

**Lake County Ohio Port & Economic Development Authority (LCOPEDA)**  
**Working Session and Board of Directors Meeting Minutes**  
**March 28, 2018**

**Present:** Mark Freeman, Nathan Hicks, John Konrad, Art Lindrose (Chairman), Chris Madison, Bill Martin, John Rampe (Secretary), and John Uhran (Vice Chairman)

**Others present:** Mark Rantala (LCOPEDA Executive Director), Tim Cahill (LCOPEDA Director of Public Finance), Peter Zahirsky (LCOPEDA Director of Coastal Development), Ray Headen (LCOPEDA Legal Counsel), Patty Fulop (Lost Nation Airport Manager), Faith Andrews (LCOPEDA Recording Secretary), Glen Miller (Gazette Newspapers), and Andrews Cass (The News Herald)

Chairman Lindrose called the board meeting to order at 2:30 PM.

**WORKING SESSION (BETTER FLIP INITIATIVE)**

Mr. Rantala circulated a drawing of the potential plan for the Better Flip Initiative home in Willowick. He reported that he met with Robert Hill, Instructor for the Auburn Career Center Construction Program, on March 26 to see if he has an interest in being the project superintendent if the port decides to go forward with The Better Flip project. Mr. Rantala stated that Mr. Hill is considering serving in that capacity, which would address the Board's concern that the project may take too much of Mr. Rantala's time. He reported that the port's summer intern will primarily be dedicated to the marketing efforts of The Better Flip project.

Mr. Rantala noted that Mr. Martin expressed some concern that there is only one bedroom on the first floor which makes the floorplan more attractive to empty nesters rather than millennials. He stated that a focus group of millennials will be held next week to address this issue and provide comment.

Mr. Martin stated that his remarks were a result of a conversation he had with Mr. Lindrose as to whether or not the port had identified the target buyer for the home. He stated that in his business, which is home building, this is key to designing a house that fits the buyer's lifestyle.

Mr. Rantala noted that the goal of The Better Flip was to remodel a house that would be millennial friendly, i.e. open concept on the first floor, master bedroom suite with walk-in closet and master bath, etc. He stated that adapting this house with these amenities may entice an empty nester to update their existing home, which would generate investment in other homes in the community.

Mr. Martin stated that in his business that is called a retrofit to age in place. He asked what research resulted in the master bedroom being located on the first floor.

Mr. Rantala stated that the decision to put the master bedroom suite on the first floor was a result of many conversations.

Mr. Rampe stated that he would be interested in hearing what comes out of the focus group Mr. Rantala mentioned.

Mr. Rantala stated that the proposed floorplan has been reviewed with several millennials but none have negatively commented about the master bedroom being on the first floor. He stated that the reason for this focus group is to ensure that the issue was revisited with specificity.

Mr. Martin noted that there is a lot of research out there involving this subject.

Mr. Rampe asked for examples of some of the sources of research Mr. Martin mentioned.

Mr. Martin stated that their national association provides a lot of research and publishes their findings.

Mr. Rampe asked if community development and planners are aware of these studies.

Mr. Martin stated that many community planners take a lot of clues from the local economy, developers and other sources to see what interests and trends are. He stated that they access their trade groups, and data is available to them relative to what is trending elsewhere in the country.

Mr. Rampe stated that he would describe his daughter and her husband (millennials) as urban people as they like immediate access to shopping and entertainment and yet want a community they can raise their two daughters in. He stated that they like to walk to events and venues, but perhaps they are a product of living in Manhattan, New York for several years.

Mr. Martin stated that both his children are in the millennial category, and he has remodeled homes for them. He stated that they grew up in Concord Township and wanted to move to a more urban area like Cleveland Heights.

Mr. Rantala stated that he has talked to a number of people relative to the bigger picture noting that he met with the owners of Shoregate Shopping Center for two and a half hours yesterday. He stated that they are looking at the tenant mix and they are aware of some of the millennial components that shopping centers are missing, such as a coffee shop, restaurants and microbreweries, etc. Mr. Rantala stated that the owners of Shoregate Shopping Center would like to move the shopping center in the direction of meeting more of the desired components of a millennial neighborhood. He noted that the neighborhood is walkable in the sense that there are sidewalks and that Willowick has one of the best parks and recreation programs in all of Lake County. Mr. Rantala stated that the neighborhood does not have every piece he would like it to have, but the group is working on all the pieces that would make the neighborhood attractive to millennials.

Mr. Hicks stated that he understands a potential buyer would not make every renovation reflected in the drawing and asked if selecting only some of the components would still be economical to accomplish.

Mr. Rantala stated that if one looks at the housing transfer prices in Willowick over the last two years, a potential buyer could do most of the components in the drawing and get to the top end of the current house value in Willowick. He stated there are a number of houses at the top end and most of the proposed plan could be accomplished, but it depends on how many components are selected as well as the level of each of said components. Mr. Rantala noted that components such as green energy and varying window type options are two examples, i.e. a potential buyer could choose a middle-grade window line, which offer budget flexibility. He noted that this is why doing videos for each element of The Better Flip is key. Mr. Rantala stated that the video series will also be a huge marketing effort for the western Lake County communities as a way of enticing millennials to look at Lake County as a place to raise their families. He noted that he has done a fair amount of research regarding this group of people, and nearly all the national research states that about 80 percent of them will wind up in the suburbs. Mr. Rantala stated that there are a good number of these folks that will fit into the category of potential occupant for Lake County suburbs. He stated that in speaking with Lake County businesses, several have indicated that they have employees who would love this type of product. Mr. Rantala noted that another great selling point for the western suburbs of Lake County is that Willoughby-Eastlake Schools is in the process of replacing all schools in that district, and they are doing some very innovative things in the way of education as well.

Mr. Martin asked if Mr. Rantala's research showed that the bedroom should be on the first floor.

Mr. Rantala stated that the house is a showcase for all things that are possible, including aging in place.

Mr. Martin stated that the floor plan is attractive to an empty nester, but mothers do not want to be that far from their children, i.e. they want to be on the same floor. He stated that, in his experience, all bases cannot be covered with one floor plan.

Mr. Rampe asked how much of a yard there was.

Mr. Rantala stated that the whole parcel is about 8,000 square feet. He believes the lot is 50 feet wide.

Mr. Lindrose stated he believes that to be the case.

Mr. Madison asked if there was enough room in the kitchen for a dining table.

Mr. Rantala stated that in the drawing there is an island with several stools around it, but there is also a dining room.

Mr. Madison stated that the dining room could be converted to a nursery.

Mr. Rantala stated that changing the dining room to a nursery defeats the open concept, but the mud room wall could be moved to make it a nursery or office.

Mr. Madison agreed with Mr. Martin's point that new mothers want to be very close to their children.

Mrs. Fulop stated that her son is 25 years old and just purchased his first home. She noted that one thing he was looking for that surprised her was an extra downstairs bedroom that could be made into a recreation room.

Mr. Martin stated that one of his peers has been doing some remodeling of homes on the west side of Lake County, and one of the most attractive designs is a box on a box, i.e. a big open first floor and three (3) bedrooms upstairs.

Mr. Rantala stated that the drawing has an open concept kitchen/family room that is an 11 x 32 room.

Mr. Martin stated that floor plans are really hard for professionals to get right for a particular target market.

Mr. Rantala stated that this is perhaps a wider target market and some compromises were made.

Mr. Martin again stated that mothers will not like the master bedroom on the first floor.

Mr. Rampe stated that the port has to see what can be accomplished, i.e. accomplishing a new vision for these homes in the west end of Lake County which then translates to revitalization of the neighborhoods.

Mr. Rantala stated they have gotten some good feedback from realtors that serve this market.

Mr. Hicks stated that he believes the port is just trying to show what is possible and that no specific target is needed.

Mr. Konrad stated that he took an informal survey noting that folks in their 40s told him they would do everything they could to make it functional for their families for as long as possible. He stated that the people that buy these homes may not look at the first floor bedroom as a bedroom. Mr. Konrad stated that he believes the port should get the idea out there.

Mr. Freeman stated that something would have to be done to show what the capabilities are noting that part of it is market and what alternatives can be done given the associated costs. He stated that it is important to show what can be done with different floor plans and budgets, which could be part of the marketing and educational piece, i.e. Auburn Career Center could provide multiple floor plan options.

Mr. Zahirsky stated that the first floor bedroom situation is not that big of a deal. He noted that having an open floor plan with continuity between the kitchen, living room and dining room is important. Mr. Zahirsky concurred with Mr. Freeman's point that multiple options should be shown within the same budget and scope of work to get people thinking about what could be done.

Mr. Rampe noted that the real entertainment focal point is the kitchen, and many other board members agreed noting that this has been the case throughout many generations. He stated that he thinks that the port should build it.

Mr. Martin stated that Mr. Rampe makes a good point. He noted that if the focus is to enhance the relationships with Auburn Career Center and the Lake County communities; and through the marketing and education piece could spotlight the positive elements of the different communities, then a project like this can serve those goals. Mr. Martin stated that the Board needs to understand that the market is the market, and everyone's eyes need to be open to that fact. He stated that if the Board feels that these big picture goals are important enough to risk the cost of this project then it is an appropriate way to approach this project and it encompasses a role only the port can play.

Mr. Lindrose stated that the port is not getting into the housing business and is not interested in competing with builders. He stated that he believes it is a great project, especially from an educational standpoint, for the County as a whole. Mr. Lindrose noted that all three commissioners are very much behind the project, which is very important.

Mr. Konrad stated that this project is a positive project whereby post-war housing stock would be remodeled. He noted that there are a lot of these homes throughout Lake County.

Mr. Rantala stated that there are over 15,000 of these homes in western Lake County.

Mr. Rampe stated that these homes were built as economical housing for a blue collar labor force for Cleveland. He stated that the demographics have changed and it is important to ensure that Lake County has a housing stock to meet the need.

Mr. Konrad asked Mr. Rantala if he had an idea of what the net loss or gain of the project would be.

Mr. Rantala stated it depends on what happens when walls are opened up. He stated that, although there are some issues, he believes the port has a reasonably good piece of property to start with. Mr. Rantala stated that adding the experience of Mr. Hill, who used to remodel homes in these communities before beginning his career at Auburn Career Center, gives the port incredible insight. He noted that Auburn Career Center has built 18 homes that they have sold.

Mr. Martin stated that the housing non-profit he is affiliated with has worked with Mr. Hill in the past on a project and it was very successful.

Mr. Rantala noted that the resolution being considered later in the Agenda suggests that funds be taken from the Star Account reserve and moved into a line item in the budget that would allow the project to move forward with the intent that the house will be sold likely by auction when the project is completed. He noted that if the reserve price is set to cover the costs of the project, to include marketing, the project will break even. Mr. Rantala stated that setting the reserve price to \$150,000 or more would be enough to recoup the costs associated with the project.

Mr. Madison asked about housing market in that area.

Mr. Rantala stated that the County Auditor provided him with the range for that area noting that the data showed that houses remodeled at the top end of the range did what the port wants to do.

Mr. Madison asked what the next steps would be after the project was completed and the house was sold.

Mr. Rantala stated that it is his plan to continue to promote The Better Flip so that hopefully enough people will learn about what the port has done and continue to remodel these homes on their own. He noted that the marketing of the remodeled home will include maintaining the website, promoting the videos through various

means, three months of Open House events to include community building departments, realtors, Leadership Lake County and FUEL. Mr. Rantala stated it is his goal to get 1,000 people through the house in 10 to 12 weeks; and once that happens, the idea flows out into all of Lake County.

Mr. Madison asked if tickets could be sold to auction the house.

Mr. Rampe asked if there was a way that a Lake County Housing group or committee could be set up to continue to promote the idea of The Better Flip once this project is over.

Mr. Zahirsky stated that is a splendid idea, and he will be covering this later in the Agenda.

[END WORKING SESSION]

**Public Comment:** There was no public comment.

**Approval of Minutes:** The minutes of the February 28, 2018 Regular Board Meeting were provided to the Board for review prior to the meeting. Mr. Konrad moved for approval and Mr. Hicks seconded the motion to approve the minutes of the February 28, 2018 Regular Board Meeting. The Minutes of the February 28, 2018 Regular Board Meeting were approved with an 8-0 vote.

**Chairman's Report:** No report.

**Director's Report:** Mr. Rantala reported that the Better Flip 2.0 event held at Auburn Career Center was very successful with over 100 people in attendance. He stated that the Auburn Career Center students did a wonderful job on their presentation and noted that these type of events continue to be a worthwhile effort in promoting Auburn Career Center. Mr. Rantala stated that he sent a summary of his experience at South by Southwest to the Board noting that the conference was amazing in terms of all the sessions there were to attend. He stated that there were between 600-700 sessions offered, and it was a very worthwhile experience.

**Director of Public Finance's Report:** Mr. Cahill reported that there are several potential bond financing deals in the pipeline, and the first crop loan was closed last month for West Orchards. He stated that he is working through a potential economic development loan opportunity, but it may not come to fruition due to certain HUD requirements. Mr. Cahill stated that he attended the CDBG Application Release Meeting, which is a requirement when requesting CDBG funds. He noted that the port applies for said funds annually and the application will be submitted by May 1. Mr. Cahill briefly reviewed the Opportunity Funds program created by the Tax Cuts and Jobs Act and his efforts relative same. He noted that both Painesville and Fairport Harbor were identified by the State of Ohio as opportunity zones. Mr. Madison noted that the federal agency that will regulate the Opportunity Funds program is the Community Development Finance Agency (CDFA) and that the regulations for the program are still being developed.

**Economic Development:**

Bank Street – Mr. Rantala reported that there has been some new activity at Bank Street noting that Industrial Asset Machinery is in the process of expanding and has expressed some interest in the vacant buildings. He noted that a meeting was held with Industrial Asset Machinery last week regarding same. Mr. Rantala stated that there is a possibility that the port could assist Industrial Asset Machinery in building a bigger building in Lake County if the Bank Street property does not meet their needs.

Lost Nation – Mrs. Fulop reported that Mentor Fire Station has obtained a couple of grants to put up a building, and they will come to the port to possibly lease some space. She briefly reviewed the status of the various grants. Mrs. Fulop reported that the Master Plan is progressing, she is awaiting comments from the FAA, and meetings will be forthcoming once FAA provides input. She reported that she is still working through clean vehicle funding initiatives with the EPA. Mrs. Fulop reported that she is working with BWC to obtain safety grants, they have \$40,000 available every ten (10) years, and she is hoping to get a tractor with a cab to replace the existing tractor. She reported that she is hopeful that the FAA will approve the release of the 10-acre parcel at the airport by May 1

so that it can be sold to Weston. Mrs. Fulop reported that several trees were taken down earlier this month, and she briefly reviewed some of the upcoming events at the airport.

**Coastal Plan** – Mr. Zahirsky reported that a draft non-federal Cost Sharing Agreement relative to the Mentor Harbor Channel project was circulated to all parties for review, and a meeting will be scheduled soon with all entities to discuss the same. Relative to the restaurant at Mentor Beach Park, Mr. Zahirsky reported that he, Mr. Konrad and Mr. Freeman met with Mentor City leadership noting that it was a productive meeting. He stated that he apprised the City Manager for Mentor-on-the Lake about progress on the project and noted that a rezoning meeting would be the next step. Mr. Zahirsky reported that the geotechnical reports for the Stanton Park project are complete, CT Consultants are now in the preliminary stages of developing engineering plans, and he met with ODOT last week to review what has been done thus far and to discuss next steps. Relative to the ADA Canoe/Kayak launch for Erie Road Park in Eastlake, Mr. Zahirsky reported that the Commissioners voted to accept the project being funded with bed tax funds; and he is working through an End User Agreement with the City of Eastlake for ongoing maintenance and public access obligations.

**Business Retention/Expansion:** Mr. Cahill reported that April roundtable meeting will be on April 18 at the Lakeland Community College Health and Innovation Building. He noted that he reached out to the new Administrator of Concord Township, Andy Rose, and that Concord Township Trustee Christopher Galloway will now be a standing member of the BRE group. Mr. Rantala noted that the AWT RoboBots Battle will be held at Lakeland Community College on Saturday, April 28 from 8AM to 5PM. He noted that the port will be providing traveling trophies for the winners and also plaques for businesses that have sponsored RoboBots. Mr. Rantala stated that the plaques will be hand-delivered to companies, which gives the port a chance to call on those businesses.

**West End Update:** Mr. Rantala reported that Commissioner Cirino’s vision for a cooperative effort amongst several west end suburbs relative to economic development seems to be moving forward in a positive direction. He noted that the port will have a role in working with someone that would be shared with all the west end communities.

**Other Economic Development Items:** Mr. Rantala reported that Lake Tran has a parcel of land about 12.9 acres that they will be selling and asked the Board if they have any interest in purchasing the property. A discussion ensued, and the Board agreed that purchasing the Lake Tran property is not something they wish to pursue.

**Heritage Home Program Cleveland Restoration Society Presentation:** Mr. Zahirsky gave a brief presentation about the Heritage Home Program and the potential of bringing this program to Lake County.

#### **Resolutions:**

**2018-06:** Resolution of the Board of Directors of the Lake County Ohio Port & Economic Development Authority (LCOPEDA) the Obligation to Affirmatively Further Fair Housing in Lake County, Ohio. Mr. Martin moved for approval. Mr. Konrad seconded the motion. The motion carried with an 8-0 vote.

**2018-07:** Resolution of the Board of Directors of the Lake County Ohio Port & Economic Development Authority (LCOPEDA) Authorizing the Executive Director to Apply for and Accept Financial Assistance from Lake County’s FY’18 Community Development Block Grant Program for One or More of the Authorized Purposes of the LCOPEDA. Mr. Madison moved for approval. Mr. Uhran seconded the motion. The motion carried with an 8-0 vote.

**2018-08:** Resolution of the Board of Directors of the Lake County Ohio Port & Economic Development Authority (LCOPEDA) Authorizing the Executive Director to Create and Fund an Accounting Line Item Within the General Fund of the Port Authority for Payment of Costs Related to the Port Authority’s “Better Flip” Demonstration Project Located in the City of Willowick, Which Costs Are Anticipated to be Reimbursed Upon the Sale of the Better Flip Demonstration Project. Mr. Konrad moved for approval. Mr. Freeman seconded the motion. The motion carried with an 8-0 vote.

**Old Business:** There was no old business to be discussed.

**New Business:** There was no new business to be discussed.

**Board Remarks:** There were no further Board remarks.

**Executive Session:** Pursuant to Ohio Revised Code 121.22(G)(3), Mr. Freeman moved to adjourn to Executive Session for the purposes of a conference with an attorney for the public body concerning a dispute involving the public body that is the subject of pending or imminent court action. Mr. Martin seconded the motion. Chairman Lindrose requested a roll call vote, and the vote was recorded as follows: Mr. Freeman – aye, Mr. Hicks – aye, Mr. Konrad – aye, Mr. Lindrose – aye, Mr. Madison – aye, Mr. Martin – aye, Mr. Rampe – aye, and Mr. Uhran – aye. Motion carried with an 8-0 vote, and the Board went into Executive Session at 4:36 PM. Mr. Uhran moved to come out of Executive Session and reconvene the board meeting. Mr. Rampe seconded the motion. Chairman Lindrose requested a roll call vote, and the vote was recorded as follows: Mr. Freeman – aye, Mr. Hicks – aye, Mr. Konrad – aye, Mr. Lindrose – aye, Mr. Madison – aye, Mr. Martin – aye, Mr. Rampe – aye, and Mr. Uhran – aye. Motion carried with an 8-0 vote, and the Board reconvened the board meeting at 4:59 PM.

Mr. Martin moved for adjournment. Mr. Hicks seconded the motion. The motion carried and the Board adjourned by consensus at 5:00 PM.