

**MINUTES OF A SPECIAL COUNCIL MEETING**  
**August 19, 2019 – 7:30p.m.**

Council of the City of Berea, Ohio, met in the Council Chamber on August 19, 2019 and was called to order by President of Council Mary K. Brown at 7:30p.m. Present: Cheryl A. Banaszak, Bill DeVito, Nick Haschka, Jim Maxwell, Margarette S. Key, Rick Skoczen and Gene Zacharyasz. Also present: Mayor Cyril M. Kleem, Director of Law and Public Safety Barb Jones and Administrator of Operations Jim Brown.

The Pledge of Allegiance followed.

This meeting was held in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code and Chapter 109 of the Codified Ordinances of the City of Berea. The certificate of compliance is on file in the Clerk's office.

**LEGISLATION – SECOND READING:**

**ORDINANCE NO. 8-1: AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH WALLMACK PROPERTIES, LLC. TO PROVIDE DESIGN-BUILD SERVICES FOR THE IMPROVEMENT AND RENOVATION OF THE RESIDENTIAL STRUCTURE LOCATED AT 115 SEMINARY STREET, PERMANENT PARCEL NO. 364-11-038, AND DECLARING AN EMERGENCY.**

The Clerk read the title of the Ordinance.

In response to an inquiry from Mr. Maxwell, Mayor Kleem stated that he was unaware of a definitive reason why R. A. Kalfas backed off the project and Mr. Brown concurred, noting that no concrete reason was given except that they are having a great year and could not comply with the City's schedule. He reminded Council that no contract was ever signed by either party.

Mr. Maxwell wondered if the City would consider using the company in the future, and Mrs. Jones stated that law mandates they be considered, but the way things have been handle does present a flag of caution.

Mr. Maxwell asked what the differences are between the Kalfas proposal and the Wallmack proposal, and Mr. Brown explained that everyone who submitted had to follow the same criteria that the Ohio Revised Code dictates for design build contracts, and each company put their own spin on the project. Some companies were doing more of some things and less of others. There are no substantial design changes. Mayor Kleem noted that Wallmack did propose new windows and doors and had a better overall proposal, however the cost was \$4,000 higher. As this renovation is a unique project for the City to undertake, Mayor Kleem stated that he was cognizant of the fact that transparency was paramount, and accepting the lowest bid from a responsible contractor seemed like the way to go.

Mr. Maxwell asked what sort of work would be done to the existing deck and the concrete walkway. Mr. Brown explained that most of the deck repairs will be cosmetic, as there does not appear to be any structural damage. The sandstone slabs on the front walk will be leveled.

General discussion commenced concerning repairs to the garage, and Mr. Brown confirmed that work will be done to the garage, gutters will be refastened and landscaping will

be conducted in house by Service Department crews.

In response to an inquiry from Mr. Maxwell, Mr. Brown stated that renovations are likely to begin by the middle of September.

Gary Cole, a member of the audience, asked why the City is accepting an open-ended contract that includes mere estimates when the basement, roof and garage have not even been included in the scope of work. He predicted that a lot of problems will be uncovered and the cost of the overall project is certain to rise.

Mr. Cole continued by stating that he researched Wallmack Properties and no where could he find that they are a general contractor. They have only been around for a few years and are in the flipping business, which means they are likely not addressing the house's structural issues.

Mayor Kleem responded that residents took a tour through the house and a registered inspector did, as well. No structural issues were uncovered. The inspector submitted a full report which alluded to this, and one resident who had thought otherwise, admitted to being mistaken.

Mayor Kleem asked if Mr. Cole has an interest in the property and Mr. Cole responded that he has talked to Mr. Brown about it, but he did not bid on the project. He was just wondering why the Administration was getting involved in the real estate business. Mayor Kleem reminded him that the City did not pay for this house, but did acquire it with the intention of getting bad landlords out of the rental business. The City is not in the real estate business and must follow the design build contract guidelines, which include prevailing wage requirements. If structural issues are found to exist, they will be remedied because the goal is to improve the neighborhood, not to make money.

Mayor Kleem continued by explaining that alternative proposals were discussed with relation to this renovation project. The design build contract does bring with it the requirements of the Ohio Revised Code, which can make the process slow and complicated, but it also includes assurances that things are done correctly.

Mr. Cole suggested selling the property, as is, and Mayor Kleem asked if that was supported by Council. Mr. Haschka responded that there exists the possibility in every renovation project that complications will arise that must be addressed. This risk is understood. Two years ago, however, it was determined that these rental properties would be renovated and sold with a deed restriction with the intention of improving the neighborhood. This remains his objective.

Mr. DeVito stated that he would like to see a local contractor considered, but having previously lived next to a college rental, his main objective is to ensure that these properties are owner occupied.

Mr. Cole felt that the City could achieve their objectives simply by selling the property, as is, but Mayor Kleem countered by stating that if that occurred, the City would lose control of the property and could not guarantee that it is renovated properly.

Mr. Maxwell explained that two years ago he was 100% on board with the Administration's objective. While he agrees that the City should not be in the flipping business, this is a unique situation and opportunity. While some may feel like the City is dragging its feet on renovations, there is no validity to that accusation. He does, however, feel like this project should get moving. He supports the agreement in front of Council for 115 Seminary Street. Ideas regarding how to handle the remaining houses can be entertained, but he felt Council should move on this one because time is of the essence and residents should not have to live next to a nuisance any longer. Mr. Skoczen and Mrs. Key stated their agreement with Mr. Maxwell's comments.

Mayor Kleem offered his agreement, as well, reminding Council that the City could not immediately begin renovations because the houses were occupied with tenants for a while. He will entertain alternatives for the other houses, but wants to make sure things are done properly and legally, without bid steering. The only way to ensure control over the way these houses are renovated is to assume ownership and follow the design build contract.

Mayor Kleem continued by stating that the Administration is prepared to raze two of the remaining houses, but residents on Eastland Road have asked him to consider keeping the Eastland property. Mrs. Banaszak felt that most people would be in favor of raising the house on Eastland, as it currently sits in disrepair. Removing the eyesore may create some goodwill with the residents in her Ward.

A general consensus was reached that the Eastland property should be demolished as soon as possible. Mayor Kleem was not certain it was a buildable lot, but suggested possibly offering the land to the neighbors. Deeds to the other properties, once sold, will contain the owner occupancy restriction.

Erika Coble, a resident on Seminary Street, informed Council that she has spoken with her neighbors and they are very grateful for the City's efforts to ensure owner occupancy in her neighborhood. She cautioned that the house at 115 Seminary Street is very old and care must be taken throughout the renovation process. Neighbors would like to be included in the conversations regarding this property. The process so far has been a bit long, but it is good to know there is a plan and it is progressing. She asked that residents be kept in the loop.

Mrs. Brown concluded the discussion by stating that the area in question is a special neighborhood, and Council appreciates the input from its residents.

Proposed Ordinance No. 8-1 stands on second reading.

**ORDINANCE NO. 8-2: AN ORDINANCE FOR BRIDGE INSPECTION SERVICES ENACTED BY THE COUNCIL OF THE CITY OF BEREA, CUYAHOGA COUNTY, OHIO, HEREINAFTER REFERRED TO AS THE LOCAL PUBLIC AGENCY (LPA), AND DECLARING AN EMERGENCY.**

The Clerk read the title of the Ordinance.

In response to an inquiry from Mr. Maxwell, Mrs. Jones informed Council that the form and format of this Ordinance is provided by the County.

Proposed Ordinance No. 8-2 stands on second reading.

**OTHER BUSINESS:**

Mayor Kleem informed Council about an agreement to bring an extended-stay, 100+ room hotel to the Williams Ford site on the North End. The hotel is a national brand. As part of the agreement, the developer is requesting a 49% tax abatement for 15 years, and rebate on the money generated by the recently imposed bed tax of 33% for the first 3 years and 50% for the next 3 years. The latter is similar to an income tax rebate, but would conclude at the end of year six.

General discussion commenced concerning the bed tax and the money it will generate, which will likely total between \$75,000 and \$90,000 a year.

Mr. Skoczen inquired about the timeline for construction, and Mayor Kleem stated that he hopes to wrap up negotiations in the next few months and has agreed to assist the developer in attempting to secure a county loan, which may take a bit of time. This hotel would be the anchor for smaller development which would move in around the property. Dunkin' Donuts will be the first constructed.

Mr. Maxwell stated his support of the agreement.

There being no further business before Council, it was moved by Mr. Haschka, and seconded by Mrs. Key, that the Special Council Meeting be adjourned. Vote on the motion was all ayes and no nays. The motion passed and President Brown declared the meeting adjourned at 8:36p.m.

---

Mary K. Brown  
President of Council

---

Alycia Esson  
Clerk of Council

**CERTIFICATE OF COMPLIANCE**

The special meeting of Council of the City of Berea, Ohio, held on the 19<sup>th</sup> day of August, 2019, was conducted in compliance with Codified Ordinances Section 109 and Ohio Revised Code Section 121.22.

---

Alycia Esson  
Clerk of Council