

UNIVERSITY HEIGHTS CITY BEAUTIFUL CORPORATION

MEETING MINUTES

Thursday, April 18, 2024

I. Roll Call

The meeting was called to order by Mr. Brennan at 7:00 p.m.

Board Members present: Michael Dylan Brennan Michele Weiss
Sheri Sax Geoff Englebrecht
John Rach Shawn Belt
Susan Drucker

Board Members absent:

Others present: Deanna Bremer Fisher, Dennis Kennedy, Christina O'Brien

Others absent:

II. Approval of Minutes

a. Feb. 26, 2024 – Mrs. Weiss made a motion to approve the minutes. Mr. Rach seconded. Mrs. Drucker said she would abstain from the vote as she was not present at the meeting. A voice vote was taken, and the ayes carried the vote, with Mrs. Drucker abstaining.

III. Finance

a. Approval of Financial Statements for the Year Ended Dec. 31, 2023 – Mr. Kennedy had circulated the financials prior to the meeting. He stated that the statements were straightforward and asked the board to approve them. Mr. Brennan made a motion to approve the minutes. Mrs. Sax seconded it. A voice vote was taken, and the ayes carried the vote unanimously.

IV. Governance

CIC Majority/Board Composition – Mr. Brennan said he stood by his two previous suggestions that the CIC either expand its board by two (2) mayoral appointments or keep the board as is and change the majority required for action to a minimum of five (5). Mrs. Drucker read a statement saying: that the CIC was originally created with seven (7) voting members, all of which were to be considered independent board members, even though six (6) of the members have official titles with the City of University Heights. It is my opinion that my role on this board is strictly viewed as an employee of the City and not as a board member. Discussion of the composition of the board puts me, as an employee, in an unfair and difficult position. I feel whichever way I vote on this issue will cause someone consternation. When a person feels it is disadvantageous to vote on an issue, then they shouldn't vote at all. I will not be commenting further nor will I be

voting or participating on this agenda item. Ms. Sax said that she, too, stood by her comments that she made at the last meeting, and that she acknowledged and thanked Mrs. Drucker for her comments. She stated that she is in a difficult position as are all employees who are supervised by the CIC President. Mr. Brennan added that there is potential for retaliation or undue response by any elected official on the CIC board. Mrs. Sax asked him to elaborate. Mr. Brennan stated that there were instances where City staff had been abused by members of City Council. There was some back and forth between Mr. Brennan and Mrs. Sax. Mr. Brennan said he would be happy to put Mrs. Sax's emails into the public record if it is necessary. Mr. Brennan made a motion to ask legal counsel to prepare for the next meeting a bylaw amendment that requires an affirmative vote of 5 for any board action. The motion failed for want of a second.

V. Development

- a. Cedar Taylor Townhomes – Mrs. Drucker reported that Knez is working on infrastructure, has signed one contract and has another that is ready to be signed. They expect the first unit to transfer in June. Next four-unit build in late May or early June. Mrs. Weiss asked how much the first unit sold for. Mrs. Drucker responded that she did not know as she only was able to report what had been emailed to her. Mrs. Weiss asked where the next four-unit building would be located. Mrs. Drucker said she did not know for sure. Mr. Rach asked what the development meant by “working on infrastructure.” Mrs. Drucker said she did not have more information. Mr. Rach said it would be helpful to better understand the development agreement and what milestones need to be met along the way. He asked if the developer was meeting the timeline. Ms. O'Brien said that her firm had conducted some research on the agreement as well as the claw-back provisions and distributed an internal memorandum on those subjects. The project was meant to be complete by April 6, 2024. She stated that there is some potential leverage to talk about depending on what the CIC would like to do regarding the project. The first section of the memorandum deals with the developer's obligations and the second part with the claw-back provisions set forth in the quit claim deed. The school district is the entity that has the claw-back provision, there are some obligations that the developer has to the CIC. The City does not have a claw-back. Mrs. Weiss stated that she believed that it was a mistake that the City didn't have a claw back. Mr. Brennan stated that he had no knowledge that the school district intends to exercise its claw back. There was some back and forth between Mrs. Weiss, Mr. Brennan, and Mrs. Sax. Mr. Brennan made a motion to adjourn. Mrs. Weiss said that “this group as a whole made a mistake” in not reviewing the contract well enough to have the City have a claw-back as well. Mr. Rach asked “what are out options to make this project a success, whether it be with this developer” or another. Ms. O'Brien said that

there is a conversation to be had with the school district and offered to discuss potential options with CIC lawyer Joe Gibbons. She stated that the completion date of 15 units was to have been April 6, 2024, that “there is leverage to be had if you are looking to move the project along,” and that the district is the entity with the most leverage. Mr. Rach asked her if the school district could only claw back the parcels that they originally owned. She answered in the affirmative. Mr. Rach stated that he saw the project as being a successful one in the future, but that he didn’t think the price was right and didn’t want the district be turned off in any way. He stated that he believed there is something that can be done and would like to hear options. Referring to his professional background, he stated that he thought time was of the essence, that he would like to see something done that was along the lines of what the developer had sold the CIC on—that these would be affordable, \$300,000 units. Mrs. Drucker suggested that Knez attend the next meeting on Sept. 18 and be prepared to explain the status of the development. Mr. Rach suggested that the CIC call a special meeting. Mr. Englebrecht agreed that the next step was to meet with Knez. Mrs. Weiss asked Mrs. Drucker if Solon had a similar issue where a developer failed to complete a development. She replied that had not had a similar project as Solon’s projects were not through a CIC agreement, they were private development. Mr. Belt asked if members had seen the article about South Euclid’s CDC that was developing homes for \$200,000 and stated that homes selling for \$0.5 million was clearly not affordable if only one had sold. Mr. Rach stated that he would like Knez to provide the turnover rate for other developments they had done in the region. Mrs. Drucker made a motion to set a special meeting and ask Knez to appear to explain what their next steps are. Mr. Brennan seconded. Mr. Belt asked if there should be a rep from the school district. Mr Brennan stated that the CIC could advise them of the meeting, saying that he would notify the school board president. A voice vote was taken, and the ayes carried the vote unanimously.

- VI. Old Business – Mr. Belt asked about whether the City had moved ahead to create a second CIC. Mr. Brennan stated he is working with Mr. McConville on that issue. Mr. Belt also asked if Mr. Gibbons had researched whether there should be a second CIC or create a port authority and whether Mr. Kennedy had contacted his friend at a port authority. Ms. O’Brien reported on her firm’s research saying that while no one was willing to give an opinion about creating a second CIC, there was nothing to say that it can’t happen. However, there were none created to her knowledge. Regarding the option for a port authority, she stated that the name is a misnomer; it is an economic development tool. She passed out a three-page document to the group detailing aspects of a port authority vs. a community improvement corporation and offered to do additional research. Members thanked Ms. O’Brien.

Mr. Belt asked about murals on the west end of town asking if City staff had reached out to Mr. Garber at Garber's Upholstery about a mural. Mr. Englebrecht said he had not. Ms. Drucker asked if the CIC was asking him to pay for the mural. Mrs. Weiss stated that she hoped volunteers would do a mural on his wall.

VII. New Business – Mrs. Drucker asked if CIC Secretary Deanna Bremer Fisher would schedule the special meeting, and Mr. Brennan said that she would. Ms. O'Brien stated that the CIC's articles of incorporation had expired with the State of Ohio and said that the CIC would need to file a reinstatement to become active with the State. Mr. Kennedy said he would check to see if it had been done already as there was a filing fee and he was certain that it had been paid. Ms. O'Brien stated that the CIC is listed as inactive on the State's website and reiterated that it was "not an issue," but needed to be addressed.

VIII. Motion to Adjourn

a. Next Meeting: Sept. 18, 2024 Mrs. Drucker made a motion to adjourn. Mr. Brennan seconded. A voice vote was taken, and the ayes carried the vote unanimously. The meeting adjourned at 7:32 p.m.