
- ❖ **Ms. Christine Shoop** made a motion to approve sending two representatives, Rita McMahon and a City of Painesville Representative, to the ICSC event in Columbus, Ohio, October 30, 2024. **Mr. Morgan McIntosh** seconded. **VOTE:** All in favor (5 Ayes).
- ❖ **Ms. Rita McMahon** stated to let her know the Painesville representative before September 27, 2024 to take advantage of the \$195 registration rate.



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**Board Discussion:**

- ❖ **Ms. Rita McMahon** stated regarding the court case, there is no executive session because we are in the discovery process.

**Mr. Doug Lewis** moved to adjourn the September 13, 2024 JEDD Board Meeting. **Ms. Christine Shoop** seconded. **VOTE:** All in favor of approval (4 Ayes – **Mr. Joe Popely** left the meeting prior to adjourning).

The Board Meeting was adjourned at 9:08 a.m.

***Meeting(s) scheduled below are subject to change:***

December 13, 2024

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

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Chris Galloway, Chairman

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Rita McMahon, JEDD Administrator