

## SUMMARY OF CAUCUS DISCUSSION AND MINUTES OF THE STRONGSVILLE CITY COUNCIL REGULAR MEETING HELD ON, MONDAY OCTOBER 16, 2017.

The Council of the City of Strongsville met in the Caucus Room at the Mike Kalinich Sr. City Council Chamber, 18688 Royalton Road, on **Monday, October 16, 2017 at 7:15 p.m.**

**Present: Council Members:** Kenneth M. Dooner, Matthew A. Schonhut, Michael J. Daymut, Joseph C. DeMio, Duke Southworth, Gordon C. Short and James E. Carbone. Also Present: Clerk of Council Aimee Pientka. **Administration:** Mayor Thomas P. Perciak, Law Director Neal M. Jamison, Communications and Technology Director David E. Sems, Service Director Joe Walker, Economic Development Director Brent Painter, Human Resource Director Steve Kilo, Building Commissioner Tony Biondillo, City Engineer Ken Mikula, Recreation and Senior Services Director Bryan V. Bogre, Public Safety Director Charles Goss, Police Chief Mark Fender and Fire Chief Jack Draves.

Council President Dooner called the caucus to order at 7:15 p.m.

The following Council Committees met to review legislation on the agenda:

Planning, Zoning and Engineering Committee: Chairman Daymut advised Ordinance No. 2017-111 is to rezone property located at 17800 Royalton Road (a portion of PPN 396-12-002) from OB (office building) classification to GB (general business) classification and R-RS (Restaurant-Recreational Services) classification. There will be a public hearing tonight on this legislation. Ordinance No. 2017-123 is to rezone property located at 14356 Pearl Road (PPN 393-19-033) from GB (general business classification) to R-RS (restaurant-recreational services) classification. This legislation will also have a public hearing this evening. Ordinance No. 2017-168 is an ordinance amending Sections 1273.05 and 1273.09 of the Planning and Zoning Code of the Codified Ordinances in order to update requirements concerning permitting of wireless telecommunications facilities. This was referred to the Planning Commission and received a favorable recommendation. This will be placed on second reading and set for a public hearing on November 20, 2017. Ordinance No. 2017-173 is to record the lot split plat for the subdivision of PPN 393-31-008 located at 19250 Knowlton Parkway. This had to go in front of the Board of Zoning Appeals and all variances were granted. The recommendation is to suspend and adopt this legislation. Ordinance No. 2017-174 is to approve and authorize the grant of a revocable license to PDS Properties, LTD., DBA Centerline Carstar Collision for use of public property in connection with a parking lot area, fencing, landscaping and appurtenances. Mayor Perciak advised the owner is cleaning the property up. Mr. Daymut advised Manuel Garcia Prosthetic and Orthotic Center next door to this is also cleaning up their property. Suspension and adoption was recommended for this legislation.

Public Safety and Health Committee: Chairman DeMio recommended suspension and adoption for Ordinance No. 2017-175; an ordinance amending Sections 254.02 and 254.03 of Chapter 254 of the Codified Ordinances in order to provide for fire department responses for treatment and no transport; and to accordingly adjust certain fees for emergency medical services. Mr. DeMio advised in the past, this was to just collect what Medicare, Medicaid and other insurance companies cover for ambulatory expenses. Chief Draves advised they were approached by Anthem Blue Cross and Blue Shield regarding the contract for ems billing. They sent an addendum to the contract stating they were going to annul payment for treatment, no transport. We worked with our ems billing company and our law department to determine in moving forward how to implement this, determine fees and proper language. In talking with our billing company, they believe other insurance carriers will follow suit to what Blue Cross and Blue Shield are doing. Chief Draves advised this will not change anything to our residents and employees...or landowners will not be charged anything above what insurance covers. Suspension and adoption was also recommended for Ordinance No. 2017-176; an ordinance authorizing the mayor to enter into a contract with the Cuyahoga County General Health District for health services for the year 2018.



Public Service and Conservation Committee: Chairman Carbone recommended suspension and adoption for Ordinance No. 2017-177; an ordinance authorizing the sale by internet auction of certain obsolete property no longer needed for any municipal purpose by the city's public service department.

Finance Committee:

***Motion made by Mr. Short, second by Mr. DeMio to approve the Finance committee meeting minutes of September 28, 2017. All members present voted aye and the motion carried.***

Economic Development Committee: Chairman Daymut advised the next committee meeting will be Monday, October 23, 2017 at 7:00 p.m. at the senior center. Mr. Painter advised tables for the Business Expo are close to selling out. The date for the expo is Wednesday, November 8, 2017 from 5:00 p.m. to 7:30 p.m. at the recreation center.

Committee of the Whole: Chairman Dooner recommended suspension and adoption for Ordinance No. 2017-178. This is an ordinance approving the acceptance of an award of funding from the Ohio Attorney General's Office; and authorizing the mayor to enter into a contract, in connection with their law enforcement diversion program relating to the opioid epidemic. The award is in the amount of up to \$73,100.00.

Mr. Short asked Mr. Bogre if there is an update regarding the progress of the renovation of the locker rooms at the recreation center. Mr. Bogre advised it is moving forward, there is no deadline in sight. Mr. Short asked if the contractor is adhering to everything. Mayor Perciak advised not necessarily. Mr. Dooner asked if we are going to get any money from our contractor for any of this. Mayor Perciak advised that should be discussed in executive session due to legal issues.

Mr. DeMio advised there was an episode last night on 60 Minutes regarding the opioid epidemic. Mayor Perciak advised the city is grateful to the Ohio Attorney General for all he has done to get in front of this issue and the cooperation he has provided.

***President Dooner noted the necessity for an executive session for the purpose to discuss legal matters. Also present from the Administration: Mayor Perciak, Law Director Neal Jamison, Assistant Law Director Dan Kolick, Economic Development Director Brent Painter, Building Commissioner Tony Biondillo and Recreation and Community Services Director Bryan Bogre. It was so moved by Mr. Dooner and seconded by Mr. Short to adjourn from open session into executive session [Article XI, Section 9, City Charter]. All members present voted aye and the motion carried. Council adjourned into executive session at 7:27 p.m. Mr. Bogre and Mr. Biondillo left the session at 7:40 p.m. The executive session concluded at 8:02 p.m. and reconvened into open session.***

**MINUTES OF THE STRONGSVILLE CITY COUNCIL REGULAR MEETING HELD ON MONDAY, OCTOBER 16, 2017 IN THE MIKE KALINICH SR. CITY COUNCIL CHAMBERS.**

**CALL TO ORDER:**

Council President Dooner called the meeting to order at 8:00 p.m. All joined in the Pledge of Allegiance to the Flag.

**CERTIFICATION OF POSTING:**

The Clerk of Council certified that the meeting had been posted in accordance with Ordinance No. 2004-273.

**ROLL CALL:**

**Present: Council Members:** Kenneth M. Dooner, Matthew A. Schonhut, Michael J. Daymut, Joseph C. DeMio, Duke Southworth, Gordon C. Short and James E. Carbone. Also Present: Clerk of Council Aimee Pientka. **Administration:** Mayor Thomas P. Perciak, Law Director Neal M. Jamison, Communications and Technology Director David E. Sems, Service Director Joe Walker, Economic Development Director Brent Painter, Human Resource Director Steve Kilo, Building Commissioner Tony Biondillo, City Engineer Ken Mikula, Recreation and Senior Services Director Bryan V. Bogre, Public Safety Director Charles Goss, Police Chief Mark Fender and Fire Chief Jack Draves.

**COMMENTS ON MINUTES:**

The Minutes of the Regular Council Meeting held on October 2, 2017 were approved as submitted.

**APPOINTMENTS, CONFIRMATIONS, AWARDS AND RECOGNITION:**

(None)

**PUBLIC HEARING:**

Mr. Jamison – Folks, tonight we have two public hearings on two rezoning issues. We have a court reporter here at the request of one of the applicants. So just take note, he is sitting over there in the corner and everything that is going to be said will be recorded word for word or verbatim; so I'll give you that direction as we go forward. I would also remind you that as we go through each parcel, there's two different parcels here under consideration; that initially people who are for it will get up and speak. Once they conclude the people who are against it get the chance to speak. You do not have to sign-in at the beginning of the meeting to come up and speak at that time. Sometimes there is confusion about, "I signed up and I should have signed up to get in for the public hearing." You don't have to sign up for that. I will just remind you that if you want to voice your opinion during the public hearing for either issue, either for or against, you have the opportunity to do that at that time. Understand that it is council's purpose tonight, because council is the body that's going to be making the decision, to be listening to everybody for and against in terms of your opinions or your facts that you want to present. They will take that under consideration. They might have questions for certain people, as we go forward, but the rule here is not to debate it; it's not to render any opinions; it's really to listen to both sides, this is a public hearing, as we go forward. I just want to make that's clear so that it makes it a little bit easier as we go through these hearings tonight. Thank you Mr. Dooner.

**Mr. Dooner advised Ordinance No. 2017-123 will be heard first.**

**Ordinance No. 2017-123** by Mr. Daymut. AN ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF STRONGSVILLE ADOPTED BY SECTION 1250.03 OF TITLE SIX, PART TWELVE OF THE CODIFIED ORDINANCES OF STRONGSVILLE TO CHANGE THE ZONING CLASSIFICATION OF CERTAIN REAL ESTATE LOCATED AT 14356 PEARL ROAD (PPN 393-19-033) IN THE CITY OF STRONGSVILLE FROM GB (GENERAL BUSINESS) CLASSIFICATION TO R-RS (RESTAURANT-RECREATIONAL SERVICES) CLASSIFICATION, AND DECLARING AN EMERGENCY. First reading and referred to Planning Commission 07-17-17. Favorable recommendation by Planning Commission 07-27-17. Second reading 09-05-17. Public hearing 10-16-17.

*Council President Dooner opened the Public Hearing on this matter and invited anyone wishing to speak **IN FAVOR** of the Ordinance to approach the podium and address Council at this time.*



**PUBLIC HEARING (cont'd):**

Drew Gatliff, 1062 Ridge Street, Columbus, OH: Drew Gatliff, 1062 Ridge Street, Columbus, OH 43215. I'm representing Raising Cane's Ohio. I have an updated site plan to answer a couple of questions that have come up to us with access to the properties to the north...if I'm able to pass those out to everybody.

***A copy of the site plan is attached to the back of these minutes.***

Mr. Gatliff – So, as the updated site plan shows, we do have access where we do show cross-access to the property to the north so that we're not blockading and cutting off access to Pierce Drive from those. We found out that...the initial plan that we had sent was a very preliminary plan, and we found out through our Ulta Survey that we do need to provide that access and we are more than happy to do so. Other than that, I am here to answer any questions and really. Just receive feedback from the community at-large.

Mr. Dooner – Excuse me, could you spell your last name for us please?

Mr. Gatliff – Yes, sorry, G-A-T-L-I-F-F

Mr. Dooner – Any questions?

(None)

Dan Masuga, 10235 Versailles Drive, Strongsville, OH: Dan Masuga, 10235 Versailles Drive, Strongsville, OH. I'm just hear as one of the owners of the property. I feel that it would be consistent with what that corridor is now, existing, on Pearl Road, which is kind of a mix of businesses and restaurants over there. At one time before the old structure was taken down, there was an existing Subway that was in there so I think it is kind of consistent with what we have going along Pearl Road in Strongsville.

Mr. Dooner – Thank you.

*Mr. Dooner then invited anyone wishing to speak **IN OPPOSITION** of the Ordinance to approach the podium and address Council.*

Richard Chalkley, 19190 Pierce Drive, Strongsville, OH: I'm not exactly against it but my name is Richard Chalkley. I live at 19190 Pierce Drive. My concern is all the traffic. I would like to propose "No Thru" traffic signs, "Local Access Only"...get all the pizza delivery drivers to do the speed limit-they use it for a shortcut now to get into Crystal Creek. "25 MPH" speed limit signs at both ends of the street; there's already one by Pearl Road but it's by the sidewalk that runs north and south on Pearl Road. I would like it to be moved down to the first property line. A periodic monitoring by the police department; traffic control for violators, protect the kids on the street from idiots. That's about it, thank you.

Mr. Dooner – Thank you, anyone else who would like to speak against or for this rezoning?

(No Comments)

*Hearing no further comments in regard to this matter, Council President Dooner closed the Public Hearing on said Ordinance.*



**PUBLIC HEARING (cont'd):**

**Ordinance No. 2017-111** by Mr. Daymut. AN ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF STRONGSVILLE ADOPTED BY SECTION 1250.03 OF TITLE SIX, PART TWELVE OF THE CODIFIED ORDINANCES OF STRONGSVILLE TO CHANGE THE ZONING CLASSIFICATION OF CERTAIN PROPERTY LOCATED AT 17800 ROYALTON ROAD (A PORTION OF PPN 396-12-002) IN THE CITY OF STRONGSVILLE, FROM OB (OFFICE BUILDING) CLASSIFICATION TO GB (GENERAL BUSINESS) CLASSIFICATION AND R-RS (RESTAURANT-RECREATIONAL SERVICES) CLASSIFICATION, AND DECLARING AN EMERGENCY. *First reading and referred to Planning Commission 07-03-17. Tabled by Planning Commission 07-13-17. Second reading, amended and referred to Planning Commission as amended 07-17-17. Favorable recommendation by Planning Commission 08-24-17. Third reading 09-05-17. Public hearing 10-16-17.*

*Council President Dooner opened the Public Hearing on this matter and invited anyone wishing to speak **IN FAVOR** of the Ordinance to approach the podium and address Council at this time.*

Jon J. Pinney, 1375 East 9<sup>th</sup> Street, Cleveland, OH: I was kind of hoping everybody would rush up to the microphone, but I guess that's not happening tonight. Good evening, my name is Jon Pinney, my address is 1375 East 9<sup>th</sup> Street, Cleveland, OH 44114. I've asked for it to be displayed so that hopefully the audience can follow along because I know there's a lot of people here concerned about the project. Our goal tonight is to try and answer as many questions as possible. We put together what we think is a comprehensive proposal based on feedback that we've received. You know what? Is there a light Mr. Mayor? Can everybody hear me? Would it be better if I...is this loud enough? Everybody can hear me? Great.

***At this time, Mr. Pinney gave a slide-show presentation; a copy of which is attached to the back of these minutes. Mr. Pinney's comments during the presentation are reflected below.***

Mr. Pinney – I was kind of hoping all these people were here to oppose Raising Cane's, but I guess everybody likes them so...all right, first of all, I would like to introduce our team. As I said, I'm Jon Pinney; I'm the Managing Partner of Kohrman Jackson & Krantz, LLP. When I signed up for this job, I didn't think there would be five other managing partners in the audience. Apparently, every law firm is represented, but that's okay. I think after our presentation people would realize that it is a great project and we really are looking forward to work carefully with the city and with the council to make sure that it turns out to be just a fantastic project that's a win-win for the developer and for the city and the residents. As I said, I'm the managing partner; I'm also a Principal in one of the developing agents along with our terrific partners out of New York, Somera Road; who thanks to the technology available, are watching from New York. I don't know if the Yankees are coming on soon; they may be watching that as well. We have our team here and that includes my partner, Matt Viola and Jennifer Hart. They're here just because we want to make sure that we can answer every question in a comprehensive fashion. We will remain here after for any questions from residents or anyone else concerned. Our architects are a terrific group, RDL represented by David Parrish, the Principal who is here tonight. Engineers-Hammontree & Associates, GRAELIC, both present.



**PUBLIC HEARING (cont'd):**

Mr. Pinney (cont'd) - Our office leasing...and we are really eager to tell you about a momentum in that area, both on the office and on the retail side. I'll mention this a little bit later, but we also have some of our prospective tenants here tonight and we've asked them to say a few words. I hope you look forward to hearing from them. On our retail leasing side we have Anchor Cleveland here represented by Tori Nook, the Principal Greg Guyuron, and Christopher McFarland. All right, so here it is, the current office building. I think everybody is generally familiar with it, but for those of you in the audience who are not, it's a 120,000 square foot building. It was built in around 1990. It's been vacant for about 2 years. We purchased it out of receivership. You'll hear this a lot tonight; it needs about \$4.0 million in new capital. The building really hasn't been updated in some time. Based on our estimate, and I'm not representing that all these figures are correct but we think they are, this building alone represents about 25% of your office market in Strongsville. Why is that important? It is important because right now, you have 100% vacancy in one of your largest office buildings. It's a major drag on you fair market values for property tax purposes. It impacts your ability to secure capital and it definitely adversely impacts developers and real estate owner's ability to secure debt from banks because of the office market vacancy. Before we purchased this building we met with the administration. The mayor very clearly said it's a non-starter if you walk in here even remotely suggesting that office building would be torn down. We headed his advice. We agreed that it would be a shame to tear it down-and why? I'll give this in detail as we go forward. It is a tremendous source of revenue for the City of Strongsville. There's not enough office space in the market. In fact, I'll note that some of the developers who are here tonight, I think, are going to be speaking in opposition to this. None of them are proposing to build an office building. None of them have in the past developed a significant amount of office. We took this project on and agreed to develop the office to invest the capital needed, but the problem that we're facing is that the market rents just simply do not support the investment as an office alone sitting on 20 acres. We're going to demonstrate that to you. We think that the combination of the office with some very limited and high end retail is a perfect mix. It will activate that office building. It will generate significant tax dollars for the residents. We think that we could do it in a way that is not obtrusive to the residents. We've already received some very good feedback, some critical feedback, some concerns. We've made some adjustments and we're happy to present that tonight. As I said, it needs about \$4.0 million in capital, but it is a very nice office building. We have some tenants here who have expressed interest; and I think it's very clear that the tenants who are interested want to see an activated retail and restaurant environment with the amenities the modern office complexes have today.

Here is the project as proposed; this is a street rendering. As you can see, the main drive stays as is. The office building sits still in the north exactly where it is situated. Really, it's about 70,000 square feet of space. I want to put this in the context there's a proposal for an organic grocer on the west side of the project. That consumes about half of the square footage. What are we really talking about? We're talking about 30,000 square feet of small retail and a couple of restaurants. This represents, based on our math, about 2% of the entire retail corridor which has, and I'll get to this in a little bit, but about a 95% occupancy rate across the entire corridor. We are not trying to attract big boxes; we are not trying to take tenants from the mall; we're not trying to take tenants from elsewhere. We are focused on out-of-market tenants, national tenants, high-quality tenants who want to come into the space-some of whom will be here tonight. You may hear from one or two of them. They will tell you this is the type of product that they have been looking for in Strongsville; and we think it complements the office space nicely.



**PUBLIC HEARING (cont'd):**

Mr. Pinney (cont'd) - I understand there will be a couple of groups who object, developers who object to this particular site. I'll just point out that the amount of square footage on the site is about 5-10% of the retail development square footage that those developers have themselves already developed and are currently at 95+% occupancy rates. When you think about this site, like I said, 70,000 total square feet, 4 possibly 5 buildings, half of that is occupied by an out-of-market very high-end organic grocer who does not currently have a presence in the market. Frankly, there's not that current organic grocer available to the residents. We think it's a tremendous amenity for the city as well as for the residents. It would be located in the upper left corner of the west side of the project and it borders 100% all commercial real estate currently. There's a proposed site plan, as you could see, the office building remains of course in the same situation. We've added 4 buildings along the front with the retail with the organic grocer along the west side. It totals as I've mentioned about 70,000 square feet. You'll note, and I'll mention this a little bit later, there is not a cut-in added anywhere. We are not asking for a through street. There's no change to the current traffic pattern. It remains exactly as is. We firmly believe that the current lighted intersection is adequate to handle the traffic in and out. Of course we will work hand in hand with the city's engineers and the administration to make sure this does not create traffic congestion. With that said, we acknowledge that there will be traffic coming in and out of this. We hope, and I hope that the administration and the council want the same, we hope to get 600-700 workers on this site; and I'll explain why that's very important. That generates a significant amount of payroll tax. We are not asking for abatements or subsidies or incentives. It will generate significant tax dollars for the benefit of the city and its residents as well as for the schools.

Why change the zoning? So the entire parcel is currently zoned office-OB. We're seeking really a partial change to some general business and part restaurant and recreational services. Why are we asking for the changes I've mentioned? The office rents alone do not support the needed investment in the building. We want to upgrade the building. We want to attract top tier tenants. We want to generate significant payroll but we really can't do it with mid to low teens gross rents. That's where the market is. It is impossible to put the type of capital we need to put into that building and attract tenants and fill 120,000 square feet based on the current rental market. That's because you have 125,000 square foot vacancies sitting in the middle of your main corridors. The building was in receivership for a reason. Number 2, we bought it, we hope to improve it. The alternatives of not actually putting together a terrific project and having the capital to improve it is we have a second tier office building sitting there, potentially vacant for long term. It continues to serve as a drag on all of your fair market values. That adversely hurts the schools; it adversely hurts the residents; and with all the State cuts that you're facing as a community, it could result in higher taxes.

Why should city council vote yes? Jobs and money, it's that simple. We're asking you to seriously consider the economics. We're trying to find a balance between the economics and intruding on some of the adjacent residential community and the traffic. We think we found the right balance. We are not trying to slam 120,000 or 140,000 square feet onto this site. We have tuned the size of the square footage, combined with the office, to generate an investible return and still find the right balance with parking and all other factors considered. You can see we're expecting 600 office jobs; potentially 100 retail jobs for a \$40 million estimated payroll. That is significant when you factor in if this project has a useful life of 20 years that could be \$20 million+ of income to the city to pay for needed services and to offset some of the losses that are occurring at the State level. It also affects the schools.



**PUBLIC HEARING (cont'd):**

Mr. Pinney (cont'd) - Every school needs money; especially in the wake of funding cuts from the State there. If you look at the potential increase in the value, we expect to invest \$25-\$35 million in that range depending on the final figures. With the potential reassessed fair market value of up to \$50 million, that could generate over \$1.3 million in property taxes; a significant portion of which could potentially go to the schools as well as a small portion going to the city. That's about a \$900,000 annual increase over the current assessment. So we've had a series of meetings and they have been very helpful and we have really tried to address them and we're still working to make sure that we try to address every single concern. Here is my interpretation of these meetings and the 4 issues that have come from them. One is to maintain and expand the buffering. We have a buffering plan we are going to show you shortly. Storm water management, traffic management and, of course, the state of the retail market which I have touched on briefly. Let's start with...there's been a lot of talk about this project and we just want to make it very clear that first of all, we're not demolishing the office building. I've said that three times. I think the mayor would probably object to that very strenuously and do something very bad to me if we even proposed it so...we are not clearcutting the trees on the eastern residential boundary. The truth is we tend to expand that buffer. In fact, we want to be very clear, we do not intend to cut down a single tree on the eastern boundary next to the Ledgewood community. I'll show you the buffering plan that we have and we think that should address the concerns but we're open to further suggestions. We are not asking for any cut-ins. We're not going to cause floods. We have a water management plan and a team already working on that. We're going to upgrade and expand the current outdated/obsolete retention basin that's currently in place. I have a plan for that; we'll show you that. We're not asking for a tax abatement. We're here to be good corporate citizens. We think the project is a win-win when the city and residents factor in the significant tax dollars it could generate.

Here's the buffering plan and we have much clearer detail. It's kind of hard to see on the screen but we did an overlay of the proposed buildings on the eastern boundary. You could see that we're leaving the existing tree line and we're going to enhance it with evergreen trees and bushes to try and buffer it even further; the actual buffer from the edge of the parking lot. I have a diagram I'll show you, to the edge of the one house is about a hundred feet. This diagram shows from edge to edge about a hundred and sixty. This is a change from the prior plan. In response to the feedback, we actually tried to move south, meaning down towards the bottom of the screen the two proposed buildings on the eastern side-to try to pull them a little bit closer to Royalton and to reduce the impact on the Ledgewood residents that are further northeast. As I mentioned at the meeting with the residents, we intend to expand and maintain and actually expand an entire buffer along the eastern boundary. I have a little bit more detail on that. As you could see, this is the existing buffer. It's about ninety-eight feet already from the edge of the parking lot to the edge of that particular house. We're going to continue with that existing buffer but also expand it and try to make it more permanent so even during the course of the winter it's a little bit stronger. As I mentioned, we had moved the one building further south to try to even create more buffer from the edge of the building to the edge of the house.

Water management, and we have all the detail and we're happy to address and answer more questions after. Our engineers are present if anyone has any questions. Let's talk about water management. I know it's been a concern. Currently, there's a twenty year old detention basin system. We're going to upgrade that. It's a significant investment but, of course, it needs to be done. We're going to also install...because back then the water management may have been managed but the water quality wasn't, so the entire system will be rebuilt. We have a drawing here to show you.



**PUBLIC HEARING (cont'd):**

Mr. Pinney (cont'd) - I added this drawing because I saw there's a wonderful family who lives just North of this who was concerned that we would cut down all the trees on the north end and then it would impact the cul-de-sac on the very north end of the detention basin. I wanted to show that we would actually expand the basin south, but maintain the buffer and the tree line along the eastern boundary; so we'll upgrade that. It will discharge into the valley and then there's the potential for two underground detentions which we think are additive and very helpful; but we'll of course design the system in coordination with the city and its engineers and upgrade, as I said, to manage whatever water we're generating; and of course, the hundred year storm.

Traffic...you know, this one seems to be a concern in the city, and I wanted to address as carefully as I could. We are not going to ask for any additional cut-ins. We think the current entrance services the center including the additional retail adequately. The current lighted intersection is significant, substantial, and able to handle the traffic in and out, particularly for the office where we think the studies are going to demonstrate that it's adequate as well. We're not asking for cut-throughs. I think some people are concerned we were going to cut through to the Ledgewood community or through one of the adjacent properties. We are not. We think that, like I said, the existing traffic structure and lighted intersection is sufficient to service the project.

This has been a big concern, and I know that some of the council members who are very concerned about the state of the retail market. Understandable, but I think in our opinion the empirical data just simply doesn't support it and also we are not targeting existing tenants and we're not targeting tenants that are subject to, if you will, the Amazon effect. Let's cover some of the occupancy numbers across the market and just our observations. I'm sure other people have views on this but we think the market retail occupancy as a whole is about 95%. That is about as strong as it gets anywhere in the State. The 5% represents probably normal turnover that's occurring. The Strongsville Mall, according to reports from the owner, is about 98% leased. It's the second strongest mall in the region based on their statements. It seems to be doing terrific. There's substantial upgrades there; so again, we're not targeting any mall-type tenants. Examples of other surrounding centers: The Plaza of Strongsville, some reports we saw were about 98% leased. There was some vacancy there but pretty minimal. The Greens of Strongsville about 97% leased. We are not targeting the tenants in either of those centers or any of these centers around here. A lot of those are bigger box tenants. We're not looking to draw upon those types of tenants. We're looking more for a little bit higher-end tenant whose national in (unintelligible) the market. As I mentioned, we're also targeting higher-end office and retail tenants not currently in the market. The one thing I'll note is that nobody is currently developing office in the market. We're being asked to do so. We've taken on the challenge and we're prepared to do so. We think there's a demand but the office needs upgraded and we need to provide a really inviting environment for these tenants and we think with this project we can.

Here are some of the potential tenants. There's...and our recent team is here to answer questions if anybody wants to ask but I will tell you the demand is tremendous. If the demand wasn't so strong we would start to believe that there was a concern about too much retail and oversaturation. We're just not seeing it. We have significant number of L.O.I's (Letters of interest) already on hand. We have very committed tenants who are prepared to move forward. We think the demand and the fact that we're offering a higher-end retail project that currently doesn't exist in the market is critical. We're going to spend significant dollars offering really almost like a Crocker Park type finish and quality. As you can see, the tenants will support that. We have three of our potential lease tenants or office tenants on the board: Nations Lending, NAE NWAN, who we may hear from; we asked them to come and potentially speak, and Shiloh.



**PUBLIC HEARING (cont'd):**

Mr. Pinney (cont'd) - All just tremendous companies. NAE and Shiloh are significant companies already employing some people around the market. We think this building could give them an opportunity to expand and to generate additional tax revenues for the city and grow their business also. We think that we could attract a Trader Joe's or a Fresh Thyme once we move forward. We have significant interest, I will tell you in fact, an L.O.I. from Fresh Thyme already, which is growing across the country. Trader Joe's is an "await and see." They want to understand if the community really wants their concept here and they're a little concerned about the state of the market in terms of the reception of the additional retail. The Melt, one of my favorite places. I'm not just saying that because I think the owner is standing back there and I probably have been there ten times and added ten pounds because of it, but it's an amazing concept. As you'll hear, hopefully from Matt if he's willing to speak, he will tell you he is only going to the top markets in the State. This is a site that after looking at many projects he's interested in, and I'll let him speak for himself. For those of you who know anything about Matt you'll know he'll speak for himself.

We have provided to council and can provide to the public these various letters of support. We have more coming on and we think that these really demonstrate the demand and the need for this type of product in the market and should address any concern, at least a lot of the concern that the market is oversaturated in any way. These are all out of market tenants, at least so far. It demonstrates that there is a demand for our type of project.

So I've talked for a long time, but I'll make some closing remarks. I will tell you it's been a pleasure working with the administration and getting to meet some of the council members. We're really excited to work on this project. We are open to constructive criticism and more feedback from the residents, particularly the residents of Ledgewood. We understand their concerns. We really want to find the right balance and move the project forward. We think that it really is a terrific project for the city. As I mentioned, it has the potential to generate a significant amount of meaningful tax dollars that any city in this State needs right now. I think when you consider the alternatives, facing budget cuts, facing rising costs at the city level, facing rising costs at the school levels, and you consider we're standing here trying to put together a project that generates over a million dollars of annual income for the city and even some for the schools; I think in that case it definitely is a meaningful, valuable, project to the community. We have tried very hard to address concerns and we really do look forward to working with the council and the administration in trying to make sure it's a first class project. We also...and I will be here till the end as I was before and we'll take direct feedback and criticism from the area residents. I am happy to talk to anybody and see if there's something that we could to address your concerns. With that said, I've spoken long enough. I really do appreciate the time. Thank you and I'll be here if anybody has any questions. I should say any questions at this point or would you like to hear from others first?

Mr. Dooner – I think we're good, thank you.

Mr. Pinney – Thank you.

Mr. Dooner – Anyone else who would like to speak in favor of this rezoning? Again, please state your name, spell your last name so we have it, and your address.



**PUBLIC HEARING (cont'd):**

Kimberly Buhl, 8800 Steel Drive, Valley City, OH: Hello, I'm Kimberly Buhl and I'm here representing Shiloh Industries. The address is 880 Steel Drive, Valley City, OH. That's our corporate headquarters. We've been looking for office space in the area to expand our growing workforce for probably about 2 ½ years. We found several locations that are, we'll call, just office space. We're having a lot of difficulty, as most other global manufacturers, trying to recruit and retain talent. And particularly with some of the younger generation, folks really like to have kind of all the amenities right at their fingertips. We're looking for more of a campus type of a set up where we can bring in our recruiting group; we'll be doing job interviews there for corporate. We will also house our purchasing, logistics and information technology groups. With that, we're actually looking for something that's exactly like what's being offered here. We're very eager and anxious to move forward and we really appreciate the support. I think that this is kind of an example of where we're trying to take Shiloh to that next level and to further develop the brand equity and to be kind of the supplier of choice and also the employer of choice. We see an office complex with the mix zoning really being exactly what we need, for our environment and for the next decade or two, thank you.

Mr. Dooner – Thank you.

Mr. Short – (unintelligible because mic was off)...executive team as well?

Ms. Buhl – There will be more director level and below positions. There will be, obviously, offices and conference rooms and we'll be hosting the board and some higher level (unintelligible); but for the most part, these will be director level, manager level and individual contributor job functions.

Mr. Short – So the executive team will stay in, I'm assuming, your headquarters in Medina County correct...Valley City?

Ms. Buhl – Right now, some of the executive team is in Valley City and some is at the tech center in Plymouth MI. So it's kind of split today. I'm actually out of the Plymouth office, but I go back and forth between the two locations. My team is here and I'm out there.

Mr. Short – Thank you.

Ms. Buhl – Thank you.

Mr. Dooner – Anyone else who would like to speak in favor?

Kelly Price, 8370 Dow Circle, Strongsville, OH: Hello, hi mayor, Kelly Price, 8370 Dow Circle, Strongsville, OH. I'm here to speak on behalf of our company that has an intention upon renting a large portion of this space at the building. As you guys know, we worked very hard to try and grow our business and have come across this opportunity. We have a lot of struggles with recruiting people. We currently have over 145 employees. We have 20 people out for hire right now and it takes us an average of 45 to 60 days to find people. We feel that by bringing them, bringing ourselves closer to this environment where we can provide shopping and coffee and different things for them to be able to walk out and be able to have a campus like feel for the associates would be good. As you guys know, we just won NorthCoast 99, one of the top 99 employers. One of the things that we have had feedback from our associates is that they just can't get out to lunch.

**PUBLIC HEARING (cont'd):**

Ms. Price (cont'd) - We actually have somebody that brings in lunch every single day. To people that want to order in this environment would be a lot more positive for them as well as being able to utilize the Strongsville rec center and different things on their lunches before and after work. We want to bring about \$15.7 million into the City of Strongsville of payroll. We want to be able to stay here, but under our current situation and with the cost of the new build this would be a much better opportunity for us to stay here. Our tenancy really depends upon the retail space being part of that. Any questions?

Unidentified Voice – What is your company?

Ms. Price – National Automotive Experts NAWAN. We're a third party administrator. We work nationally and bring in a lot of clients from all 50 states as well as recruit people from different states to come in to work for us.

Unidentified Voice – (Unintelligible because mic was off)

Ms. Price – Correct, we are outgrown of that space. We have to do something so we had approval from everybody here to build the building. The problem is the bank and the appraisers aren't agreeing upon the price to build the building. We're about \$6 million short of what it costs us to build it and what they're appraising the new building at. We have to make a decision to either stay in the City of Strongsville or look elsewhere. The only place we can go that has enough space for us is either this building or relocating out of the city.

Matt Fish, 6825 Chadbourne, Valley View, OH: Good evening, my name is Matt Fish. I'm the owner of The Melt Bar and Grill. Address is 6825 Chadbourne, Valley View, OH 44125. I'm here to throw my support towards this project. We've been big fans of Strongsville since we started the business in 2006. We started expanding in 2010 and Strongsville has always been in my top 1 or 2 of communities that I wanted to open up a location. I feel it's a very strong location. I feel the area of the city is great. We love this community. We've looked for at least the last 6-7 years since we've been expanding in the Strongsville area and just nothing has really felt right for us. When this project was introduced to us a couple of months ago, myself, my broker and my team really fell in love with it. We fell in love with the area. We've had several opportunities in Strongsville and we've turned them down, like I said, because they just didn't feel right and we've honestly looked at surrounding communities except Strongsville to be in this area; but it means a lot for me to put Strongsville OH below Melt Bar and Grill and not another community that's close to here. I just want you to know that we are big fans of the area. We really want to be here. I think this is a positive for everybody; for the residents and obviously the retail that wants to be there and the office component. Excellent presentation Jon, I was very impressed. I'm actually a bigger fan of the project now after seeing that presentation. Hopefully you guys enjoyed it as much as I did. Thank you very much for the time; hope to see you soon.

Mr. Dooner – Thank you, anyone else who would like to speak in favor of the rezoning?

Mr. Short – Mr. Dooner, if I may? I have a couple questions for Mr. Pinney and maybe his real estate team. Thank you Mr. Pinney for your presentation. A couple of questions, I represent Ward 4 which includes the mall.

Mr. Pinney – Okay.



**PUBLIC HEARING (cont'd):**

Mr. Short – I heard you correctly say that you were not going to be looking to basically move tenants from the mall over to there, to the outside tenants correct?

Mr. Pinney – That is correct and the truth of the reason is there's so much demand that there isn't a need to do it. We just don't think it's the right thing to do.

Mr. Short – Okay, and secondly, you talked about market rates. I guess there's two separate, office and retail; so from the office perspective are rates, I guess, in line with current market rates? Are they below market rates or what's the market demand in Strongsville? I don't know that as I'm not a real estate guy.

Mr. Pinney – I mean I can answer that because we're actively pursuing every lead and our brokers, we see the L.O.I.s and generally I will tell you it's mid to low teens really on a gross basis. When you have a \$4 million capital need on the building of that size, you have tenant build-out, it's just simply not...let me put it this way, and my partners at Somera in New York will verify this, there is no way to make that building a dollar profitable at the current rates with what the building needs. That's why the retail is essential to activate both because the retail rates are very strong. They're not outrageous; they're not certainly Crocker Park, but the retail corridor rates are strong enough to make the project a very viable project; but without the retail, we can't activate and actually upgrade the building and bring the tenants in.

Mr. Short – Lastly, with Shiloh, NAE and potentially this Nations Lending, all for the office building as I understand, the office building is staying-there's no more office being built correct? It's just retail being built? Is that enough space to handle all of those companies or are these just...are they kind of competing for the whole building or can you put 2 or 3 office tenants in that building?

Mr. Pinney – I think, to be honest with you, there's a possibility if we are able to negotiate the right terms. That is not easy because all of them are asking for significant build-out dollars. There's a possibility that with an approval and the project moving forward, the office building is fully occupied in a very rapid pace. The square footage that we're talking about, between all 3, may actually fill the entire building.

Mr. Short – Thank you.

Mr. Pinney – Yes.

Mr. DeMio – I do have a couple of questions if you don't mind.

Mr. Pinney – Certainly

Mr. DeMio – Joe DeMio. A couple of things that differed from the big meeting and the meeting today. Tell me a little bit more about the restaurants that are part of the plan; that you mentioned a few things and (unintelligible) when you say a few things I may do a follow up to that question; so tell us a little bit more-will be based on some of the tenants you tentatively or potentially, excuse me, potentially have?

Mr. Pinney – You mean in terms of the restaurants?

Mr. DeMio – Sizes, the employees maybe on the restaurant side.



**PUBLIC HEARING (cont'd):**

Mr. Pinney – Well, you saw BJ's Brewery on the board. I'm sure you are familiar with that brand. It's a terrific national brand. If I could go to...you can see it here on the board and I'll show you where it's contemplated they may go. If you go to the buffering plan page of the power point which is in front of you, it will show you an overlay of the grids of the building outlines. It is currently contemplated that BJ's would be the tenant in the southeast corner.

Mr. DeMio – Okay.

Mr. Pinney – There's a possibility of Piada and The Melt and the two restaurants then immediately north of them; which as I mentioned, and I thought this is what you were getting at but I apologize, it's a possibility that we're going to continue to move those buildings a little bit further south to create even more buffering from the Ledgewood community.

Mr. DeMio – I believe you mean west, south you can't because the road.

Mr. Pinney – South and west.

Mr. DeMio – The one thing that confuses me a little bit is the hours.

Mr. Pinney – Okay

Mr. DeMio - You mentioned at the big forum the hours would be 11:00 p.m. or less than 11:00 p.m.; so tell me how The Melt, BJ's, Piada...I know all about as an Italian American I'm not a real friend of their stuff.

Mr. Pinney – You can mention at the (unintelligible), they're back there...

Mr. DeMio – I'm sure they're here. My friends like it. So tell me a little bit about that versus the couple of places you mentioned today because the restaurant business is a difficult business in itself.

Mr. Pinney – Correct

Mr. DeMio – So 11:00 p.m. seems to be a little short on time in my days of going out to dinner.

Mr. Pinney – Yes, well they're not bars first of all. We're not proposing bars at those sites in terms of a traditional bar that would be opened till 2:00 a.m. They're fast casual concepts that the market really wants and is currently the hot restaurant concept around the county. We think it's a proper use and these tenants have expressed interest; they've done their market studies and they would be investing significant capital there.

Mr. DeMio – What about the traffic counts that would change over there? Because I know office is primarily 8ish to 6ish or whatever; so you add the retail, the Trader Joes if you will...tell me a little bit about those count changes.



**PUBLIC HEARING (cont'd):**

Mr. Pinney – Well, we obviously haven't done the formal study with the counts yet. That's something that we will do in coordination with the engineers as we move forward; but we think that the hours of operation with the restaurants, of course corresponding after most of the heavy traffic with the office, they work nicely. So our engineering team believes that the analysis will show that the current ingress and egress that's presently in place with the lighted intersection will be able to service the counts. In terms of the formal study, that would have to occur in the future and that is not something that is determined at this point. Any rezoning of course would be subject to an evaluation of that issue. Same with our civil engineering, our storm water, all those issues.

Mr. DeMio – So you've done projects like this before or no?

Mr. Pinney – Yes.

Mr. DeMio – So what example would be...?

Mr. Pinney – Mostly out of market projects, none here. The group I represent, just so you understand who they are, it's a family office of 65 buildings in 5 states. Hundreds of millions of dollars of assets, extremely well capitalized. It's a family office. Somera has one of the largest buildings downtown that they've recently acquired in Cleveland. They're looking to redevelop that. They have projects all over the Midwest. This would be our first project in market. When I say our, I mean the developers and we are a significant source of the capital in line with that and have substantial capital at hand so this is...financing is not a concern. The capital is readily available and we're prepared to move forward. This will not be a difficult request for a loan. We are able to capitalize this project instantly.

Mr. DeMio - I remember you mentioned that at the big meeting. So you're experience in this is pretty well versed I would...this type of project or similar, since you've done plenty of them?

Mr. Pinney – Each project is different, but in terms of a project like this, I would say that this is probably going to be a little bit higher end than the past projects and is designed to be. In terms of the square footage as I've mentioned, the full project is about 70,000 square feet, 5 buildings; it's certainly something that's in line with everything that we've done.

Mr. DeMio – What kind of traffic do you really think it's going to create in this facility?

Mr. Pinney - I honestly think the corridor can handle it. Our engineers have assured us and that's why we're not asking for cut-ins. In fact, there could just be a right turn in and a right out. We didn't even feel it was necessary to ask for that. We didn't want to disrupt the current traffic pattern. The traffic that we anticipate is, of course, increased and I think everybody would agree that having office tenants there will result in increased traffic, particularly in the morning; but we don't think that these types of retail uses and the potential organic grocer is significant enough to be a heavy draw to the point where it is disruptive to the traffic patterns. We acknowledge that is something that will have to be worked out in the coming months and we're prepared to work in coordination with the city to make sure that happens.

Mr. DeMio – So let's say you're going to attempt to move it south and west; do you have anything for us to see...to consider?



**PUBLIC HEARING (cont'd):**

Mr. Pinney – You mean in terms of those two restaurants?

Mr. DeMio – Yes, 2 of the 3, as I look at it, it's on the right side which would be the east side.

Mr. Pinney – Well first of all, I will tell you from the prior meeting with the residents of Ledgewood and others that the councilman was kind enough to set up, those buildings are already moved further south and that's how we got to the 160' from point to point. That was a goal of our design team. We wanted to try to minimize and move it away from that eastern boundary. One of the things we're evaluating, and this will take some time, is to figure out if there is a way to actually move it even further southwest to create an even bigger buffer. We're trying to do that but we think that this actually strikes the right balance, but to the extent we can we will. We want to create as much distance as possible.

Mr. DeMio – So you don't have anything for us tonight to look at?

Mr. Pinney – We actually have some renderings. If you like, we could get them to you in short order. I don't think we have them...

Mr. DeMio – Do you have anything we could put up here?

Mr. Pinney – Well this actually does show the moved building.

Mr. DeMio – The newer...no, but you said there maybe even more.

Mr. Pinney – There is a possibility, yes. I don't have anything with me, but I will tell you that we were up until yesterday still evaluating how to adjust the buildings and we think that this is the right mix. We moved them a little bit closer to the drive to create more separation.

Mr. DeMio – What is the difference between the employment that would be in the office building, dollars to the city, versus the retail? How do you break that down? Because I don't see it here, how the office building tax dollars would be different from the retail. Since you did the formula, can you share that with me?

Mr. Pinney – Sure, it would be about \$35 million on the office and I acknowledge that the actual figure was dependent on the number of high paying jobs in the site. I talked with some of the administration to try and get a feel for the average wages at some of the sites. Some facilities, they're in the \$50s, even high \$50s. I think we used a \$60,000 average. We really do think though the average would be much higher so we're anticipating that the payroll for the office could be \$30-\$35 million, potentially even higher. The payroll off of the retail is probably in the \$5-\$7 million range, depending on the total number of jobs. Really, the office is the key and that's something we've been saying since day one. It's really the key for the city. For us, it's necessary to activate the site because we really can't make the office in its current state work economically without the retail components. Also, the tenants are asking for that type of work life environment as you heard.

Mr. DeMio – So I have 600 employees that are office.

Mr. Pinney – Yes sir.



**PUBLIC HEARING (cont'd):**

Mr. DeMio – Call me Joe, I'm serious.

Mr. Pinney – Sorry.

Mr. DeMio – That's okay. I'm just looking at the number here; so \$1 million to the city and there's 600 office jobs and 100 retail jobs right, if I read that correctly?

Mr. Pinney – Yes, that's the estimate if you will.

Mr. DeMio – And then the property tax could be \$1.385 million, up from \$226 million for the schools?

Mr. Pinney – Yes, and that would depend on how the county reappraises it and the fair market value.

Mr. DeMio – So is it as simple for the employment dollars for the city, is it \$6-\$1 dollar amount? Or it would be less than because retail pays less, right, then...

Mr. Pinney – I honestly hadn't broken it down that way but that math maybe correct. Certainly, the retail pays less. That's beyond debate.

Mr. DeMio – Okay Ken, until I have the other piece/document, I probably don't have any further questions right now.

Mr. Dooner – Okay.

Mr. Carbone – How many parking spots on this site?

Mr. Pinney – About 950 and depending on the actual layout, we think it's more than adequately parked.

Mr. Carbone – So you don't think any variance or anything?

Mr. Pinney – There might be a request for a slight variance, probably in the 40-80 range. We actually could add parking but we're trying to maintain as much greenspace as possible. Our engineers and our parking consultant will tell you that we just don't think it makes sense to add more parking even though there is greenspace available to convert it. We want to preserve the greenspace and so we'll do that hand in hand with the city and work through that carefully. It is a big piece of property. It's 20 acres and the parking field that's already in place is significant. We think that it's already adequately parked but we'll certainly add some parking around the retail but maintain good parking for the office. Any further questions? Again, thank you for your time. I really appreciate it.

Mr. DeMio – Thank you.

Mr. Dooner – Anyone else speaking for?

(No Comments)



**PUBLIC HEARING (cont'd):**

*Mr. Dooner then invited anyone wishing to speak **IN OPPOSITION** of the Resolution to approach the podium and address Council.*

Gerald Franklin, 7560 Parkside Drive, Parma, OH: Gerald F. Franklin Jr., 7560 Parkside Drive, Parma, OH. Our family has been business and landowners, Buffalo Wild Wings, for fifteen years. You can take that as 60-70 employees per year for fifteen years, whatever that math comes out to be, plus the real estate tax that we pay. Recently, we're a tenant of Mike Catan at Tom and Chee. We have soup, grilled cheese sandwiches; we're trying to get that going. We just opened our second location in Broadview Heights. We firmly believe that, and I petitioned the council, not to allow more retail in the area. Business is not up; it's borderline at best. If you know the retail restaurant business, it's not up. In Strongsville, it's extremely competitive right now; it's extremely competitive. Two of those names on the screen are direct competitors of ours, as it would affect everyone else. It's always a struggle trying to find employees no matter what. Now you're adding to that. We're not opposed to corporate growth, office growth; we welcome that. But to have more retail I think would be a detriment to us and to the other retail establishments in the area. I wish you would think long and hard of the people that got you here and then what we've done. Mike's helped us at Westwood too, but it hasn't been easy; it hasn't been easy. Strongsville has been wonderful for us, but the market is not growing. The market, the retail is not growing. Take that in consideration when...and I appreciate your time.

Mr. Dooner – Thank you.

Anthony Coyne, 1001 Lakeside Avenue, Cleveland, OH: Good evening members of council. Anthony Coyne, 1001 Lakeside Avenue, Cleveland, OH 44114. It's always a pleasure to be in Strongsville, OH, I must tell you. As you know, I've been a land use lawyer for about 30 years; and I brought my fair share of clients to your community for retail and commercial businesses. I've known Mr. Daymut for a long time and several of you have been with me, sometimes against me, on some projects. I'm here tonight, part for the Visconsi companies; although I've been contacted by others. The reason I'm here, it's a concern for Strongsville and I will say this project, I'm here to focus only on one area of this project. The buffering issue, the storm water management and doing a thorough traffic study, those kinds of things, with your professional staff to-you will do the best you can to make sure you minimize any of those adverse effects from a development like this. I'm not here really to address those so much. What I am here about, to talk about, is a concern about the planning and the development of your city. I'm a huge advocate of good city planning practices, of good zoning policies, of doing studies based on the facts...based on the facts, not alternative facts, based on the facts. You heard a great presentation, could have done it myself 20 years ago. Big difference, big difference about what's going on in Strongsville, in Northeast Ohio, even in the country. If I could approach the clerk, I have about three articles (unintelligible)...

***\*\*At this time, Mr. Coyne gave the clerk three articles to distribute to council. A copy of these articles are attached to the back of these minutes.\*\****

Mr. Coyne - ...but if you look at what's going on in our region, it's a concern; especially on the retail business front. It's very concerning and I think that the City of Strongsville really has to study your land you supply as it relates to retail development in your community. I think you need to update your master plan. I know you're looking at it, but I think it's very important.



**PUBLIC HEARING (cont'd):**

Mr. Coyne (cont'd) – I also think that the oversupply of retail space could be a major, major problem for Strongsville. When you look at the mall itself, and you think about how malls work and the comments about tenants, we do live in a free market. If you lose a big tenant or two in the mall, the mall can be in trouble, the smaller stores in particular. A mall works because you have anchor tenants; people walk back and forth so that the smaller stores can survive. It's a pretty simple design even though it's not working real well in several parts of our region. In fact, we know several communities who had to de-mall their facilities. You have to think about how that works. When you look at what you've already done, in your public records, in your studies, in the year 2015 comprehensive plan, you've already recognized that you're really in a period of time where you've got to be very careful about how you handle retail business zoning. If you look at your comprehensive plan, on page 4-8, it talks about...and by the way, the one year that I worked on at length was the one that brought you The Plaza at SouthPark. That started in 1998...1998, we originally tried to bring in a nice hotel complex of Marriotts and a Cinemark (Unintelligible). I'm not going to belabor the challenges we had, issues on both sides of it, but that's how long ago it started. You were thirty percent smaller. Medina was thirty percent smaller. Middleburg Heights was a lot smaller. The growth in Cuyahoga County was pouring out on I-71. The mall had started; it was a different world. You currently now have 3,340,000 square feet of retail space in your community. And I might add, other than Costco, the rest of the Plaza at SouthPark is only 150,000 square feet with smaller tenants; so the prior speaker who mentioned the issue with how it's going to affect his business; he's taking that to heart. Rockne's has been closed for over a year. So we have to look at these issues; what's going on in Strongsville? By the way, in 2000 you had 2,500,000 square feet; so you added a million square feet. Those are concerns. If you look at, this is incredible for Northeast Ohio and Cuyahoga County-the retail inventory, there's 79 million square feet, 37 square feet of shopping or convenience retail space per person. One of the articles that I passed out to you, which was a U.S. Business Insider, the U.S. average is 23.5 square feet of retail space per person. Canada is 16...right...and Australia is 11. Those are the two next largest square footage retail space per person after the United States of America. Strongsville's was 37 square feet; it's now 75 square feet. Think about that. There's an oversupply in the region of 6 million square feet of retail. I don't know where the data came from; I'm going with yours by the way from 2015, you had eighteen percent square feet of vacancy on a million square foot of additional retail space that was studied in the year 2015 plans. It's in Section 4-9. What does that mean? What it means is you have to be careful. Just get on the internet, the oversaturation of retail space is a big concern in several communities and it really has had a very challenging impact. If you talk to people living in the communities from Parma, to Randall, to Euclid, to Richmond Heights, it's been a challenge. So for the first time in my career, I'm talking to you guys about being careful, about your decision making. You can get 70,000 square feet of retail, and this doesn't sound like a lot. They could also put on (unintelligible) 40,000 square feet and once you get the zoning change, how much are you going to have? Once you change the zoning it's done. You have to be conscious of that. We didn't even talk about the Amazon effect. I know a few UPS guys over the years. My UPS guy knows my kids' names, he can guess their month of birth, not their date; my wife's name, my name; everything is delivered. Everybody is going crazy in American to get the Amazon HQ2 Project. You don't think the internet and everything else is affecting the retail business you've got another thing coming. You can't just survive on chain restaurant after chain restaurant. It's a big problem. I don't mind telling you, I live in Ohio City still. We have a few chain restaurants, not a lot. It's a much more walkable community probably than Strongsville. So we're not sure what the future holds but I will tell you this, if you think you're going to get/net new jobs, think again. If you think you're going to get/net new tax revenues, think again; because once you see a few retail locations close up, where they lose some of those prospective tenants they're trying to get-they're brokers and they've got some of the best, they're going to find out what every retail centers' leases are and when they're expiring. They're going to start making phone calls.



**PUBLIC HEARING (cont'd):**

Mr. Coyne (cont'd) – They'll do that and it's legal to do that. It's a competitive environment in the United States, right? But I'm telling you, if we don't be careful, we're going to have major issues with our retail environment. Now you're the point where you're at a tipping point. So yes, they're not requesting tax abatement, but talk to some of the other cities that had to de-mall their malls, in Parma for example; what they have to do to keep business back in; or you end up with what? You end up with (unintelligible); you end up with vacancies; and you end up with problem properties; and people want the new. So that's a challenge. So what I'm here to say is that I think that it's very important that this council look at studying this further and not simply take the word of the applicant about how they're going to proceed. I think you should study it more carefully. Out of respect for (unintelligible) and consider being patient with your master plan. You know this property is about 20 or so acres. Half of it is going to go to general business and retail. I'm sorry, I've done work for industrial developers, office developers, and retail developers, and I've never heard when you've got a couple million square feet of retail outside your front door that you need some more or I'm not going to locate there. If you buy that, I'm not questioning anybody's intent, I'm just saying if that's what they think I've never seen that; I've never seen that. So you have to look at this very seriously. As I've said, if you look at some of the other communities that have dealt with some of these issues, these are tough. We're in different times now. Northeast Ohio's net growth is almost 0-maybe 2% or 1% even; I believe it's very, very low. If you look at Houston since 2010, it's up 850,000 people. So if you continue to add this, you're going to create issues. I want you to give real consideration to having this studied further by an independent party. I would look at your comprehensive plan, which I believe you're working with the County Planning Commission to update, I think is very, very important. When you look at your own master plan, your master plan questions your retail strategy right now; you're own plan from a couple of years ago. I would suggest you be very careful in making a decision; so when this comes up to a vote I would request the council consider certainly tabling it for further study or not approving this rezoning. I think the office jobs that you would like to try to attract you have to use more incentives to get them. You have to use other ways to bring them in or you're just going to continue this retail slide and it could be a big problem. I don't have anything further to add, but I would be glad to answer any questions you have.

Mr. Jamison – I have a question Mr. Chairman. Mr. Coyne, isn't it true back in July of 1998, July 20<sup>th</sup>, your firm represented your client making the same argument that is being made by the applicant tonight?

Mr. Coyne – Sure.

Mr. Jamison – And is it true that eventually that went down and your firm, on behalf of your client, sued the city.

Mr. Coyne – Yes, it is true.

Mr. Jamison – Does council know that and the residents know?

Mr. Coyne – I'm sure several of the council members know that. But I will tell you, in the community for what it's worth, we did that. And I will tell a funny story about that, I have relatives that live in Strongsville. One of my favorite stories about that and I can't say if there was politics behind it that I didn't know about, I don't know, but I was in a movie theater in Strongsville and there were problems with the projector and it was packed and people couldn't sit together. A guy got up in front and said, "You know what? We need a new movie theater in Strongsville."



**PUBLIC HEARING (cont'd):**

Mr. Coyne (cont'd) - A friend of mine got up and said, "Well, this guy is trying to build a new movie theater but (unintelligible) approve. And we're trying to get a series of Marriott hotels approved (because you were looking to do other things; then you were just planning an ice skating rink), and those were turned down." So we went to court over it, we did. But I will tell you this, and I mean it, I'm not ashamed of any project I ever brought into this city, none. They have always been successful, they've always been good neighbors, most of them small businesses; most of them by the way Clevelanders, most of them. When we did that it was a respectful disagreement and we prevailed on that issue. I would say this, that's been a very successful project for this community. Costco has done very well there, they continue to do well there. From my perspective, that was something that was a different time. This is was 30% smaller than it is today when that happened; and you have the growth, like I said, all the way out. By the way, that's right on I-71. That was the whole reason that was such an attractive site by the way. That's the great to be where the mall is, it's right off of I-71. Now you do have issues with that because you have more people coming in from outside the community; you have more traffic with that. But keeping it closer to I-71 means there's less of an impact into your community. This is farther away. Like I said, those other three issues, storm water management, traffic, buffering, I know your staff can handle that. As it relates to the balance of this, I have nothing to be ashamed of to be here to ask you to take a careful look at this or, Mr. Jamison, I'll be glad to talk to you in 10 years. If you don't, we'll see how things are going because I think a lot of communities are going to be dealing with this, a lot.

Mr. Jamison – Thank you.

Mr. Coyne – If I could answer any other questions?

Mr. DeMio – I liked the little theater personally.

Mr. Coyne – That was started Joe...

Mr. DeMio – It was the best.

Mr. Short – Mr. Coyne, if I may, because that was before my time on council here. You talked about facts. Are there facts you can distinguish for us tonight that would be glaringly different from what happened in 1998 versus today? Other than the fact that (Unintelligible) has changed; but as you know, as a legislative body, we can only legislate the zoning, we can't legislate competition. That's up to the marketplace and the economics.

Mr. Coyne – You're absolutely right.

Mr. Short – So what distinguishes that 10 years ago from today?

Mr. Coyne – The growth now has subsided. You're near full build out. You're probably 15 years away from full build out. When we did that project, we agreed to make improvements to Howe Road, to make improvements to signalization, to add additional lanes, to make sure we minimize any other impact on the community. We also made sure that it was going to be compliant from other storm water management...the other things that...actually the applicant's attorney brought up, so those were different, but you've got to look at the marketplace. Folks are looking for rooftops and disposable income.



**PUBLIC HEARING (cont'd):**

Mr. Coyne (cont'd) - The reason frankly that Beachwood Place does so well, within 3 miles you've got disposable income that is as good as any part of the United States of America. And you've got to look at how that comes into play; and people want to take advantage because retail is often quick money, but it runs out. It burns out eventually. Look at all the malls. I mean, the term, "De-Malling" was never a term before. When the project that we did with the Visconsi's in 1998 wasn't done until 2005; that was something we did very carefully and it was a different time and it was right on the interstate. From my perspective, that was a perfect use in that location and at that time. It's hard to believe that's 20 years ago that started. The mall was under construction when we started talking to the city back when Mayor Ehrnfelt was around. From my perspective, that's a big difference. As we look at I think, our demographics kind of balancing off, and you heard the prior speaker, there's no question that that has to be a concern. If the other restauranteurs that are looking at this project are interested, we've got the Rockne's available; but there are other things that we could talk about. I just think the big picture is I would be very careful with this. I would truly consider talking to some other retail professionals; and before you make your decision, I know this is just the public hearing, I would make sure you do that. Think about your master plan because I think we are in for some real changes in this sector and in Northeast Ohio. I really do, because of our population and because of the internet, because of Amazon, because of how people are buying; their habits are changing.

Mr. Dooner – Thank you.

Mr. Coyne – Okay, thank you.

Dan Martin, 12611 Calumet Circle, Strongsville, OH: Hi there. Dan Martin. 12611 Calumet Circle. For the record I would have dressed up, if I thought I was going to speak. I thought I was just going to listen. I'm not really opposed or for. I'm here to listen; so, I had a couple questions that have come up from what I am hearing. The first is, Joe asked about the hours, because he said with there be bar and grill and they said, "no bars;" yet the Melt guy's jacket clearly says, "Bar and Grill." Just saying. Obviously, there's a bar part of Melt. One thing that came up was the presentation they said that the rent of the building itself cannot support purchasing it; yet they acquired it; so I'm interested in their backup plan. Was it a contingency purchase? What happens if the rezone does not happen? They just stated that it can't sustain itself. That is a concern for me. They mentioned 700 jobs and I think Joe was headed this way as well; as I was just doing the math, if you take 700 jobs and 15% of those are retail, I'm just using the numbers they gave. In their initial presentation, it said that there was going to be \$4 million of payroll. When Joe asked the question, then it became \$5 to \$7 million in payroll. Now, if I do the math and I take 700 jobs and if I didn't screw this up on my phone, that is an average of \$57,000 per employee. The one company already said their not bringing their C level folks here. Those are pretty good jobs. I would like to... and then to hear \$5 to \$7 million; that's probably getting into the \$70,000-\$75,000 average range. I'd like to hear what jobs those are because if 15% of them are retail, I might be in the retail business then. The other thing I see, and I'm not really clear how much land is north, because of this picture I'm looking at that was in this presentation, there is a lot of trees back there. If we rezone, these are a couple things that I am just thinking about, I don't live in Ledgewood, so this doesn't impact me directly, but, if you're going to rezone it, rezone the piece I'm looking at in this picture, which is the building and towards 82 because I have this fear that we rezone it and I hear about Phase 2 coming and Phase 2 is going right past the building and we're going to knock down all that area back there. If there is a Phase 2 that scares me. I would suggest that if this rezone happens and I'm looking at this diagram of where this is going to fit on the land, then let's do, let's talk about the 18 acres.



**PUBLIC HEARING (cont'd):**

Mr. Martin (cont'd) - My suggestion would be, if you're not going to use it, donate the land to the city. It abuts to the recreational area pretty close and then we don't have to worry about any additional building going on in this space. Again, this does not affect me directly, I love to eat out and I love to shop. At the same time, I want to make sure that we're doing this the right way in this space. As I see it, it's a good fit; but if we start pushing back, huge problems. Thank you very much.

Mrs. Pientka – Mr. Martin, could you please tell me your street name again?

Mr. Martin – Calumet Circle.

Mrs. Pientka – I'm sorry.

Mr. Dooner – Calumet Circle.

Mrs. Pientka – Calumet.

Mr. Martin – Calumet Circle.

Mrs. Pientka – Thank you.

Mr. Jamison – Mr. Martin, I would say, for those questions you had initially, Mr. Pinney said he'd stick around.

Mr. Martin – Cool.

Mr. Jamison – He's the best one to ask those questions to.

Mr. Martin – I think those questions need to be answered for everyone, not just me though.

Mr. Jamison – I agree, but, he'll be here if you want to answer questions.

Bob Kmiecik, 50 Public Square, Suite 2000, Cleveland, OH: Thank you. My name is Bob Kmiecik. K-M-I-E-C-I-K. I am an attorney with the law firm of Kaman & Cusimano and we represent the Lyami and Otani Condominium Associations. If you recall, one of Mr. Pinney's slides, we would be those two cul-de-sacs on the right hand side of the 90 some foot buffer zone. That association was built in 1970, so about 47 years ago when most of that stuff, I think was still woods and rabbits running around. We don't have the economic clout of Mr. Pinney or his clients or even Mr. Coyne's clients for all that they've done over the years. We just live there and because of that we probably have the most relevant point of view on all of this. This is going to be our neighbors. As I understand it from listening to Mr. Pinney's presentations and by the way, I agree with everybody here, it was an absolutely fantastic presentation. I'm sure it was as good as or better as the presentation that was made in 1990 when they built the medical mart. I think PowerPoint was probably in it's infancy at that time, but I'm sure that they put forth a lot of reasons why that was going to be a great idea and a money making opportunity; which by the way, occurred 20 years after my clients were formed. None the less, as I understand it, and it was alluded to by the last speaker, that the reason we are here tonight, as this parcel was bought at a receivership. That means it went belly up. They weren't making money. They couldn't make a go of it.



**PUBLIC HEARING (cont'd):**

Mr. Kmiecik (cont'd) - In order to make a go of it, we need to change the zoning so that we can attract tenants who will pay us enough money to make it worth our wild to fix the building. In order for us to attract those tenants, we need to give them some amenities because they want to be able to walk out of the building; 60, 70 feet and have lunch. I don't mean to be disparaging and I'm sorry for being glib, but that's kind of what it is. I welcome all of those businesses to come to the City of Strongsville. I happen to live in North Royalton; so, it has somewhat of an impact on me. I think we should be working with them night and day to find some place for them to come and open up those restaurants and anything else that they want to bring there. Find them some office space because it's a wonderful place to be; but it doesn't have to be here. The test, of course, isn't what benefits the land holder, the purchaser, what makes sense for them, because that's always going to be how do we make the most money. There is nothing wrong with that; but, the test here in this zoning change is, is it necessary in the district, in the zoning district, and in the community? Someone up here said, "How many fast food restaurants do we need?" I don't care if they're upper end or lower end. How much more of that can we have? Mr. Pinney said, "We're going to address the four main objections. We're going to address the buffer zone." That buffer zone, as I understand it, is a little bit longer than this room. I am going to guess this room is about 50, 60 feet so maybe twice the size of this room. Would you want to live on one side of this room when this development and these changes are on the other side? No matter how many changes and promises you make, that is just a lot of people coming in and out of it. Not at rush hour, just at rush hour when you're going to work in the morning and you're coming out of there. Everybody knows rush hour is bad; but all day. All day. How will those businesses make it unless there is people going in and out all day? Already you can't get up and down Royalton Road at the end of the day, the beginning of the day, on the weekends and don't even talk about the holidays. You just stay home because that's what we're dealing with here. I'm assuming that we would deal with the water issue. How you are going to do that I don't know. I don't think, my guess is that you're not going to do it by enlarging a retention basin. Strongsville, North Royalton, Broadview Heights, we all have horrible issues with water and we're going to add to that. The biggest thing here is the traffic. Now, when Mr. Pinney got up to address the traffic, I thought he was going to say, well we've conducted a lot of engineering studies, we've measured, we've counted cars, we've been out there day and night and doing this. He did make some reference to engineers, but he concluded that all we need is the stop light that's there. When I saw the picture of what he's putting in there, what I thought of was down by Howe Road when you go across to Best Buy. You can sit at that intersection and have lunch trying to get through that intersection on any given day. There is no way that you're not going to have the same problem here, coming right out of the mall there by that exit. The thing is, my clients, the 40 families that live there, that have been there for 47 years; they have to go there every day. They don't have any choice. To go up, to run to the corner, they have to fight that traffic. Now they don't, as I've indicted, they cannot compete with this proposal economically. I don't know how many millions of dollars that they've paid in taxes in the 47 years that they've been there but they're not going to give you the money that Mr. Pinney says is going to come in. I cannot...I can't fight that. That is not the test. If the test were how much money could we make? How much taxes could we bring in? Then why not make the whole city a mix a mix use district? Put something on every corner. You could make a ton of money. What it comes down to is this, we're going to shoehorn these high-end establishments into this space and we're going to hope that they stick around. To that extent I echo and reiterate Mr. Coyne's observations, what are we going to do in five years when these high end businesses aren't making money and they move out? Do the tenants then follow behind them and say, "You took away one of the amenities, that's why we're here so we're gone." Then what do we have? We have to fill that space with somebody and they're not going to high end.



**PUBLIC HEARING (cont'd):**

Mr. Kmiecik 9Cont'd) - Once you make the zoning change and again I think Mr. Coyne made this observation, we're done. We're stuck. What argument do we have five, ten years from now when all this comes to pass? The truth of the matter is, it doesn't do anything more for the district. You've got other areas in the city that can take care of this, I'm sure. If you put your minds to it with your economic people, you can find spaces for those businesses if they truly want to come here. It doesn't do anything for the community; you've already got tons of stuff here. You can't move already and it sure as heck doesn't do anything for my clients who live right next door, 90 feet away, that are going to cross their fingers for the next 47 years and hope that this stuff works out. The bottom line is, whenever you put money against the quality of life, quality of life almost always loses. It shouldn't have to be that way. You're in a position now where you can say, "Enough. We're going to keep it the way it is. We're going to make it nice." We appreciate, and again I want to emphasize that I do not mean to disparage Mr. Pinney, his clients or anybody else who spoke up here in favor. They're doing what we do in America, we're developing, we're making money, but sooner or later, there just has to be a way for 40 people to stand up and say, "Not this time." Thank you.

Mrs. Pientka – Mr. Kmiecik, could you please provide an address?

(Applause)

Mr. Kmiecik – If you insist.

Mrs. Pientka – Just your law firm, if want to.

Mr. Kmiecik – 50 Public Square, Suite 2000, Cleveland.

Mrs. Pientka – Thank you.

Mr. Kmiecik – 44113.

Jamie De Pould, 17321 Iyami Court, Strongsville, OH: Jamie DePould, D-E space P-O-U-L-D, 17321 Iymani Court. I didn't think I was actually going to talk today but that seems to be a theme. So, I didn't wear my fancy suit. My whole household does, call it \$100,000 in payroll for the city. So, you know, we're like up there. Honestly, I would pay more taxes. I know Mr. Pinney said I don't want to pay more taxes but I would pay more taxes if it meant that the people who live here actually got to have a say in what goes on here. I wasn't even opposed to this when it first started. I had, we'll call it a brunch with Mr. Southworth shortly after the Starbucks debacle just to talk about things. This was one of the things that came up. It was before there was a Somera in New York and we both said that, it was something that concerned us but obviously there wasn't anything to talk about at that point. We talked about how its nice have walkable areas where there is retail and mix use stuff. That's great but this plan is just made up. There are no facts in this proposal. 95% occupancy? I don't think so. That doesn't pass the smell test. I'm not a lawyer, I'm not an expert on retail or anything like that, but I did train as a journalist. I know when something smells and this kind of smells. I don't like it. He said the word, "market" a lot. Strongsville is not a market; it's a community. I wasn't angry until tonight. I didn't like it. I thought maybe I could live with it. I wasn't angry until tonight. Now I'm angry. I'm really, really, opposed to this because this is a community of people who live here. I lived in New York for a while. New York state not city; but, I know how people in New York think about what we call flyover country. We say it jokingly here because we live here.



**PUBLIC HEARING (cont'd):**

Mr. De Pould cont'd) - I know what they think of us. They think that they can just kind of appease the local city council; say some nice things and tell them what they want to hear, do their development deal and when they start losing tenants, they can just walk away from it. It's somebody else's problem. Well yeah, we're the somebody else. That's not okay; that's all.

Mr. Dooner – Thank you.

(Applause)

Kathy Petersen, 17275 Iyami Court, Strongsville, OH: I'm Kathy Petersen, P-E-T-E-R-S-E-N, no O's, 17275 Iyami Court in Strongsville. I wanted to...I am going to try and be short, because I wanted to tell you this quote that I copied down from a newspaper article on October 5<sup>th</sup>. It started out, "In the land of fast casual and chain dining also known as Strongsville." Is that how we want to be known? Do we need more? How many more pizza joints and things like that do we need? I'm really hear to speak for the trees. I want to know why it's necessary to destroy all the trees and green in that space and bring more traffic to that area that's already congested? I just wanted to invite, I'm looking at the Somera diagram here that you gave me and if you look at it, please drive by there. Their parking is like right by the sidewalk of 82; maybe there's a little grass strip, and I've noticed that Target and Heinen's plaza is buffered by greenery before you get into that parking stuff. The Verizon, or not Verizon, the AT&T plaza and the wedding...the bridal buildings there are buffered by greenery. Drive by there and see. Do you want to change the look of that part of 82 where all that car traffic and everything is right up against 82? I don't think that's a good plan. Thank you for listening.

(Applause)

Ron Schroth, 21432 Oakwood Place, Strongsville, OH: Ron Schroth, 21432 Oakwood Place. It's been a while gentlemen. How much is enough? Retail in this city is just...try...do any of you drive down the streets? I mean it's ridiculous. When you're coming off the...getting off of 71 to get on S.R. 82, it's an absolute joke. I'm waiting for somebody to rear end me because we can't flow off the highway fast enough because the traffic is absurd. Now we want to add even more to it. I like the office space. We need more of that; not retail. What I, and shame on you guys, that this is ¼ of the office space in this city. You guys should be ashamed of yourselves. We should have a lot more of that. That brings us more revenue. Believe me, I know you guys have been taking my revenue for the last 12 years from the RITA tax and I'm pretty tired of that. Not everybody is getting that. The other businesses that are in this community, they're feeling the effects of it. I know it. I hear it. What you're doing here is just adding more problems to them. I mean, yeah we see that the one restaurant Rockne's closed down. There is plenty of other smaller ones that have helped build up this city. Yet, they're going to be ignored at this point. I just have a...it's...these figures that Mr. Pinney puts out are they conservative or are they just high hopes? If they do have tenants, I hope that they have them in there for quite some time. Not some 10 year, five year, but 20 years, so we don't have what's been going on for the last, I don't know, how many years it's been; it's been so long. Let's get some more office space in here and less retail.

(Applause)

Mr. Dooner – Anyone else?



**PUBLIC HEARING (cont'd):**

Mike Catan, 13000 Darice Parkway, Strongsville, OH: Hello, Mike Catan, 13000 Darice Parkway. First of all, I'd like to thank everyone up there. The ladies and gentlemen. Nobody gets paid enough to sit here this long. You know, I would just try to break it down in a couple few buckets; common sense. Common sense says when you drive down the S.R. 82 corridor, you'd have to close your eyes and say, "Do I need more retail? Am I missing something?" If the answer is yes, then you would vote yes. We heard three tenants come up and tell you that they cannot find Class A office space in Strongsville. The payroll was \$35 million for the office and \$5 million per retail. Why don't we do a CRA zone? Why don't we build another office building? What would help our current retail today, is more people in the office. We heard them say that, yet we want to vote and rezone land that's currently zoned for office to retail. Now, if that makes sense, then I don't know what to tell you. Lastly... or a couple other points, the initial gentleman said that they think that corridor could stand it. I work on Darice Parkway. I live off Webster Road. It takes me 20 minutes to get to work and it's a mile in a half away. Unless you drive that, you have no idea. Finally in closing, I'll tell you, I've been here since '66, my business. I've been a resident since '81; never come up and opposed a plan because I didn't think it was the right thing to do. I think we're crazy with this thing. All I heard from different people was, "You know, I'm against it because they're going to sue the city." If I hear one more time there is a court reporter in the room, we should all be scared of that? We should be ashamed if that's why we're going to vote for this. That's all I got to say.

(Applause)

Kelly Kosek, 12542 Coppers Run, Strongsville, OH: Hello, I'm Kelly Kosek. I live at 12542 Coppers Run. I have heard from a chorus of residents and I think you've heard from some of the representatives tonight and they are begging you to listen to them. They want you to protect them from the flooding. They want you to protect them from the traffic issues. They don't want more retail. They don't want more restaurants and they definitely don't want those restaurants in their backyard. Some of the issues that they talked about, I don't think we're fully flushed out. The timing issues that they were talking about; there are going to be after hour deliveries. It's not going to be limited to the little bit of time that they were talking about when the restaurants are open. There will be things in the evening. There will be things in the early morning and those will affect the residents. They have acknowledged that they have not done the traffic study and they don't know what's going to happen with traffic. I live here. I can't imagine that single traffic light is going to be sufficient. They say they're not asking for a cut through right now. Will they ask for that in a couple months or after it's not working and then what will Council do? Are you going to tell them no and be stuck with the traffic issues? The issue of the mall. Whether the 98 or 97% is actually accurate, I think we can all agree that the mall is not healthy. The major anchor tenants are all companies that have had financial distress. If we maintain those tenants for the next five years, I think that would be amazing. I don't think that's going to happen. I think the Amazon Effect is going to take hold and we're going to have empty space at the mall. The developers cannot guarantee that their doing what their promising. I frankly find it hard to believe that an office worker would not drive across the street to go to The Rail or to CoreLife Eatery. It's really not that far. There are other restaurants that aren't that far either. Tom and Chee is not that far away, Applebee's, there's lots of choices. Are you going to fail the residents on this? They seem to think so. Residents and families here in Strongsville, they should not have to fight their elected officials. You know, I stand with the Strongsville families, the residents and the current business owners. I think Strongsville City Council should be listening to Strongsville and not New York City private equity firms.



**PUBLIC HEARING (cont'd):**

Ms. Kosek (cont'd) - Now on November 7<sup>th</sup>, they're all going to have an opportunity to vote on who is going to be on city council and I urge the council not to delay the vote on this until the night before the election when they won't know how you're going to vote. Residents deserve to know where you stand on this issue. Any argument that council's hands are tied on this because of prior court decisions is simply ridiculous. I don't know how many times I can say I am a lawyer, so you can all laugh at that; but yeah, the fact that there is a court reporter is here is not frightening. The law is the law and it doesn't matter if there's a court reporter or not. Rezoning this parcel to permit restaurants and retail would cause traffic problems. It would probably cause flooding. I'm not an engineer, but there are health and safety issues. This is our future and if this is rezoned, you're not going to get that land back. I urge council to listen to the residents and I urge them to vote no and to vote no tonight.

(Applause)

Mr. Dooner – Anyone else who would like to speak against?

Cindy Smith, 17170 Ridge Creek Road, Strongsville, OH: Good evening, I am Cindy Smith. My address is 17170 Ridge Creek Road. I'm a 24 year resident of Strongsville and Ledgewood. I'd just like...for those of you who are my neighbors, who live in Strongsville in Ledgewood with me, would you raise your hands? Thank you all for being here. I just felt compelled to come up and really just reinforce and advocate some of the things that I've heard. Mr. Pinney, I think you did a great presentation. Thank you for that. Although, I did not hear a lot of definitive facts. There were a lot of "we are talking to" and "we are hoping that" and "it's possible that." We don't need more grocers in Strongsville. As a matter of fact, as I think about where I spend my grocery dollars it's probably between Heinen's, Marc's, Costco, Aldi's and occasionally Target. A number of others...there is a saturation. Organic is everywhere right now. We don't need specific groceries. I think it's very exciting to talk about a possible Trader Joe's. That seems to get people really jazzed about it; but the truth is, if Trader Joe's wanted to be in Strongsville, they would be in Strongsville. There has been ample opportunity and very attractive projects already where they would have fit in very nicely. Just a couple other thoughts, again I think my...when you look at this whole situation, I would call it a positive problem, right? Companies look at Strongsville and it is a beautiful community. I love it. I talk frequently about how much I appreciate how we have developed Strongsville, thank you. I talk about our wonderful city services, the way that our roads are maintained; the retail that I have seen developed, even though I have been against some it, has been developed with taste and with a sense of attractiveness. I get that. These...they legally own the land. They're going to develop it. I would love to see that office building filled. I don't think anybody in Ledgewood would like to leave it empty because it's really not safe. I don't think any of us are against the office building being built; but again, I would just reiterate all the retail. Now if you look at traffic, I know most of the neighbors from Ledgewood because many of us walk that neighborhood. As a walker and someone who also commutes daily, I am going to tell you that the traffic is frightening. You see parents with children waiting for school buses. They have to escort the kids because people are flying through at all hours. If you talk about...even if you do simple math. Let's be conservative and say there's 500 people working in an office Monday through Friday commuting. Do you think they're going to go down S.R. 82? No, they cut through Ledgewood. The Ledgewood cut through is a very serious problem. If you even think about the 500 people, morning and night, that's two times a day they're going through, all right? They're going through at specific hours. You're talking about 1,000 to 2,000 additional trips. Cars passing through Ledgewood. It will happen. They will cut through to Pearl Road. They already do it.



**PUBLIC HEARING (cont'd):**

Ms. Smith (cont'd) - They already cut through to go to Costco. I cut through to go to Costco. I love that little cut through back there. I'm just mad that everybody else found out about it.

(Laughter)

Ms. Smith – But again, I think everything has been said very eloquently. I thank all of you who did speak up. It's kind of funny that Mr. Coyne who was the Costco guy, he ended up really having a very compelling argument for you not to approve this. Which is kind of ironic and funny if you think about it. I just want to add my voice on behalf of the Ledgewood residents. I just think enough is enough. Too much retail. Too much cement. Nobody is going to want to walk on a sidewalk two feet away from traffic; it's already quite congested. I thank you for your time and attention. I thank everybody. I am happy that I showed up tonight and educated myself. I'll be sure to spread the word to those neighbors, many of them elderly who don't drive, and try to walk in our neighborhood. We're going to communicate with them about what happened here tonight. We're really looking to you. We trust you to take care of us and to take care of our city so that it's a place that we can continue to love and want to stay in, thanks again.

Mr. Dooner – Thank you.

(Applause)

Mr. DeMio – Mr. Dooner, I am compelled to say a couple things. Cindy you have a great voice at St. Joe's, by the way. I've known you a long time...just came up. Ron Schroth, one of my good friends. Mr. Pinney's wife, I worked with at the courthouse. Tony Coyne, I've known from the old neighborhood, and understandably in his view, sued me personally. Mr. Kmiecik, I was at his wedding. Wherever Bob Kmiecik went; there you are Bob. The reason I say all these things. I'm considering everything that is before me. I can't comment about that right now, about what's going on; but let me share this with you. I'm a little insulted when someone comes up and says, "I don't work for the residents;" I do. Your past president of your ward... Ledgewood, I'll specifically pick out Ledgewood. I was sued over that because I voted with the Ledgewood folks. I was sued at the McDonald's at the other end of town. \$5.5 million judgement on my credit. If it wasn't for Mr. Kolick, who's here, where's Mr. Kolick, he was the nice gentleman that got that removed because I was representing the residents of this town. Never, ever think that anything I ever do isn't for you in the best interest. You know me. The law tells me I have to consider things and Ron and I have had this disagreement. He says, "You guys should be ashamed." I think, he understands what that means but folks don't. We didn't ask this rezoning to come before us. This is the process that it goes through. Please remember the history of what some of us have gone through. Please remember, I recognize the small businesses, the folks from Mulligan's are here and BW3's are here. I am a little insulted when someone comes up here and tells us that we should do something now when it's not in accordance to the Charter, according to the Charter, our Law Department, the Court of Appeals. They are not doing you justice. Trust me when I tell you that. There are some of you that I've met at your homes a few weeks back. You know my concerns but I am not speaking for anyone else, except for myself up here. Go back in history and see who stood tall for the best interest of this city.

Mr. Dooner – Thanks Joe.

Mr. DeMio – Thank you.



**PUBLIC HEARING (cont'd):**

Mr. Dooner – Is there anyone else who would like to speak against this? There is a lady first. You can go next. She's little, you can't see her.

(Laughter)

Mr. Dooner – Pull the mike down so you can...

Karen Zabrocki, 17488 Ridge Creek Road, Strongsville, OH: My name is Karen Zabrocki, Z-A-B-R-O-C-K-I. I live at 17488 Ridge Creek Road and I am a Ledgewood resident and Joe, you are one of the best Council-At-Large people that we have had. You've always helped Ledgewood. I just want you to know that.

Mr. DeMio – Thank you.

Ms. Zabrocki – Okay, first do any of the council people live in Ledgewood? No, so none of you know what we have gone through in Ledgewood since that development was built. We are...first off, the traffic lights. We have to wait, almost three minutes to get out of our development on either side. Then, if you make a right hand turn, then you have to stop at the mall for another couple minutes for the mall traffic to come out. Wait until the other...the office building is built. We'll just probably, like the one gentleman said, "We'll have lunch there at the traffic light." If you go to the left, you have to wait for the left hand turn. It's even worse. I mean it's just...we're surrounded. We've dealt with...first they wanted to put a Lowe's in. We fought that; on Pearl Road at the other end of our development. We won that. Then Costco came along and we fought that. Yes, everyone loves Costco. I go to Costco but there were a lot of things that weren't taken care of when Costco was built that were promised. The buffers, there was supposed to be a larger buffer that was promised. They were supposed to culvert the water. They paved over it. When I questioned the council, our councilman, I was told, "Well, we couldn't have anybody over there overseeing..." and it's not you Joe, "what was going on. The trees were ripped down before, we couldn't replace them." What's going to happen with this? I also notice on that one drawing that a lot of the parking spots, it looked like on the one drawing, right up against one of the condominium developments there. Another thing I question, I never knew that employees had to be bribed to come to work in an office building by having a coffee shop right outside their door, or a restaurant a few feet away from their door. I was thankful to ever have a job. I think a lot of people are thankful to have a job. I can't imagine that you have to be bribed at our expense, at our city's; and I'm not only talking about Ledgewood, I'm talking about the city. At the city's expense to have more restaurants, more retail. I don't think we need that. Another thing, the zoning, like someone else mentioned, once you rezone property, there's going to be more out building. It's not going to stop just at those few buildings they said. It's going to go on just like the mall. All the out building. All the other places that were built. More and more stores. More and more restaurants. I would just like to ask the council, if they would think about the people in the City of Strongsville instead of having more development which we don't need; because I also question if retail is really going to excel in the next five years. Thank you for letting me speak.

Mr. Dooner – Thank you.

(Applause)



**PUBLIC HEARING (cont'd):**

Ashok Shah, 12181 Park Cliff Road, Strongsville, OH: Hi my name is Ashok Shah. I've lived in Ledgeswood for more than 30 years.

Mr. Dooner – Could you do me a favor and spell your last name?

Mr. Shah – Yeah, S-H-A-H.

Mrs. Pientka – And your address numbers, you said?

Mr. Shah – 12181 Park Cliff Road, Strongsville. You know I listened and of all different places for and against. I would like to see more money coming to Strongsville for our taxes and everything. I love retail but living here 31 years when I came first and now, the traffic is horrendous and I'm retired and it still is a problem by it. I know, all of the few folks (unintelligible), are we for or against? I would like to ask the same thing to all of you. Who has already made up their mind, councilmen, whether they are for or not for or they are leaning one way or another? We would like to know because the election is coming and it's on the 7<sup>th</sup>. I'd like to know...

Mr. Jamison – So...

(Applause)

Mr. Shah – You're asking us, we would like to know what our councilmen. I don't...I met a few of you guys but personally never had the reason to...always happy in Strongsville. Great things about Strongsville, so that's all I have to say.

Mr. Jamison – Mr. Shah, just to answer your, I don't know if it was a rhetorical or actually question. At this point, it is council's duty to listen to both sides and it's not appropriate for them to render opinions. They have to sit here, assimilate everything they take in tonight. At the appropriate time, they'll make a decision. This is not the time or forum. This is the opportunity for people for and against a project to express what they have to feel and this is not the time or place to be expressing votes before all the appropriate information is before them so they can make a well informed and reason decision.

Mr. Shah – Can you give us some idea how the process will now take place?

Mr. Jamison – Nice try, but the answer is no.

Mr. Shah – Because I have no idea. If you make a decision or all of you will make a decision when...because what I heard from somebody that this is moving so far long that maybe most of it is done.

Mr. Jamison – No. Let me answer this, it's not far off. It's going through the normal procedure. No one is either expediting or slowing it down. So, that is wrong for that to be out there or that conjecture to be there. This is going through the normal process and council, at the appropriate time, will make a decision. It's not going to be tonight and traditionally that has not been what's done...

Mr. Shah – Within a month or two months?



**PUBLIC HEARING (cont'd):**

Mr. Jamison – You know that is something for the council to decide but at this time we're not making a decision tonight. It's not their job or function to be expressing opinions because they have to be objective. They have to listen to both sides so that they can be fair to both sides. I think you would agree with that. At the end of the day, when they vote is when they'll announce what their thinking.

Mr. Shah – But there is no timing at all?

Mr. Jamison – You know that's going to be something that council decides in the next couple weeks and we'll go forward, Okay?

Mr. Shah – No, I know there is a process but the process must have some time saying this is one of the major things that you're going to be doing...

Mr. Jamison – Again, we're working through the process and there is no delay in this case. It will come up. It might be at the next meeting. It might be the meeting after. That just determines in terms were we are in the process. Thank you.

Mr. Shah – Thank you.

(Applause)

Mr. Dooner – Is there anyone else who would like to speak against?

Mrs. Pientka – Mr. President, there was two others that signed in if we can just make sure. Drew Gatliff? Tony Visconsi?

Mr. Dooner – He was represented.

Mrs. Pientka – Okay.

(No other comments)

*Hearing no further comments in regard to this matter, Council President Dooner closed the Public Hearing on said Resolution.*

Mr. Dooner – If you all would like to leave, you can. Or I should make you all stay just to listen to the rest of this.

Mr. Jamison – Yes, we should make them stay.

(Laughter)

Mayor Perciak – Mr. President, if I may. All my directors are excused. You may leave.

Mr. Dooner – If everybody could move out as fast as possible so that we can get this meeting over before it turns into Tuesday. We're going to throw Mr. Pinney into the Caucus room in case anybody wants to talk to him there. He'll be in the Caucus room. We're going to move right along here guys.

Mayor Perciak – Wait a minute. Charlie, make sure...



**PUBLIC HEARING (cont'd):**

Mr. Daymut – Ken, wait until Aimee gets back.

Mr. Dooner – I'm sorry.

Mr. Daymut – Aimee.

Mr. Dooner – Aimee.

Mr. Daymut – Wait for Aimee to get back.

Mr. Dooner – Well we're just going to hit...there's nothing earth shattering here. No. We'll move on to Reports of Council Committees.

**REPORTS OF COUNCIL COMMITTEES:**

**SCHOOL BOARD – Mr. Dooner:** The school board meeting was 15 minutes. I was not able to attend, so we'll move right along.

**SOUTHWEST GENERAL HEALTH SYSTEM – Mr. Carbone:** There has not been a meeting since our last Council meeting. I will report after the next meeting.

**BUILDING AND UTILITIES – Mr. Schonhut:**

\* See Communications and Technology Committee below \*

**COMMUNICATIONS AND TECHNOLOGY – Mr. Schonhut:** Thank you Mr. Dooner, I have nothing to report for Building and Utilities tonight nor Communications and Technology but I will happily take any questions for either committee.

**ECONOMIC DEVELOPMENT – Mr. Daymut:** Thank you Mr. Dooner, we have no ordinances or resolutions on this evening's agenda. Our next meeting will be next Monday, October 23<sup>rd</sup> at 7:00 p.m. at the Senior Center. As far as the Business Expo that will take place on Wednesday, November 8<sup>th</sup>, almost all the tables are accounted for so anybody who is watching or if you know of anybody that would like to be a vendor at that particular event, please have them contact Brent Painter immediately. Again, it will be on November 8<sup>th</sup>, Wednesday, 5:00 p.m. to 7:30 p.m. and our special guest and master of ceremonies will again be Bill Wills. That's all I have Mr. Dooner, thank you.

Mr. Dooner – Thank you Mr. Daymut.

**FINANCE – Mr. Short:** Thank you Mr. Dooner, we have no ordinances or resolutions on tonight's agenda. I have nothing further to report, but I'm happy to take any questions from the council.



**REPORTS OF COUNCIL COMMITTEES (cont'd):**

**PLANNING, ZONING AND ENGINEERING – Mr. Daymut:** Thank you Mr. Dooner. As you know, we had public hearing this evening on Ordinance Nos. 2017-111 and 2017-123. Also on the agenda this evening is Ordinance No. 2017-168. It's amending sections 1273.05 and 1273.09 of the Codified Ordinances to update requirements concerning permitting of wireless telecommunication facilities. It did receive a favorable recommendation from the Planning Commission; recommend that we place it on second reading this evening and a public hearing set for November 20<sup>th</sup>. I also have Ordinance No. 2017-173 and this is recording the lot split plat for a subdivision located at 19250 Knowlton Parkway. That received favorable recommendation and I ask that we suspend and adopt that. Finally, Ordinance No. 2017-174; this is a grant of revocable license to Centerline Carstar Collision, 8000 Pearl Road...parking lot and fencing, landscaping. That received favorable recommendation. I ask that we suspend and adopt that this evening. That's all I have Mr. Dooner, thank you.

Mr. Dooner – Thank you Mr. Daymut.

**PUBLIC SAFETY AND HEALTH – Mr. DeMio:** Thank you Mr. Dooner, we have Ordinance Nos. 2017-175 and 176. Both of which are suspension and adoption. We are recreating, if you will, the fee structure with the EMS pickups; get in compliance with our host insurance. The other one is our health district, for lack of a better term, contract and that provides a host of issues and services, excuse me, for our community and because it's 10 o'clock, I won't go any further. Can I close the committee?

(Laughter)

**PUBLIC SERVICE AND CONSERVATION – Mr. Carbone:** Yes, I have one ordinance this evening. Ordinance No. 2017-177 this is just taking obsolete property that we don't need any more from our service department and putting it to auction. The recommendation here is to suspend and adopt.

Mr. Dooner – Thank you, Mr. Carbone.

**RECREATION AND COMMUNITY SERVICES – Mr. Southworth:** We have nothing, end of report.

Mr. Dooner – Thank you very much.

**COMMITTEE OF THE WHOLE – Mr. Dooner:** Ordinance No. 2017-178; this is an ordinance approving acceptance of an award of funding from the Ohio Attorney General's Office regarding the opioid epidemic and declaring an emergency. We're going to suspend and adopt.

**REPORTS AND COMMUNICATIONS FROM THE MAYOR, DIRECTORS OF DEPARTMENTS AND OTHER OFFICERS:**

**MAYOR PERCIAK:** No report.

Mr. Dooner – Thanks Mayor.

**FINANCE DEPARTMENT – Mr. Dubovec:**

Mr. Dooner – He's gone.

Mr. Jamison – Now hold on, hold...

Mayor Perciak – Now wait, wait, wait...



**REPORTS AND COMMUNICATIONS FROM THE MAYOR, DIRECTORS OF DEPARTMENTS  
AND OTHER OFFICERS (cont'd):**

Mr. Jamison – Mr. Dubovec is on vacation but I can say, based upon careful review of the proposed October 16, 2017 Council meeting agenda, he hereby certified that funds would be made available for all ordinances and resolutions on such agenda requiring certification of funding. Thank you.

***\*\*A copy of Mr. Dubovec's memo is attached to the back of these minutes.\*\****

Mr. DeMio – Was that Mr. Batke?

(Laughter)

Mayor Perciak – No, he was...

**LAW DEPARTMENT – Mr. Jamison:** I will do mine. All ordinances and resolutions are in proper legal form. Thank you.

**AUDIENCE PARTICIPATION:**

Mr. Dooner – Does anybody want...you do? Seriously?

(Laughter)

Mr. Dooner – I was flying right along.

Laura Ritson, 16853 Parkwood Lane, Strongsville, OH: I know, I'm sorry. Laura Ritson, 16853 Parkwood Lane, Strongsville. Good evening. When I came home from work last Tuesday, I grabbed my mail as usual and found this that was sent out by the Boosters for Perciak, which I'm sure Mayor Perciak gave his blessing on because of the information given on that postcard to go to facebook.com/tomperciak, which showed a video of the Mayor reiterating what was on the postcard. I don't have Facebook. I had to go under one of my children's to see what this was about. First off, let me say this, I'm angry that you think your opinion carries that much weight with anyone that this would matter. I didn't ask for your opinion. Please don't offer it, unless it's asked for. Secondly, I might have on my own, voted for one of the three that you're endorsing, but because of the aggressive stance, they've lost that vote. So gentlemen, thank him for losing a vote. Thirdly, with everything going on nationally with regards to politics, I would like to think I should have some refuge of my own hometown from this. I'm tired. A lot of people are tired. This is horrible and offensive. I'm offended by this literature if you can call it that because of these following reasons: you can claim that two ward councilmen are injecting "D.C. style politics" into our city council for their own personal and political agenda. I say you're wrong. They're not; they're not going along with status quo and rightfully so. If you're comparing them to the better change, which I am, that is occurring at our national government, I'll take that. I for one voted for a change and I for one want a change here in Strongsville. I'm tired of the overbuilding, I think you heard that all night long, that is currently going on. Traffic is ridiculous and the fact that it takes me 20 minutes to get from I-71 to Parkwood, over in Drake and Prospect, is insane. That's half my commute in my city. Secondly, I moved here 20 years ago because it was a great place to live then and a great place for families, which are now grown, and a safe place to live; way before you were ever Mayor. So I'm taking umbrage with you for implying that the statements you quoted as if the city is not that is ludicrous. How about we focus on residents and not businesses? I've had dealings with both of these councilmen you're bringing to question. Let me say this, they're a breath of fresh air and they do care about what people are saying and their concerns. Jim Carbone is not my councilman, but he went out of his way in helping with an issue that my own councilman chose not to address.



**AUDIENCE PARTICIPATION (cont'd):**

Ms. Ritson (cont'd) - He didn't owe me a thing. He took the time to listen. He addressed the issue and he even followed up with it. That is the kind of councilman I want. Matt Schonhut, he's young, he brings a different perspective to council that you all need. Because as my generation is getting older and considering options of downsizing and moving on out of the city because I'm tired of the traffic and the building, you need a fresh, young set of eyes to move the city forward. So Mayor Perciak and the Boosters who support you, you might want to think long hard on how this is making you look. I expected better. You seem to think your word is the end all be all; not true. Neighbors and friends I've spoken with are all talking about this negativity that is out there that hasn't been around since the school strike. It makes you look small, demeaning and petty. I'm disappointed that the politics in the city have sunk to an all-time low. Mr. Jamison, I know you came from city where there is a lot of issues going on right now over there and I was bragging to my family that, you know what, Strongsville has difference of opinions but it's done respectfully. I can't say that anymore. We're right down in the dirt right along with them and I'm frankly embarrassed about it because I thought we were here and we're down here. Everyone think about it. Thank you for your time this evening.

Mr. Dooner – Thank you. Anyone else like to speak?

(No comments)

**ORDINANCES AND RESOLUTIONS:**

**Ordinance No. 2017-168** by Mayor Perciak and Mr. Daymut. AN ORDINANCE AMENDING SECTIONS 1273.05 AND 1273.09 OF TITLE SIX OF PART TWELVE-PLANNING AND ZONING CODE, OF THE CODIFIED ORDINANCES OF THE CITY OF STRONGSVILLE, IN ORDER TO UPDATE REQUIREMENTS CONCERNING PERMITTING OF WIRELESS TELECOMMUNICATIONS FACILITIES, AND DECLARING AN EMERGENCY. *First reading and referred to Planning Commission 10-02-17. Favorable recommendation by Planning Commission 10-05-17.*

***Placed on second reading and set for public hearing November 20, 2017.***

**Ordinance No. 2017-173** by Mr. Daymut. AN ORDINANCE ACCEPTING FOR RECORDING PURPOSES THE LOT SPLIT PLAT FOR THE SUBDIVISION OF PERMANENT PARCEL NO. 393-31-008, LOCATED AT 19250 KNOWLTON PARKWAY, AND DECLARING AN EMERGENCY.

Motion by Mr. DeMio to suspend the rules requiring every ordinance or resolution to be read on three different days, second by Mr. Daymut. All members present voted aye and the motion carried.

**Motion to adopt by Mr. DeMio, second by Mr. Daymut.**

**Roll Call: All ayes. Motion carries. Ordinance No. 2017-173 ADOPTED.**



**ORDINANCES AND RESOLUTIONS (cont'd):**

**Ordinance No. 2017-174** by Mayor Perciak and Mr. Daymut. AN ORDINANCE APPROVING AND AUTHORIZING THE GRANT OF A REVOCABLE LICENSE TO PDS PROPERTIES, LTD. DBA CENTERLINE CARSTAR COLLISION FOR USE OF PUBLIC PROPERTY IN CONNECTION WITH A PARKING LOT AREA, FENCING, LANDSCAPING AND APPURTENANCES; AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT IN FURTHERANCE THEREOF; AND DECLARING AN EMERGENCY.

Motion by Mr. DeMio to suspend the rules requiring every ordinance or resolution to be read on three different days, second by Mr. Daymut. All members present voted aye and the motion carried.

**Motion to adopt as amended by Mr. DeMio, second by Mr. Daymut.**

**Roll Call: All ayes. Motion carries. Ordinance No. 2017-174 ADOPTED.**

**Ordinance No. 2017-175** by Mayor Perciak and Mr. DeMio. AN ORDINANCE AMENDING SECTIONS 254.02 AND 254.03 OF CHAPTER 254 OF TITLE SIX OF PART TWO OF THE CODIFIED ORDINANCES OF THE CITY OF STRONGSVILLE IN ORDER TO PROVIDE FOR FIRE DEPARTMENT RESPONSES FOR TREATMENT AND NO TRANSPORT; TO ACCORDINGLY ADJUST CERTAIN FEES FOR EMERGENCY MEDICAL SERVICES; AND DECLARING AN EMERGENCY.

Motion by Mr. DeMio to suspend the rules requiring every ordinance or resolution to be read on three different days, second by Mr. Daymut. All members present voted aye and the motion carried.

**Motion to adopt as amended by Mr. DeMio, second by Mr. Daymut.**

**Roll Call: All ayes. Motion carries. Ordinance No. 2017-175 ADOPTED.**

**Ordinance No. 2017-176** by Mayor Perciak and Mr. DeMio. AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH THE CHAIRMAN OF THE DISTRICT ADVISORY COUNCIL OF THE CUYAHOGA COUNTY GENERAL HEALTH DISTRICT FOR HEALTH SERVICES FOR THE YEAR 2018 FOR THE CITY OF STRONGSVILLE, AND DECLARING AN EMERGENCY.

Motion by Mr. DeMio to suspend the rules requiring every ordinance or resolution to be read on three different days, second by Mr. Daymut. All members present voted aye and the motion carried.

**Motion to adopt as amended by Mr. DeMio, second by Mr. Daymut.**

**Roll Call: All ayes. Motion carries. Ordinance No. 2017-176 ADOPTED.**



**ORDINANCES AND RESOLUTIONS (cont'd):**

**Ordinance No. 2017-177** by Mr. Carbone. AN ORDINANCE AUTHORIZING THE SALE BY INTERNET AUCTION, OF CERTAIN OBSOLETE PROPERTY NO LONGER NEEDED FOR ANY MUNICIPAL PURPOSE BY THE CITY'S PUBLIC SERVICE DEPARTMENT, AND DECLARING AN EMERGENCY.

Motion by Mr. DeMio to suspend the rules requiring every ordinance or resolution to be read on three different days, second by Mr. Daymut. All members present voted aye and the motion carried.

**Motion to adopt as amended by Mr. DeMio, second by Mr. Daymut.**

**Roll Call: All ayes. Motion carries. Ordinance No. 2017-177 ADOPTED.**

**Ordinance No. 2017-178** by Mayor Perciak and All Members of Council. AN ORDINANCE APPROVING THE ACCEPTANCE OF AN AWARD OF FUNDING FROM THE OHIO ATTORNEY GENERAL'S OFFICE, AND AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT IN CONNECTION WITH THEIR LAW ENFORCEMENT DIVERSION PROGRAM RELATING TO THE OPIOID EPIDEMIC, AND DECLARING AN EMERGENCY.

Motion by Mr. DeMio to suspend the rules requiring every ordinance or resolution to be read on three different days, second by Mr. Daymut. All members present voted aye and the motion carried.

**Motion to adopt as amended by Mr. DeMio, second by Mr. Daymut.**

**Roll Call: All ayes. Motion carries. Ordinance No. 2017-178 ADOPTED.**

**COMMUNICATIONS, PETITIONS AND CLAIMS:**

(None)

**MISCELLANEOUS BUSINESS:**

(None)

**ADJOURNMENT:**

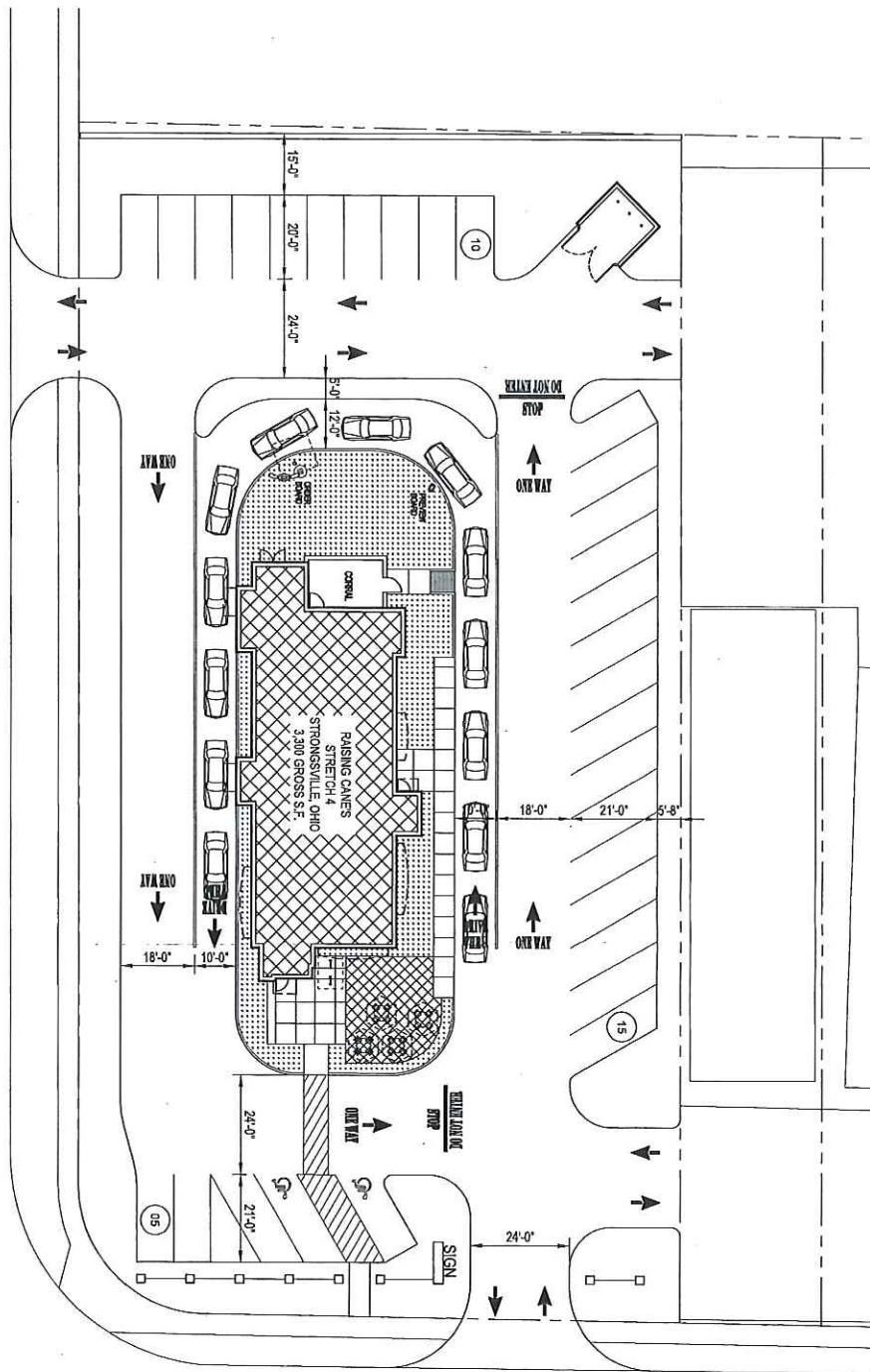
There being no further business to come before this Council, President Dooner adjourned the meeting at 10:18 p.m.



Aimee Pientka, MMC  
Clerk of Council

11-6-17  
Date of Approval

PIERCE DR.



PEARL RD.

**1** site plan  
1" = 30'-0"

conceptual design - not to be used for construction



**Raising Cane's  
Chicken Fingers**

14356 Pearl Road | Strongsville, Ohio 44136  
Strongsville, Ohio

prototype: Stretch 4  
acreage: 0.94  
stack spaces: 13  
parking spaces: 30

feasibility site plan  
10-16-2017

© 2017 BCG Limited



**The Royaltton  
Collection**  
*Strongsville City Council  
Public Hearing  
October 16, 2017*

*Jon J. Pinney*

**KJK**



# Introduction of Team

## ✦ Jon J. Pinney

- Managing Partner, Kohrman Jackson & Krantz  
LLP
- Principal, BEK Developers LLC, Cleveland, Ohio
- Partnering with Somera Road, New York, New York

## ✦ KJK Team

- Matt Viola, Chair of Real Estate Practice Group
- Jennifer Hart, Associate





# Introduction of Team

- ✦ Architects
  - RDL (David Parrish, RA, LEED AP)
- ✦ Engineers
  - Hammontree & Associates (Michael Vale, P.E., CPESC)
  - GRAELIC (Charles Ignatz)
- ✦ Office Leasing
  - Cresco (Rico Pietro)
- ✦ Retail Leasing
  - Anchor Cleveland (Tori Nook, Greg Guyuron, Christopher McFarland)

# The Current Office Building

- ✦ 120,000 sq. ft.
- ✦ Vacant for 2 years
- ✦ In receivership
- ✦ Needs \$4.0M in capital
- ✦ 25% of office market





# The Royaltan Collection





# Proposed Site Plan





# Why change the zoning?

- ✦ Entire parcel currently zoned office building (OB)
- ✦ Seeking a change to part general business (GB) and part restaurant and recreational services (RRS)

## Why change the zoning?

- ✦ Office rents alone do not support needed investment in building
- ✦ State keeps cutting local funds
- ✦ Residents do not want tax increases



# Why should Council vote yes?

## ✚ Because the CITY NEEDS THE MONEY

- 600 office jobs
- 100 retail jobs
- \$40.0M estimated payroll
- **Total Annual Estimated Payroll taxes to City of Strongsville = \$1,000,000**

# Why should Council vote yes?

✦ Because the SCHOOLS NEED THE

## MONEY

- ✦ Estimated property tax increase:
  - Current FMV per County: \$8,223,100
  - Total potential developed value with retail: \$50,000,000
  - Property taxes could be: \$1,385,000, up from \$226,102



## Resident Feedback – 4 Issues

- ✚ Maintain and expand buffering
- ✚ Storm water management
- ✚ Traffic management
- ✚ State of the retail market

## Setting the record straight

- ✚ We are not demolishing the office building that has been in receivership
- ✚ We are not “clear cutting” the trees on the eastern residential boundary
  - Truth – we will expand the buffer
  - Truth – we will not cut down a single tree
- ✚ We are not asking for “cut-ins”
- ✚ We are not going to cause floods
- ✚ We are not asking for a tax abatement

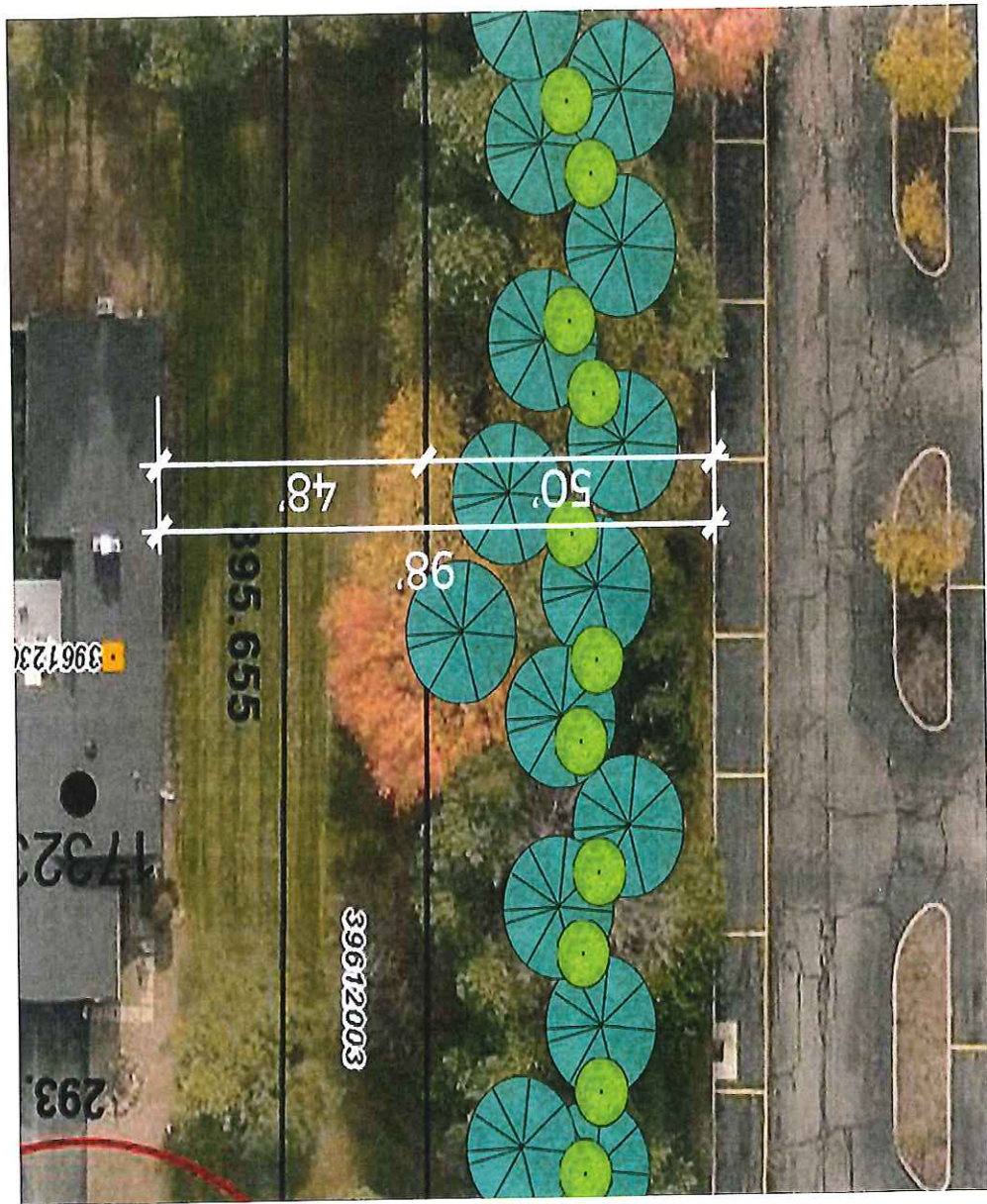


# Buffering Plan





# Buffering Plan





# Water Management

- ✦ Upgrade existing 20 year old detention basin system to current standards
- ✦ Review against current more stringent engineering standards
- ✦ Improve both water management and water quality (no current water quality system)



# Water Management





# Traffic

- ✦ No additional “cut-ins” requested
- ✦ Use current lighted intersection
- ✦ Use current entrance/exit
- ✦ No “cut throughs” requested

# State of the Retail Market

- ✦ Market Retail Occupancy – 95% overall
- ✦ Strongsville Mall – 98% leased
- ✦ Examples of other surrounding centers:
  - The Plaza at Strongsville – 98% leased
  - The Greens of Strongsville – 97% leased
- ✦ Targeting higher-end office and retail tenants not currently in the market
- ✦ No one is developing office in the market



# Potential Tenants

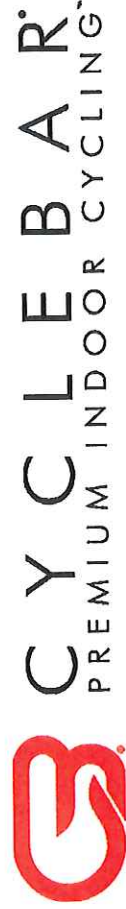
**TRADER  
JOE'S®**



**RESTAURANT**



**BREWHOUSE**



# Letters of Support



City of  
 Board of  
 The City of  
 Municipal

I am writing this letter to provide my support for the proposed Downtown Development Project. This is a great opportunity for the City of Chicago to revitalize the downtown area and create a vibrant, walkable community. The project will bring new jobs, increase tax revenue, and improve the quality of life for residents in the area. I encourage you to support this project and ensure that the City of Chicago remains a leader in urban development.

Thank you for your consideration.

Sincerely,

*[Handwritten Signature]*

Myra J. Kelly  
 1110 North Dearborn  
 Chicago, IL 60610  
 myrakelly@myrakelly.com



November 26, 2017

Dear Mayor,  
 I am writing to express my support for the proposed Downtown Development Project. This is a great opportunity for the City of Chicago to revitalize the downtown area and create a vibrant, walkable community. The project will bring new jobs, increase tax revenue, and improve the quality of life for residents in the area. I encourage you to support this project and ensure that the City of Chicago remains a leader in urban development.

Thank you for your consideration.

Sincerely,

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 Myra J. Kelly  
 1110 North Dearborn  
 Chicago, IL 60610  
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Thank you for your consideration.

Sincerely,

*[Handwritten Signature]*  
 Myra J. Kelly  
 1110 North Dearborn  
 Chicago, IL 60610  
 myrakelly@myrakelly.com



October 4, 2017

Ken Dwyer  
 Council President, Council District 14  
 The City of Chicago  
 Chicago, IL 60604

RE: 17000 Regan Road, Streamwood, Ohio (aka "Blossom")

Shiloh Industries is currently considering the prospect of becoming a new member of the Streamwood business community. Our team is excited about the prospect of working with the City of Streamwood on this project. We are currently in the process of conducting a feasibility study and would like to meet with you to discuss the project and the potential benefits to the community. We are excited about the prospect of working with the City of Streamwood on this project and would like to meet with you to discuss the project and the potential benefits to the community.

In today's business climate, one of our biggest challenges is finding and retaining top talent. We believe that the City of Streamwood is a great place to work and we are excited about the prospect of working with you on this project. We are currently in the process of conducting a feasibility study and would like to meet with you to discuss the project and the potential benefits to the community. We are excited about the prospect of working with the City of Streamwood on this project and would like to meet with you to discuss the project and the potential benefits to the community.

Shiloh Industries believes the real development along the Northside of 17000 Regan Road (the project) has the potential to be a great addition to the Streamwood business community. We are currently in the process of conducting a feasibility study and would like to meet with you to discuss the project and the potential benefits to the community. We are excited about the prospect of working with the City of Streamwood on this project and would like to meet with you to discuss the project and the potential benefits to the community.

We hope the City and the Council will work with building ownership to help achieve this goal. Please do not hesitate to reach out with any questions or concerns you may have.

Kind regards,

*[Handwritten Signature]*

Kenneth D. Burt  
 VP, Global Purchasing & Supply Chain Management



PEOPLE, PRODUCTS, PERFORMANCE.  
 THE WAY IT SHOULD BE.

Mayor of Streamwood  
 The City of Streamwood  
 10275 East Parkway  
 Streamwood, Ohio 44119

October 11, 2017

RE: 17000 Regan Road, Streamwood, Ohio (aka "Blossom")

Members of the Board of Directors

Shiloh Industries is currently considering the prospect of becoming a new member of the Streamwood business community. Our team is excited about the prospect of working with the City of Streamwood on this project. We are currently in the process of conducting a feasibility study and would like to meet with you to discuss the project and the potential benefits to the community. We are excited about the prospect of working with the City of Streamwood on this project and would like to meet with you to discuss the project and the potential benefits to the community.

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We hope the City and the Council will work with building ownership to help achieve this goal. Please do not hesitate to reach out with any questions or concerns you may have.

Kind regards,

*[Handwritten Signature]*

Kenneth D. Burt  
 VP, Global Purchasing & Supply Chain Management

## THE PIADA GROUP

August 16, 2017

Mr. David Parker  
 Economic Development Director  
 18299 Grand Avenue  
 Streamwood, IL 60160

Re: Piada Italian Street Food

Dear Mr. Parker

Piada Italian Street Food is a company based in Columbus, Ohio. We currently have 12 stores either opened or under construction in the greater Cleveland, Ohio area and we would certainly like to add Streamwood to our brand portfolio.

We believe that the redevelopment of the site back into The Shops at Easton Station, along with the new Piada Italian Street Food store, will have a positive impact on the community and its surrounding areas. The high quality of this project is important to us, and we are very excited to partner with you on this project. We are currently in the process of conducting a feasibility study and would like to meet with you to discuss the project and the potential benefits to the community. We are excited about the prospect of working with the City of Streamwood on this project and would like to meet with you to discuss the project and the potential benefits to the community.

In closing, Piada currently has 35 stores open and 5 more to open before the end of the year. Our facility will also employ about 25 people when the store opens including a chef and additional store manager. If you have any questions, please do not hesitate to contact me at 614-882-8828.

*[Handwritten Signature]*

Matthew P. Pappas  
 Director of Development  
 Piada Italian Street Food





# Conclusion

- ✚ Thank you for your time
- ✚ Questions


CITY OF STRONGSVILLE, OHIO

FINANCE DEPARTMENT MEMORANDUM

RECEIVED

OCT 12 2017

LAW DEPARTMENT  
CITY OF STRONGSVILLE

**Date:** October 12, 2017  
**To:** President and Members of Council  
**From:** Joseph K. Dubovec CPA, Director of Finance   
**CC:** Mayor Thomas P. Perciak  
Neal M. Jamison, Law Director  
**Subject:** Certification of Funding for October 16, 2017 Council Meeting

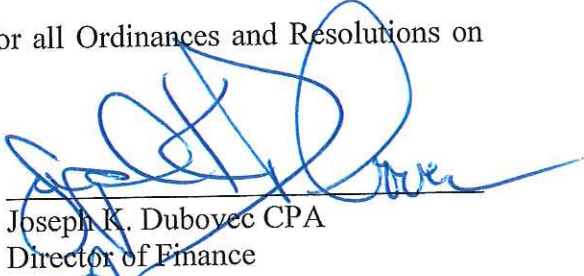
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Since I will not be present at the October 16, 2017 Council meeting, I have thoroughly reviewed all items currently listed on the Agenda through Ordinance No. 2017-178, and am confident that all Ordinances and Resolutions scheduled to be on the Agenda have been properly appropriated and are within their legally adopted budgets.

Therefore, I respectfully request that the "Certification of Funding" below be read at the October 16, 2017 Council Meeting in my absence in order to confirm and document the funding in accordance with law.

**CERTIFICATION OF FUNDING  
FOR  
October 16, 2017 COUNCIL MEETING**

Based upon careful review of the proposed October 16, 2017 Council Meeting Agenda, I hereby certify that Funds will be made available for all Ordinances and Resolutions on such Agenda requiring certification of funding.

  
\_\_\_\_\_  
Joseph K. Dubovec CPA  
Director of Finance

Date: October 12, 2017



# BUSINESS INSIDER

## A giant wave of store closures is about to hit the US



HAYLEY PETERSON  
DEC. 31, 2016, 8:09 AM

Retailers are bracing for a fresh wave of store closures at the start of the new year.

The industry is heading into 2017 with a glut of store space as shopping continues to shift online and foot traffic to malls declines, according to analysts.

"If you are weaker player, it's going to be a very tough 2017 for you," said RJ Hottovy, a consumer equity strategist for Morningstar.

He said he's expecting a number of retailers to file for bankruptcy next year, in addition to mass store closures.

Nearly every major department store, including Macy's, Kohl's, Walmart, and Sears, have collectively closed hundreds of stores over the last couple years to try and stem losses from unprofitable stores and the rise of ecommerce.

But the closures are far from over.

Macy's has already said that it's planning to close 100 stores, or about 15% of its fleet, in 2017. Sears is shuttering at least 30 Sears and Kmart stores by April, and additional closures are expected to be announced soon. CVS also said this month that it's planning to shut down 70 locations.

Mall stores like Aeropostale, which filed for bankruptcy in May, American Eagle, Chicos, Finish Line, Men's Wearhouse, and The Children's Place are also in the midst of multi-year plans to close stores.

Many more announcements like these are expected in the coming months.

The start of the year is a popular time to announce store closures. Nearly half of annual store closings announced since 2010 have occurred in the first quarter, CNBC reports.

In addition to closing stores, retailers are also looking to shrink their existing locations.

"As leases come up, you're going to see a gradual rotation into smaller-footprint stores," Hottovy said.

Despite recent closures, the US is still oversaturated with stores.



Rolling Acres Mall in Akron, Ohio.

*Nicholas Eckhart*

The US has 23.5 square feet of retail space per person, compared with 16.4 square feet in Canada and 11.1 square feet in Australia — the next two countries with the highest retail space per capita, according to a Morningstar report from October.

"Across retail overall the US has too much space and too many shops," said Neil Saunders, CEO of the retail consulting firm Conlumino. "As shopping patterns have changed, some of those shops are also in the wrong place and are of the wrong size or configuration."

As stores continue to close, many shopping malls will be forced to shut down as well.

When an anchor store like Sears or Macy's closes, it often triggers a "downward spiral in performance" for shopping malls, Morningstar analysts wrote in the report from October.

The malls don't only lose the income and shopper traffic from that store's business. The closure often triggers "co-tenancy clauses" that allow the remaining mall tenants to exercise their right to terminate their leases or renegotiate the terms, typically with a period of lower rents, until another retailer moves into the vacant anchor space.

To reduce losses, malls must quickly find a replacement tenant for the massive retail space that the anchor store occupied, which is nearly impossible — especially in malls that are already financially strapped — when every major department store is reducing its retail footprint.

That can have "grave" consequences for shopping malls, especially in markets where it's harder to transform vacant mall space into non-retail space like apartments, according to the analysts.

The Morningstar report supports another recent analysis from Credit Suisse that said about 200 shopping malls are at risk of shutting down if Sears continues to close stores.



# There really are too many stores. Just ask the retailers.

By Sarah Halzack April 5, 2016

On your most recent shopping trip, there's a good chance you noticed that one of your favorite stores is shuttering its doors. Walmart has said it will close 154 U.S. stores this year. Macy's is in the process of axing 40 locations. By June, department store Kohl's will shutter 18 stores.

Some of this is surely cyclical, as retailers routinely look to the beginning of the calendar year as a moment to prune underperforming stores. But this year, it's hard not to look for deeper meaning in the wave of closures: The retail industry recorded a disappointing holiday shopping season, delivering only 3 percent sales growth, far below the 3.7 percent increase it had expected. Meanwhile, our shopping dollars continue to march online, and young, affluent consumers are moving back into big cities instead of taking up in America's mall-dotted suburbs. That confluence of factors poses a tough question: Do some of the biggest names in retail simply have too many stores?

In industry jargon, this is called being "overstored," and it's a position that more and more retailers — especially the large ones — are likely to find themselves in as shopping and demographic patterns change.

Of course, some malls are still thriving: Upscale behemoths like Tysons Corner Center and outdoor, "town center"-type destinations are drawing plenty of visitors and dollars. But the retail landscape is changing, as individual retailers rethink their store portfolios. The pullback has many shopping center owners looking more broadly for tenants, targeting restaurants, health clubs and other so-called lifestyle businesses.

For some perspective on this issue, it's instructive to look at how the contours of retail real estate have been shifting over several decades. The chart below starts as the trend toward sprawling, enclosed shopping malls was chugging along and even gathering steam. As you can see, retail square footage per capita in the United States grew steadily for more than 20 years, according to data from real estate research firm CoStar Group. But around 2009, you'll note a clear and sustained change in that trend.

Meanwhile, new shopping center square footage took a nose dive due to the recession. And though it's once again on the rise, you can see it's not being added in nearly the volumes that it was for much of the 20 preceding years.

For the first time in 35 years, "population growth is actually faster than new construction," said Suzanne Mulvee, director of research at CoStar.

Simply put, there is less shopping space per person today, and a return to an especially aggressive pace of building is not expected. That would seem like an acknowledgment by retailers and mall developers that a course correction is necessary to adapt to today's shopping environment.

Macy's chief executive Terry Lundgren said as much in an interview on CNBC last year when asked about the decision to close dozens of stores.

"We've announced that we're actually going to be closing more stores this next year because as the Internet has become so strong for us, consumers are looking at their options, determining where they're going to shop. And they don't have to have that immediate convenience of going to the store next door," Lundgren said. "They'll drive a little bit further and they'll also know that we'll deliver it to them in a very short period of time. So I think when you put all those options together, we're able to say that we don't need 800 locations across the country. We can have fewer than that."

Indeed, it seems that the rise of online shopping has fundamentally changed what it means for a retailer to give up a store. Now, such a move might fairly be viewed as playing offense rather than defense, a proactive choice to move toward a more digital-centric future instead of a worrisome retreat.

"There's retailers who decide not to stay open, and there's retailers who decide to close. And that's different," said Ken Nisch, chairman at JGA, a consultancy that works on retail store design.

Walmart, for example, announced 269 global store closures earlier this year. It was highly unusual for world's largest retailer to close such a big batch of stores at once, and last year was the first time in at least 45 years that it saw its revenue shrink. But look at it this way: Walmart has plans to open 300 new stores this year, including between 155 and 165 in the United States. That means many of the shuttered stores here are effectively being replaced by ones that the company believes are better-suited for reaching its customers. And it is right now making e-commerce a major priority, pouring billions of dollars into boosting its online operation. If capturing that spending is a priority, you can see the logic in closing underperforming supercenters that account for less than 1 percent of global revenue.

But, it'd be fair to interpret differently the store closures at the likes of Jos. A. Bank and Sports Authority. Jos. A. Bank is closing up to 90 stores as its sales plummet. New management is trying to abandon the "three for one"-type promotions that made the retailer the butt of a "Saturday Night Live" sketch, but it hasn't yet figured out how to get consumers excited about a new approach to deals.

Sports Authority, meanwhile, somehow managed to flounder at a moment when the athleisure trend is flying high and when some of its core brands, such as Nike and Under Armour, are seeing blockbuster sales results. So its decision to close 140 stores and file for bankruptcy might reflect deeper, unique problems more than it reflects macro shifts in retailing and culture.



In other words, all “overstored” situations are not created equal.

Just how small could some of the biggest chains in retail get? Nisch said that specialty chains, at least, will perhaps find around 250 to 300 stores to be the sweet spot. He points to Williams-Sonoma as a blueprint of where more legacy brick-and-mortar retailers might be headed. Williams-Sonoma has 239 stores that are largely only located in high-performing malls, and it is already drawing more than 50 percent of its sales from e-commerce.

Melina Cordero, director of retail research at CBRE, said some chains are asking themselves right now whether their space conundrums could be solved not by shrinking the total number of stores, but by reducing the size of the stores. Indeed, there are examples at the mall of companies that are giving this a try: Aerie, the American Eagle Outfitters-owned lingerie chain, has been testing a smaller-format version of its stores and has said it sees a 60 percent improvement in productivity in those shops. Burlington Coat Factory also has said its going to continue to go smaller with its stores. Its existing small-format stores are 22 percent more productive than the rest of the chain.

“What we’re learning from that is we can have the entire Burlington assortment in a smaller box,” said Thomas Kingsbury, the chief executive of parent company Burlington Stores, on a conference call with investors in November.

Still more retailers are simply re-purposing some of their real estate: Staples, for example, said Monday that it is teaming up with a company called Workbar to add co-working spaces to some of its stores. Sears has been leasing some of its store space to the likes of Nordstrom Rack and Dick’s Sporting Goods.

As stores adjust their fleets, Nisch said you’ll see certain types of malls impacted more than others. Major malls in affluent areas will be able to hang onto their tenants, he said, because they are prime destinations for customers who like the social experience of going shopping, the ones who want to gossip with a pal in the dressing room while they try on jeans.

But, it’s the smaller centers – the ones built for convenient fill-in trips – that will likely suffer. Those are the dollars that are likely to move online.

There are other ways, too, that big retailers’ pullback appears to be playing out unevenly. In this chart, CoStar researchers show that retailers are disproportionately pulling out of poorer, rural neighborhoods. CoStar measured the number of households in a given area and the median household income to determine what it calls “buying power.” As you can see, vacancy rates are drastically higher in areas with lower buying power.

The latest round of store closures has been wide-ranging: Finish Line, the athletic apparel retailer, is closing 150 stores, while Destination Maternity closed 20 stores in the fourth quarter alone. The closures across the industry set up a daunting challenge for mall landlords, who have to figure out how to fill the space.

Still, while individual retailers may be overstored, some experts make the case that the retail real estate market overall doesn't have a glut of space. Millions of square feet of retailing space will be added this year, and commercial real estate experts say there is a healthy pipeline of interested tenants to fill it. Cordero of CBRE says there is a bumper crop of European retailers looking to carve out a presence here, including U.K.-based fast-fashion chain Primark, German discount grocer Lidl. And players such as H&M that are already established stateside are still looking to expand.

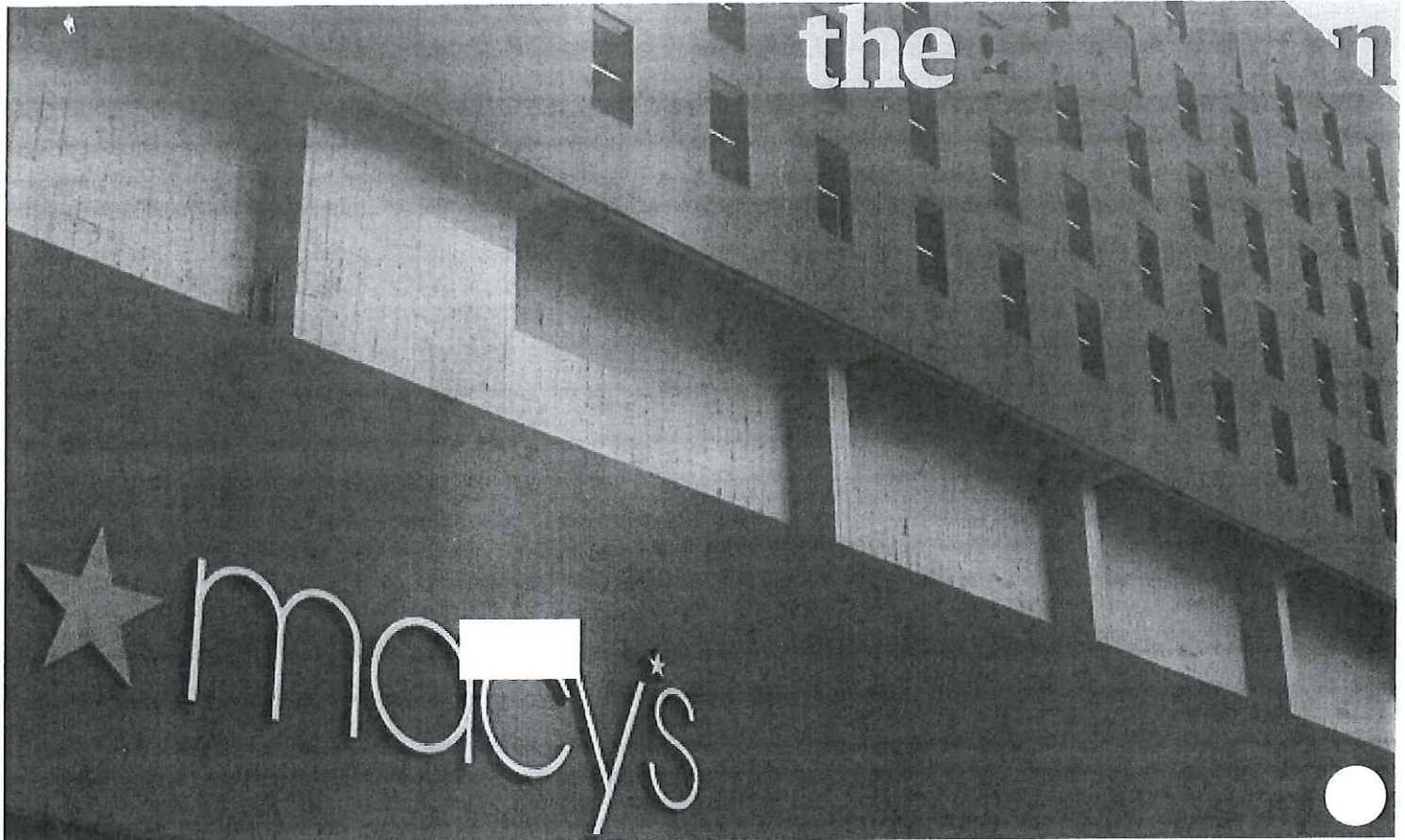
Plus, shopping centers are increasingly populated by non-traditional tenants. Gyms and even health clinics are moving into malls, and many mall operators are putting a greater focus on luring restaurants and entertainment outposts such as movie theaters.

"I don't think this is going to represent any major challenge from an occupancy perspective," said Tom McGee, chief executive of the International Council of Shopping Centers, of the latest round of store closures.

Sarah Halzack is The Washington Post's national retail reporter. She has previously covered the local job market and the business of talent and hiring. She has also served as a Web producer for business and economic news.

 Follow @sarahhalzack





## 'People aren't spending': stores close doors in 'oversaturated' US retail market

Boarded-up shops are a common sight in cities across the country as Macy's, Sears and JCPenney struggle and Credit Suisse downgrades the retail sector

**Edward Helmore in New York**

Sunday 26 March 2017 07:15 EDT

Canal Street was never a high-end retail experience. But, like many streets in New York City and in cities across the US, it is becoming increasingly desolate.

Boarded-up stores line the thoroughfare that bisects much of lower Manhattan. Many stores that are still open for business also display signs that read "for lease" or "for rent".

"It's not Trump," said one downcast store-owner recently. "It's not the economy. Something else is happening. People aren't spending."

This week, Credit Suisse downgraded the retail sector, saying the outlook had become bleaker than it had anticipated in large part because of events in Washington and through discussion of "whether we think the risks of the border adjustment provision in the House corporate tax reform



proposal are fully reflected in apparel and retailing stocks". Other analysts have shown similar pessimism.

Earlier in the month, Richard Hayne, chief executive officer of Urban Outfitters, equated the woes facing retail in 2017 to the housing market of 2008. Hayne traced the problems to over-expansion in the 1990s and early 2000s, noting that the US now had six times the retail space per capita of either Europe or Japan.

"The US market is oversaturated with retail space and far too much of that space is occupied by stores selling apparel," he said, anticipating that retail retrenchment would continue "for the foreseeable future and may even accelerate".

Urban Outfitters, a Philadelphia, Pennsylvania-based company that operates roughly 200 locations for stores under its own name and Anthropologie, said that despite sales declines in the single figures, it still planned to open 15 new stores in North America this year. That figure is a drop on previous years but looks rosy next to mass store closings recorded by rivals.

In the past several months, Macy's has announced it will close 63 stores; Sears, 150; The Limited, 250; BCBG Max Azria, 120; Guess, 60; American Apparel, 104; Abercrombie & Fitch, 60; JCPenney, up to 140.

While retail executives are keen to state they do not plan to abandon bricks-and-mortar retail entirely, many now tend to see it on equal terms with online operations. Main Street, hollowed out by web-based competition, is increasingly viewed as a tool to be used by consumers "showrooming" - browsing - before buying online for less.

The cost in jobs is stark, with Macy's saying it expects to see 10,000 workers laid off, including 6,200 managers, or 17% of executives.

"We have been planning this very carefully," said Jeff Gennette, Macy's president and new CEO, announcing the cuts. "This is not something we did quickly."

In some areas of Manhattan, retail rents have declined 10-15%. But it has come too late for many retailers. The cycle of the change is apparent across much of downtown, with chains that pushed out smaller independent stores now closing too.

There is no immediate solution, said Justin Levinson, a former reporter who began creating an interactive map of vacancies last year. He believes landlords with large portfolios have been unable to drop prices significantly without experiencing a ripple effect, so they often prefer to take a loss on one property rather than drop prices across the board.

Simply blaming landlords for pushing rents too high is an overly simplistic explanation for the malaise, however. This is not urban blight in the sense that neighborhoods are abandoned, but something else - it is high-rent blight.

"The retail landscape has changed," Levinson said. "It's many factors coming together to create increasing instability and retailers are struggling to adapt."

The result, Levinson said, is "a weirdly disconnected environment" that contributes to an overall sense of loss in a neighborhood that some describe as akin to the effects of habitat loss through climate change.



“The vacancy changes are similar to gentrification but not exactly,” he said. “Even if you put a Starbucks in, somebody got a call [there] they’d got the job or they kissed their girlfriend for the first time [there]. Some kind of social memory is created. But an empty storefront removes the possibility of any kind of interaction.”

### **‘People are social by nature’**

A recent Synchrony Financial report entitled *The Future of Retail* predicted that instant gratification coupled with a higher degree of tech-driven personalization would drive consumer behavior and retail industry through to 2030.

The report said that the future of bricks-and-mortar will center on authentic brand experiences: more than half of consumers polled said they looked forward to an amalgam of in-store and entertainment experiences.

“Brick-and-mortar stores will exist in the future but there will be fewer of them,” the report predicted. “A new model of delivering not only products, but also genuine brand experiences is emerging.

“People are social by nature and will be drawn to gathering places to share ideas and be entertained. It’s not just about making money. It’s about building trust. Retailers who tap into this trend will be rewarded.”

That means, for instance, that stores and banks could end up offering more than just retail or banking services and come to add some aspect of community cohesion. Perhaps crucially, the report found that brands will have to more clearly enunciate their reason for being.

“Shoppers are reaching a tipping point around American consumption,” it read. “Feelings of angst about acquiring too much ‘stuff’ is driving a shift toward purchasing experiences rather than things.”

Along with concern for the environment, the report said, “retail must streamline and consolidate in the future”.

Along Canal Street and up through SoHo, such changes in sentiment are yet to be articulated. Levinson predicted change, but said things could get worse before they got better.

“People’s discontent over the issue is useful only if we can discuss and come up with a solution,” he said. “If there was a silver bullet, we would have done it.

“There’s a bunch of things of play, but even just acknowledging that this is a problem brings us closer to figuring out what to do next.”

This article was corrected on 27 March 2017. Urban Outfitters is based in Philadelphia, Pennsylvania, not Columbus, Ohio.

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