



**OBERLIN COMMUNITY IMPROVEMENT CORPORATION
MEETING MINUTES
DECEMBER 7, 2011
CITY HALL CONFERENCE ROOM #1
85 SOUTH MAIN STREET, OBERLIN, OHIO**

1. Call to Order.

This meeting of the Oberlin Community Improvement Corporation (O.C.I.C.) was called to order by the President Doug Lawton at 8:05 a.m. in Conference Room No. 1, City Hall, 85 South Main Street, Oberlin, Ohio.

The following members were present at this meeting: Marianne Cochrane, Steve Fleming, Doug Lawton, Ron Pierre, Scott Schell, Kate Pilacky and Michael Murray.

Also present were: Gary Boyle; Sal Talarico, O.C.I.C. Treasurer; Tita Reed; and Wendie Fleming, Secretary to O.C.I.C.

2. Approval of the May 11, 2011 Meeting Minutes.

Cochrane made a motion to approve the May 11, 2011 meeting minutes as submitted. Pierre seconded. Motion carried unanimously.

3. Private Sector Appointment.

Boyle advised that this Board has public and private sector members. The public sector members can be elected officials, Council appointees or City Board/Commission members and are appointed by City Council. He noted that currently Sandra Hodge is the only private sector member who is up for reappointment at the end of this year. Boyle stated that Hodge has been having some health issues and the City Manager suggested that the Board wait to make an appointment and hopefully Hodge will be able to resume her place on the Board. He further advised that the City Manager has indicated that there are other individuals who are interested in serving on the Board if Hodge decides not to.

Lawton asked if staff knows with any certainty if Hodge wants to continue to be on the Board. Boyle advised that he does not know. Lawton then asked if staff could have information for the next meeting on who the other individuals are that may be interested in serving on the Board. Boyle stated that staff would do so and perhaps we would know whether Hodge will want to continue to serve by that meeting.

4. Discussion of PASI Offer on former Clark Lumber Yard.

Reed advised the Board that she has had a number of conversations with Barry Weaver of PASI regarding the purchase of the former Clark Lumber Yard property on South Main Street. Lawton asked who Weaver and PASI is. Reed indicated that he is a developer from the Dayton area. She advised that originally Weaver was looking at O'Reilly's Auto Parts as a tenant, but he is now looking at other retail businesses. Reed stated that the City has received a purchase agreement from Weaver and it is being reviewed by staff and the Law Director. She advised that Weaver has offered \$335,000.00 for this property. Reed noted that the original appraisal on the former Clark Lumber Yard property was \$520,000.00 when the City acquired it and that the current appraisal is only \$150,000.00. She reiterated that City is currently reviewing the terms of the purchase agreement. Fleming noted that because of the poor real estate market, appraisers seem to be overly cautious in their valuation of properties.

Lawton asked if the developer already had a tenant committed for the proposed building? Reed indicated that the developer has advised that they do or will very soon have a tenant committed. She noted that originally the developer was looking at the site for O'Reilly's Auto Part Store but other possible tenants have been considered including an appliance/furniture rental store known as Aaron's and a Sherwin Williams Paint Store. Staff is not aware that tenants have been secured yet.

Lawton asked if the City would have an issue with any of the perspective tenants? Boyle advised that no, all of the types of tenants that have been mentioned would likely not compete with any of the existing downtown businesses and would likely be acceptable to the community. Lawton asked if the developer knows that the City has criteria for what business would be acceptable? Boyle stated that yes, the developer has been made aware of the City's design requirements. He further indicated that apparently this developer had a project in Lorain and saw the for sale sign for this property on his way from Lorain back to Dayton.

Pierre asked how big of a site the former Clark Lumber Yard property is. Boyle advised that it is approximately 1.29 acres in area and is located to the east of OMLPS. He explained that this property was formerly used as a lumber yard and the City purchased it a number of years ago and demolished the buildings that were located on it due to their dilapidated condition. Boyle noted that the City originally purchased the property for two reasons – to have additional land next to OMLPS for access to the power plant and for future expansion purposes, and to possibly use property as the site for a new Public Works Garage. He indicated that it was later determined that the property would be too small for the new Public Works Complex, and that facility was eventually built on Hillside Drive off of Oberlin Road. Boyle noted that the City is partnering with Greenfield Solar to install two (2) of their solar arrays as a demonstration project on part of the City-owned property in the area of the power plant that was part of the former Clark Lumber Yard site.

Lawton asked if due diligence has been done on this developer? Reed stated that yes, research has been done on the developer, specifically through the State.

O.C.I.C.
Meeting Minutes
December 7, 2011
3 | Page

Pilacky asked if there were any contamination issues with respect to this property? Boyle advised that staff is not aware of any contamination issues that would affect the re-use of this site for business purposes and Reed noted that a Phase One environmental study was done prior to the City purchasing the property.

Pierre observed that this is a terrific offer on the property, especially in light of the economy and the fact that the latest appraisal was for only \$150,000.00. He would definitely be in favor of the City selling the property. Boyle advised that the comparables used on the most recent appraisal of this property included properties from Avon and an old industrial waterfront property in Sandusky. Fleming reiterated that appraisers are currently being very conservative in their appraisals of property. Also, it is hard to know if a particular sale that is being used as a comparable is a stress situation which would naturally lower the price of the property. Boyle agreed that with financial institutions being so conservative in their lending practices right now, the process is not as simple as it used to be. Pierre noted that the market tends to set the price. Murray asked what the City paid for the former Clark Lumber Yard property. Boyle stated that if one considers the value of this 1.29 acre site as part of the purchase of the original 2 acre site, it would equate to about \$270,000.00 or so. Murray asked why the appraisal amount dropped so much – from approximately \$500,000.00 to \$150,000.00. Boyle indicated that it reflects that it is only for part of the original property and that the commercial real estate market is very weak at this time as it has been hard for developers to obtain financing. Also, he noted that there is a lot of empty retail space available – not only in Lorain County, but in the state and nationally as well.

Boyle indicated that the former Clark Lumber Yard property is a fairly desirable location as it is close to downtown on a major traffic artery, etc. Lawton asked if there was a timeline for action needing to be taken on this matter. Boyle advised that currently, this offer to purchase is for the Board's information as the offer is currently under review by staff and the Law Director. He noted that the purchase agreement is currently worded so that the developer would have 270 days to close on the property. Boyle indicated that this is one part of the purchase agreement that would need to be amended since the City is not likely to want to have the property essentially "off the market" for 9 months and then see that the purchase does not actually take place.

Pierre stated that the types of potential tenants that were mentioned all sound interesting and also asked if any of these potential tenants could be attracted on their own? Boyle advised that Reed has been looking at potential tenants and will continue to do so for this and other sites. Pierre noted that with respect to O'Reilly's Auto Parts as a tenant, there is already an auto parts store just a little farther south on State Route 58. Boyle advised that O'Reilly's is apparently expanding and that there is an increasing market for auto parts stores since people are keeping their cars longer. Schell stated that a lot more people are doing their own repairs. Boyle noted that according to the developer, O'Reilly's may or may not actually be interested in coming to Oberlin depending on the developer's rent requirements. Reed advised that the developer is still trying to obtain them as a tenant as well as look at other businesses. Boyle indicated that this property is zoned "C-1"/Downtown Commercial District and allows a variety of commercial,

retail, office, etc. uses. He advised that CVS Pharmacy had expressed interest in the property at one time so that they could offer drive through service, but are apparently no longer interested. Lawton thanked staff for this update. The Board concurred and suggested that the City work quickly to sell this property.

5. 2012 Work Plan.

Reed stated that staff would like to get input from the Board regarding what it would like to projects or goals it would like to pursue in 2012. She noted that a draft of an “e-newsletter” was provided in the agenda packets for discussion. Boyle stated that staff thought that an e-newsletter would be a great opportunity to share information on projects in the City, provide for business networking in Oberlin and to spotlight various Oberlin businesses/companies for use in marketing and promotion. He noted that the various incentives that the City can offer a new/existing business can be outlined as well. Boyle indicated that the City has applied for a Downtown Revitalization Grant this year and is hopeful that it will be funded. Available grant funds could also be promoted through such an e-newsletter.

Boyle advised that the idea of an e-newsletter came from one that the City of Hudson does. Pierre indicated that he really likes the idea of an e-newsletter and he likes the layout. Boyle stated that Dawn Ferro, the City’s IS Manager, helped to create the format and it is setup so that information can be easily added. Lawton stated that he likes the concept too and asked who would be the intended recipients for the newsletter? He suggested that it should also be forwarded to realtors, brokers, developers, etc. Boyle advised that staff has an extensive list of businesses, companies, etc. that the newsletter can be forwarded as well as to realtors, etc. Reed advised that Team NEO and Team Lorain County would also receive the newsletter so that they could forward to others as well. Boyle indicated that a newsletter in an electronic format will be very easy to send out. Pierre suggested that hardcopies of the newsletter could also be put in the reception areas of local companies/businesses for visitors to look at. Boyle advised that this could be done but that the electronic format would likely be the least expensive way to forward the newsletter to many people. He also noted that Shirley Hull who operates Business Advisory Services has a huge network of recipients and she forwards e-mail newsletters to that network on a regular basis and would likely e-mail this newsletter as well.

Cochrane indicated that copies could also be given out during “parents’ weekend” at Oberlin College. Boyle indicated that some hard copies of the newsletter could be given to the College too.

Fleming suggested that having a section on sites available and successes is a good idea. Pilacky stated that information regarding “green” businesses should be featured in the newsletter as well as reference to the Oberlin Project. Boyle advised that this can be done and that both Reed and Schell are on the Oberlin Project Economic Development Committee so they would have information on what is currently being discussed with respect to that project. Pilacky added that she meant all types of businesses should be featured, not just green businesses. Boyle stated that

O.C.I.C.
Meeting Minutes
December 7, 2011
5 | Page

Oberlin has a broad range of businesses to include. Pilacky noted the Oberlin was just featured in Ohio Magazine and that this information should be put in the newsletter.

Murray asked if there would be a way for people to subscribe to the newsletter. Boyle stated that, yes, this could be done. Reed will be the contact person.

Lawton noted that a “work plan” for 2012 can be discussed at the Board’s first meeting of the new year.

6. Treasurer’s Report.

Talarico reported that the two (2) O.C.I.C. accounts have had little activity. The General account currently has a balance of \$6,645.43 and the Façade Loan account has \$53,087.00. The only activity for the Façade Loan account is receipt of Michael Bush’s Façade Loan payments and the only expenditure in 2011 out of either of the accounts was one from the General account which was for payment of the officers and directors insurance premium. Lawton noted that it appears that Mr. Bush has been regular with his loan repayments. Fleming asked if interest was included in those amounts? Talarico advised that it is. Boyle indicated that the Business RLF account has a balance of approximately \$109,000.00 and that Greenfield Solar has been paying on its loan regularly. Talarico explained that the Business RLF is comprised of CDBG funds, and City funds and that OCIC reviews and recommends approval of any loans that are made from this account.

Cochrane made a motion to approve the Treasurer’s Report as submitted. Fleming seconded. Motion carried unanimously.

Talarico stated that OCIC is a 501(c)(4) company and that he would be filing tax updates with the State.

Talarico also noted that the insurance policy renewal for the coming year is being reviewed and Lawton’s signature would be needed on the policy renewal application. He indicated that the price of the insurance premium will likely be very similar to this year’s price. Lawton asked for a motion to authorize the purchase of officers and directors insurance if it was similar in price to this year’s policy. Pierre made a motion to approve the purchase of officers and directors insurance with the condition that the premium not exceed an increase of more than 3% over the 2010 premium. Lawton seconded. Motion carried unanimously.

7. Other Business.

Lawton asked how Greenfield Solar business is going? Reed advised that they are apparently working with investors who will bring funding for different phases of their operation. She indicated that according to Miko Perales of Greenfield Solar, research is going well and they are confident that their business is going in the right direction. Fleming stated that Greenfield has also had some grant funds from the State that have been renewed.

O.C.I.C.
Meeting Minutes
December 7, 2011
6 | Page

Boyle asked the Board for input on a meeting schedule for 2012 so that members could put the dates on their calendars. He suggested the Board meet quarterly unless there is a need to have a special meeting. The Board agreed with this approach.

Pierre asked staff if there are any businesses in Oberlin who have indicated that they are struggling and need financial assistance? Reed advised that recently she and Schell met with the owner of a downtown business who is having financial issues to discuss options that may be available to help. She indicated that unfortunately, none of the incentives that OCIC currently offers would be of any help to this business owner. Reed advised that like many small businesses, cash flow is a problem and programs that require a business owner to pay upfront and then be reimbursed would not help.

To address Pierre's concerns, Schell noted that creation of a microloan program would be very beneficial especially since current microloan offerings are through the Federal Government and subject to its various regulations. He indicated that a program that would be more streamlined and short term in nature would be an ideal situation for many local businesses that are struggling. Lawton asked if a program like this would basically offer short term no interest loans? Schell stated that yes, that would be ideal. He further advised that the business owner that he and Reed recently spoke to is not confident that his business would be viable through mid-2012. Schell noted that the business owner stated that high utility costs and high rent has been especially detrimental to his business. There is a need for operating capital.

Lawton asked if the State had any microloan programs? Schell advised that they do not. Reed indicated that there had been some discussion of businesses possibly being able to borrow money through the Lorain County Port Authority. Schell agreed that the County has been discussing possibly starting a microloan program but no program is available at this time and one may not be likely anytime soon. Lawton noted that Port Authorities can often help with the financing of certain projects. Boyle indicated that OCIC has had the Lucas County Port Authority in to give presentations in the past as to what services they can help with, but for the most part, Port Authorities are involved in large scale projects.

Pierre asked if there is currently a team of people, including City staff, that will meet with business owners who are struggling to discuss their options? Schell stated that often times business owners that are in these situations are upset and embarrassed and do not want to discuss their business problems with peers. Pierre noted that some business owners often do not even "know" who their customers are and this lack of understanding can really hurt a business. Reed advised that currently she and Schell along with several other key individuals have an "unofficial" group that can and has met privately with business owners to discuss their business/financial problems. She noted that on Monday, the group met with a downtown business owner concerning his business and helped him to identify some problems and opportunities. Lawton stated that he was pleased to hear that Reed, Schell and the others were available to help business owners. Reed indicated that they have identified ways to help this business owner. Schell advised that he has contacted other Main Street groups to see what they have done in these situations. Pierre agreed that it was great that there is already a group

O.C.I.C.
Meeting Minutes
December 7, 2011
7 | Page

available to help business owners, even if a business is past helping, at least the business owner and others know that help was offered. Lawton agreed that there is definitely a possibility that a business owner is likely to complain to others when their business fails and the owner feels like they have not received help. Pierre noted that business retention is very important.

Boyle indicated that the challenge for Economic Development is that often meetings and discussions happen or need to happen behind the scenes in a confidential manner, and that is what Reed and Schell have been trying to do, related specifically to business retention and intervention, business promotion, etc. He noted that the e-newsletter could be another important promotional outreach tool for Oberlin businesses. Schell stated that there could be a business spotlighted every month in the newsletter.

Boyle advised that another concept that staff has been researching is a program to support local businesses is something like a "business fair." He advised that Wendie Fleming had noted recently an organization in northeast Ohio leased an empty storefront and contacted local manufacturers such as Hoover, Ryobi Tools, Nestle, etc. to have booths in this storefront where they could offer their products for sale at a discount during the Holiday Season. Boyle indicated that this is a "buy local" type of concept and staff is looking at the possibility of trying to offer a program like this in Oberlin. He noted that likely it would be more countywide or regionally-produced products but it would be great to have the program located in downtown Oberlin. Lawton indicated that having something like this downtown would encourage people to visit other downtown businesses and restaurants. Fleming noted that Ridge Tool is an Elyria-based company and even other Ohio businesses like Hoover and Dirt Devil could be encouraged to participate. He agreed that this type of event/program would bring more people to downtown Oberlin. Boyle advised that having this in an empty storefront would help not only the building owner, but surrounding businesses too. Pilacky stated that Athens, Ohio has a shop local event that is primarily food and gift related. They have it in a vacant building that was formerly a Kroger's grocery store. Lawton advised that buying products locally has become a very big trend. Fleming noted that there is a tremendous benefit by having an event like this as more money spent on products locally will stay in that community. He explained that normally if a product is purchased at a "big box" store, only about 14% of money for the sale of this product would stay in the community, where if the products were being bought locally, approximately 40% of the money for the purchase of the product would stay in the community. Schell indicated that the "Small Business Saturday" events are helping, and perhaps that could be expanded.

Pierre suggested that combining a "buy local" promotion with another local event or holiday that would likely draw more people to shop downtown. He noted that shopping on the Internet has become so easy for people to do, there needs to be something to draw people to shop in Oberlin.

Lawton asked if Oberlin had a farmers' market. Boyle advised that this is a farmers' market in Oberlin. Pilacky noted that it is small. Lawton stated that there needs to be a way to increase people's awareness about the importance of buying local. Boyle agreed that educating people about buying local is very important. He noted that the City has had a buy local policy for a

number of years. Talarico commented that it is increasingly hard to find everyday products that are made in America. He advised that there is a store in Parma where everything in the store is made in the USA. Boyle indicated that buying local has become a trend and that educating people about the benefits of buying local will help. Cochrane indicated that the College does a lot of purchasing but does not necessarily buy local. She advised that local merchants have tried for years to get the opportunity to be able to bid on College purchasing contracts, but they have never been given the opportunity. Cochrane indicated that the Oberlin merchants do not feel that they should be treated with favoritism by the College, they just want an opportunity to compete. She noted that it appears that the College thinks that only a large business can meet their needs, but she feels that area merchants could be competitive if the College would just give them a chance. Murray noted that the College often tells students about the purchase of local farm produce so why shouldn't they buy other goods locally.

Pilacky advised that the College has really embraced the importance buying food locally and many students have decided to come to Oberlin as a result. She feels that the College could sometimes do so with other goods as well. Murray noted that there seems to be a lot of rhetoric from the College Administration on this subject.

Murray asked what else was being done to market properties that the City owns that are for sale? Reed advised that in addition to signage, the properties are all listed on the City's website. Murray suggested that they should also be included in the e-newsletter. Reed advised that there will be a section in the newsletter for them. Talarico indicated that the only property that OCIC has City Council's authority to sell is the former Clark Lumber Yard property, but it is likely that Council would grant its authority for the sale of other properties as well.

Murray stated that he would mention to the "investment club" that he is a member of at the College that they should look at buying stock in local companies.

Lawton asked what would happen to the any profit made on the sale of the Clark Lumber Yared property and whether it would go to OCIC? Talarico stated that the purchase of the Clark Lumber Yard was done with OMLPS funds, so he would have to research where the profit would go when the property is sold. Lawton advised that he would hate to see any profit made on the sale of this property just go into the general fund. He asked if it would be possible for OCIC to create a microloan fund with some of the profit money? Boyle stated that if City Council would be willing to approve the use of some of the profit money for a microloan fund, it may be possible. Talarico advised that the Board does not necessarily need to wait until the property is sold, it can ask City Council to designate some of the City's Reserve funds for this type of fund. Lawton asked if typically, a struggling business that could benefit from a microloan fund, it would need less than \$5,000.00. Schell agreed. Reed indicated that staff can begin researching this issue. Talarico noted that the Board already has the Façade Loan program and funds could go into that to assist businesses. Boyle stated that the College donated the money for that fund. Reed advised that she feels it would be best to start with a new or separate fund. Pierre stated that Council may not want to make the necessary changes for only one property being sold. Lawton asked if there was a microloan program, would it only run for a certain period of time?

O.C.I.C.
Meeting Minutes
December 7, 2011
9 | Page

Schell indicated that ideally it would be self-sustaining, but it likely would not be as business owners using these funds would be doing so as a last resort.

Talarico advised that City Council has approved a 5% commission for the sale of the Clark Lumber Yard property. Boyle stated that this could be used to create a microloan fund to help struggling businesses that are not likely to get a loan elsewhere. Lawton stated that he would personally encourage Council to create a fund like this.

Talarico advised that City Council can be approached with this ideal. Fleming noted it may be a good time to do so because if the property sells, there will be funds available.

8. Adjournment.

There being no further business to come before the Board at this time, Fleming moved and Peirre seconded that the meeting be adjourned at 9:20 a.m.



Doug Lawton, President



Staff Support