

**THE CITY OF KENT, OHIO
COMMUNITY DEVELOPMENT COMMITTEE
WED., MARCH 5, 2008**

This meeting of the Community Development Committee of Kent City Council was called to order at 9:04 p.m., on Wed., March 5, 2008 by Rick Hawksley, Chair.

PRESENT: MR. AMRHEIN, MR. DELEONE, MR. FERRARA, MR. HAWKSLEY, MS. SHAFFER, MR. TURNER, MS. WALLACH, AND MR. WILSON

ALSO PRESENT: D. RULLER, CITY MANAGER; J. SILVER, LAW DIRECTOR; G. LOCKE, COM. DEV. DIRECTOR; M. WEDDLE, PLANS ADMINISTRATOR; AND L. COPLEY, CLERK OF COUNCIL

ABSENT: J. FENDER, MAYOR
MR. KUCHAR, COUNCIL

Chair Hawksley said the first item was the Summa/Robinson expansion at Devon Place. **Dave Ruller, City Manager**, explained that approximately twelve to eighteen months ago, Steve Colecchi, CEO of Robinson Memorial Hospital, approached him with some exciting plans for their Devon Place Campus. He said there has been a series of meetings with his engineer and the staff on issues related to traffic, etc. He said Mr. Colecchi was present along with Mark Kopcienski, the project engineer. Mr. Ruller said he was delighted they were expanding their business.

Mr. Colecchi introduced himself at this time. He said that Mr. Kopcienski from Wojno Development was also present. He said they are affiliate members of Summa Health Systems, and is adding additional programs and services to the residents of Portage County. He said Wojno Development has a longstanding relationship with Summa Health System.

Mr. Kopcienski said he came on board with this process, and is excited about the opportunity to bring something to Kent. He said they opened a health and wellness facility in Hudson the previous November, and this would be similar.

Mr. Kopcienski displayed a map with the project location at this time. He said it would be on the southeast corner of SR 261 and SR 43. Mr. Kopcienski said these types of facilities have a radius of five or so miles, as the members want limited drive time. He said this location was very accessible from all points.

Mr. Kopcienski said they would be expanding the Robinson Memorial Hospital's Devon Place Campus. He said they currently have a 14000 square foot surgery center and two story medical arts building. He said Bob Evans is on the south side of the main entry. Mr. Kopcienski said they currently completed the purchase of the land to the south to expand the campus, buying property from Mr. Berger and Kent State, totally about fifteen acres. He said a large portion of the land are wetlands, which would be preserved in perpetuity.

Mr. Kopcienski displayed the currently planned project layout at this time. He said it was submitted to the Planning Commission for review on April 15, 2008. He said two outlets were being preserved for future use, adding that some high end commercial, retail, or office buildings would be appropriate. Mr. Kopcienski said that it would be Robinson's option to control it with something compatible to the site. He said they are discussing a 40,000 square foot office building expansion. He said there would be a wellness center, with the swimming pool overlooking wetlands.

Mr. Kopcienski said the fitness facility would be 38,500 square foot state of art building. He said it will have a lap pool and warm water therapy pool. Mr. Kopcienski said there would be physical therapy areas and exercise/fitness areas, with an open gym area, and indoor jog/walk track. He said there would be

specified exercises and wellness education program rooms. Mr. Kopcienski said there would be private and family/handicap locker rooms, administrative offices, member lounges, and a proposal to have Kent Parks and Recreation provide child care for the use by the members. Mr. Kopcienski said the facility will be connected to an active use Atrium to a new medical office building.

Mr. Kopcienski displayed perspective views from a variety of directions at this time. He also displayed views of the Hudson facility.

Mr. Kopcienski said the estimated job creation at the medical and fitness center would be 27 Full Time Equivalents. He said the outpatient therapy estimates eight, while each of the two phases of the medical office building would have 25 each. Mr. Kopcienski said they expect about 85 new positions, not counting anything to occur on the outlots.

Mr. Ferrara asked if they were looking at tax abatements or TIFs, and Mr. Kopcienski said they may be looking for a little help. He said they had discarded the TIFs originally, but it is too unwieldy to do a TIF. He said the State is looking to collect real estate taxes, and take away tax exemptions. He said the building would not pay real estate tax currently, but there may be some changes. He said if that happens, they may look at some possible tax relief.

Mr. Colecchi said the office building components would be taxable, and is in the Field School District.

Mr. Ferrara asked the average salary in the buildout, and Mr. Colecchi said it would be \$40,000 to \$50,000 minimally.

Mr. Ferrara asked if they would utilize local developers, and Mr. Kopcienski said his company would be acting as the developer on behalf of Summa and Robinson. He said they have done eighteen facilities, and did the center in Hudson. He said they do the job from start to finish, Mr. Kopcienski said they have an out-of-state architect, and a local civil engineer out of Akron. He said they would go to general bid for the general contractors, adding he anticipated local contractors.

Ms. Shaffer asked if it is in the City limits, and Mr. Kopcienski said it was in the City. Mr. Wilson noted it is in Ward 3. Ms. Shaffer asked what part of the community they plan to serve, adding she hears them speak of child care, but does not see facilities for children to be served. She asked if this would be family friendly or if more of the people would be recovering from illness. Mr. Colecchi said it is a medically based fitness center, which is a little different. He said that many of the users would have a prescription from a primary care physician. He said there has been a transformation in the health care industry, adding that traditionally they were in the sick business and now they are in the wellness business. He said that this would be a sister facility to the Hudson facility.

Mr. Kopcienski said they wanted the child care component so parents could have a safe place for their children while utilizing the facility. He said it is not geared toward minors, as a place for them to work out.

Ms. Shaffer asked their hope for membership totals, and Mr. Kopcienski said Hudson is about 1800 total. He said they do not want to overdue the situation, adding they want to keep them on a long term basis. He said they would not have the attrition rates like a commercial club, adding that the attrition rates are significantly lower. He said their mission is to bring them in and get them well, adding it is a health campus. He said they want member retention, adding it is a good quality experience, and they hope people stay.

Mr. Colecchi said they currently have physical therapy at their main campus, and one in Kent next to Rex's Appliance, which would be relocated to this facility.

Mr. Turner said this is designated as a local income area. He said a lot of individuals are more apt to have health concerns and asked about accommodation or access for lower income or elderly people. Mr. Colecchi said they are trying to get this off the ground, adding they are getting close. He said they will have a federally qualified health center, to target the population Mr. Turner described. He said those

people may need a surgeon or physical therapy. He said for that to work, they need an entry point into the system.

Mr. Colecchi said that people use the emergency room or the med center as their primary care, and once they get the health center up and running, it will establish the necessary links. He said it will be a part of their commitment to meet the health care needs of all Portage County residents, irrespective of their ability to pay. He said they do that currently, but their barrier is access. Mr. Colecchi noted that they are the only county hospital that receives no tax support.

Ms. Wallach asked about green aspects, adding that the Wellness Center at Kent State is not green oriented. Mr. Kopcienski said they are looking at possible certification or green aspects to the building. He said they are going to put energy forward to be sure it is efficient. He said they have to be careful not to do something green without a payback. He said that hospitals cannot spend \$250,000 that will not return in a useful life span. He said it is a balancing act, but they are mindful.

Mr. Colecchi noted they have their marching orders that they incorporate everything they can within reason. He said they have tried to do that at Robinson with some of the more recent projects.

Mr. Amrhein asked when they plan to break ground, and Mr. Kopcienski said it would be the summer of 2008.

Ms. Shaffer asked Mr. Kopcienski to describe the drainage plans. He said the retention pond would serve the entire site, including current portions of Devon Place. He said Phase II Storm Water Quality will make that feature of the sight, and they will do everything possible to meet the new standards. He said there are a lot of wetlands, and the building will have a 50' buffer as required by the City Code. He said they are maintaining the 50' buffer, and putting in a storm water quality basin in the back. Mr. Kopcienski said that Mr. Locke and his staff have been very cooperative. He said they have reduced the parking because of shared transportation, and are taking about a 23% reduction from the Code, as the office building is from 8:00 a.m. to 5:00 p.m. He said they do not want to under park the facility. He said it is a medically based wellness facility. He said they need to maintain the green space between the facility and Channels 45/49.

Mr. Ferrara said he understood the medically oriented part, but was curious about competition with the KSU Wellness Center. He said there was a need and a want for a recreation center in Kent, and asked where they stand. Mr. Kopcienski said that Kent State is more along the lines of a fitness center. He said that medically based fitness creates more of an atmosphere for adults who want a healthy lifestyle.

Mr. Kopcienski said they had discussions with the Parks and Recreation Department about shared components, but it becomes difficult to match them together. He said a medically based component and recreation center do not fit together. He said they support Kent doing it, but it does not serve the mission of this project.

Mr. Colecchi said the market study took into account the Kent State facility. He said even with those facilities, they believe the demand is present to support the investment. He said they had full disclosure with Kent State when they purchased the land, and asked if there was an issue, adding the University did not have an issue with the development.

Mr. Ferrara said it did not doubt they did their homework, but it seems that they are trying to be all things to all people. He said they have a Kent Rec. component, but not the demographics they are looking for. He asked if that is the fluff that it is not going to matter whether Kent Parks manages a babysitting center, adding it does not sound like it is going to happen. Mr. Kopcienski said that was already negotiated with Kent Parks and Rec a few years ago. He said it is working effectively now in Hudson. Mr. Ferrara said he was not trying to be confrontational, but asked how this appeals to Kent Parks & Rec when it is not part of their infrastructure.

Mr. Colecchi said that Robinson was not directly involved at that time. He said there was a serious

attempt to work out a model that would have direct involvement from Kent Parks. He said it was difficult to come up with the legal structure and the funding. He said he thought, after reviewing the feasibility study, that it was not affordable without a tax levy. He said it did not meet the dream or wish list of the Parks and Recreation board.

Mr. Ferrara noted he was not asking them to make it a part of the dream list. Mr. Colecchi said they had a similar discussion with Ravenna ten years earlier, which would include the City, the schools, and Robinson on the main campus. He said they did a feasibility study, and the City components could not be funded under the General Fund and was not doable. He said they hoped this facility would meet the needs of the residents of Kent.

Mr. Ferrara asked about the monthly fee, and Mr. Kopcienski said it would be about \$50 to \$60 per month. He said the Five Starts company has experience, having built eighteen of these. He said they look at the demographics, travel times, household age, and the income. He said they also call people in that market radius and ask what they prefer.

Mr. Colecchi said if the Parks and Recreation Dept. has any programs from a wellness standpoint, they would like to partner with them and offer it at the facility. He said it could be ongoing or a one-time thing.

Mr. Ruller said that something is getting lost, adding what they are seeing is a partnership project between Summa and Robinson. He said it is a great thing, adding he doubted it was an easy task, but it really bodes well. He said no one benefits from fierce competition, adding this is a positive step in terms of the capabilities of communities to work together. He noted he was very appreciative.

Mr. Colecchi said their relationship with Summa is better than he anticipated. He said it is a win/win scenario for Robinson and Summa. He said they will see more visible examples, and can expect more of the same in the future.

Mr. Hawksley called for audience comment at this time.

Gene Wenninger, 7617 West Lake Blvd.: Mr. Wenninger explained he is a trustee of the hospital, and supports the project. He said he is also involved with Main Street Kent, and serves on the sports and leisure subcommittee. He said they have some key infrastructure falling into place, such as the parks system, Wellness Center, and this facility. He said they have not fully coordinated them. He said the question of competition is a real one. He said the water park is a key component. He said if that falls into place, then the University Wellness Center has committed to a satellite downtown. He said they need an educational/structural component. He said that there are a number of trends taking place, such as an older population. He said as this occurs, they become more interested in improving their physical performance, as they want independence. He said that given the two wellness centers, the parks and recreation, several smaller independent fitness activities, they need a coordinated marketing effort.

Mr. Wenninger said they can begin if the whitewater park comes into Place, and they get the satellite operation. He said they can have an education component teaching skills. He said they can move to larger concerns about improving and enhancing physical performance across the board. He said all of it takes time. He said there is a vision that they can market this effectively, building on the water park, trails, fitness operations, and use their downtown for activities. He said entities can buy into it and market their wares. He said they could compete with the Medical Mar in Cleveland. He said in ten years, they could be known as the City that enhances physical performance and is a base for expertise.

Mr. Hawksley thanked everyone for their presentation. He also suggested it would be nice to have a sidewalk from the bus stop.

Chair Hawksley said the next issue is the CDBG Block Grant. Mr. Ruller suggested they can wait on the economic development strategy incentive policy.

Gary Locke, Director, explained they are at that point in time where they try to identify the projects they

fund with the next CDBG funds. He said funding has been decreasing for the last seven to eight years, and reduced another \$18 since their original report. He said in addition to the block grant funding, they have a few program changes to mention which were outlined in the staff report.

Mr. Locke said the South End Housing Improvement program was created a few years earlier, and they allocated \$150,000 for a revolving loan fund. He said they identified the working relationship with the Thomas-Anderson Dev. Corp. and the Home Builders Association. He said they were going to buy vacant lots, and turn them over to the Home Builders Association. Mr. Locke said they had difficulty finding the lots, adding that there were not many they could get a hold of easily. He said they identified one or two, but there had been some fill on the lots. He said with the tight budget, and the income group they are working with, they could not take hits with respect to cleaning out lots. He said they have not been able to get it to work.

Mr. Locke said he met with Doria Daniels, they came up with another idea. He said they would expand the program to allow existing structures. He said they will not do as many, but after they acquire the properties, they will bring in Habitat and allow them to do one of their rehabs. He said that **Mary Shaffer, Habitat, and Doria Daniels, Thomas-Anderson Development Corp.**, were both present. He said this would get them to the point to do activities, adding they would still do a little bit of rehabbing. Mr. Locke said they think that expanding the program to incorporate this would be a good move and something the staff recommends.

Ms. Wallach asked if moving existing structures to new areas would be included, and Mr. Locke said they need vacant lots.

Mr. Locke said the second policy change deals with changes to the Housing Rehab program. He said that some of them may remember that they never regulated the housing rehab program. He said his concern was putting people in situations that between their rehab loans and mortgages, they may owe more than the value of the house. He said they adopted a policy that set a limit, adding if the mortgage and the potential rehab loan were more than 90%, they would not do it.

Mr. Locke said they have now excluded younger couples. He said that some have not put up big down payments. Mr. Locke said they have turned away a number of people, and are not serving that portion of the population. He said they turned away six couples last year, adding it is making it difficult to finish the CHIP grant. Mr. Locke said they think it is a problem, and are suggesting looking at raising it to 110% to 115%. He said they may think it is negative equity, adding that the negative equity situations will vary. He said if the couple sells their house, and cannot get the full amount back, the City would right it off. He said they do make up for some of the money with interest on loans. Mr. Locke said they need to do something.

Mr. Ferrara asked why they do not go to 100%, adding that with the depreciating home values, it could be 110% to 115% if capped at 100%. Mr. Locke said they can do rehabs up to \$30,000 with handicapped accessibility up to \$35,000. He said that most homes are about \$80,000 to \$120,000 to \$130,000. He said he was unsure that 90% to 100% gives enough of a gap. He said that is why they went a little higher, as they felt they needed a little cushion.

Mr. Ferrara said it is a great idea, but questioned what happens if it comes back to them, when they are trying to sell the house. He suggested they could see headlines talking about negative equity.

Mr. Locke said if the City puts them in a situation, he would have them sign a waiver indicating they understand the situation. He said the question is whether they fix the house or not, adding they can sign a disclaimer.

Mr. Turner asked about lead abatement on the houses and the cost, and Mr. Locke said that the lead paint laws changed in the early part of the decade. He said they end up having to send people into homes, doing an assessment. He said they are required to identify the areas needing correction, and may have a family move out temporarily. Mr. Turner asked if that is factored into the cost, and Mr. Locke

said that was correct. He said they had to walk away from one or two homes because of the lead paint. He said once it is done, they need to do a clearance test and show the house is essentially clean before they can proceed.

Mary Shaffer, Executive Director of Habitat: Ms. Shaffer welcomed the opportunity to partner with Kent and the Thomas-Anderson Development Corp. She said that Habitat serves the needy looking for housing, adding they serve low income and the type of people that banks cannot help. She said they are builders, a mortgage organization, as well as a mentor for their families. She said that Habitat has been in Portage County for twenty years, and have had no foreclosures. She said there were some delinquencies. Ms. Shaffer said there are properties that need renovated and do not deserve to be torn down. She said the homes are deserving of the families they can bring to the communities.

Mr. Locke said their allocation was reduced by \$18, and the new total allocation is \$298,370.

Ms. Wallach asked what happens to the leftover money, adding there appears to be about \$10,000 left over. Mr. Locke said they took the \$18 out of the Administration allocation, but noted that the recommended funding should total \$298,370. He told Ms. Wallach he was unsure where she was seeing \$10,000 extra.

Mr. Locke said that there were some corrected numbers, adding that CAC will receive \$49,000, not \$47,600. He said the Administration allocation will reduce from \$32,530 to \$32,512.

MOTION TO AUTHORIZE THE RECOMMENDED FUNDING LEVELS FOR THE CDBG ALLOCATION; AND AUTHORIZING THE TWO POLICY CHANGES AS PRESENTED.

Motion made by Mr. Wilson, seconded by Mr. DeLeone, and carried by a voice vote of 6-0-2, with Mr. Turner and Mr. Hawksley abstaining.

MOTION TO EXTEND THIS MEETING PAST 10:00 P.M.

Motion made by Mr. Ferrara, seconded by Mr. Wilson, and carried by a voice vote of 7-0-1, with Mr. Hawksley abstaining.

Mr. Hawksley said the final item on their agenda dealt with the Small Business Development Center. **Mike Weddle, Plans Administrator**, explained that the policy, as written, has not been working well the last few years. He said they previously required a business plan from tenants, and they wish to change that to recommend a business plan, but not require it. He said another change deals with leasehold improvements incentives. He said a qualified tenant could receive a \$1000 grant, or a loan of \$2000 at 4%. Mr. Weddle said the original document had a relocation rebate incentive of \$500 annually or a maximum of \$2500. He said that has not changed, but they included an additional requirement that a tenant must relocate in the City or a City JEDD. He said the tenant leaves the incubator in good standing, and the policy will define "good standing."

Mr. Weddle said they would like to have a separate account set up, with a short term loan of \$12,000 to be placed in this account to take care of renovation and maintenance. He said it will be a self-sustaining operation, and Council will get that money back over a period of time.

Ms. Wallach asked what the problem was for requiring a business plan, and Mr. Weddle said several people reviewed this information. Mr. Weddle said it was required previously, but they now feel it can be highly recommended instead.

Ms. Shaffer said Mr. Weddle has said the incubator is self supporting, and asked if the \$3.95 per square foot was costing the City any money, and Mr. Weddle said they could lease the space for \$6 to \$8 per square foot. He said there is a subsidy involved. He said it was suggested, with respect to self supporting, is that the fund they are recommending to pay for maintenance and fund incentives would be self supporting. Mr. Weddle said that strictly speaking, this is a government subsidized operation. He said they are taking less than they could receive.

Ms. Shaffer asked if this is a competitive process, and Mr. Weddle said it was not previously, but they now advertise. He said they require an application, and if there is more than one applicant, they come to Council with the information and a recommendation.

Ms. Shaffer said she was concerned about the visibility. She said she would like to see a business development office in the downtown area, and asked if this has been considered. Ms. Weddle said they have two components, the KRBA and the Economic Development Director, who provide business services.

Ms. Shaffer said that some organizations that are not visible could be in a common office, like a one stop shop. Mr. Ruller said the City helps fund Main Street and the Chamber, and have discussed more of a presence. He said that at the current time, they do not own any office space downtown. He said the City agrees, philosophically, and is doing some of it already through Main Street and the Chamber.

There were no further questions, nor audience comment at this time.

MOTION TO APPROVE THE RECOMMENDED CHANGES TO THE INCUBATOR POLICY FOR THE SUMMIT STREET BUSINESSES.

Motion made by Mr. Wilson, seconded by Mr. DeLeone, and carried by a voice vote of 7-0-1, with Mr. Hawksley abstaining.

Chair Hawksley recessed this meeting at 10:19 p.m. for a previously authorized executive session for pending litigation. Following Executive Session, Chair Hawksley reconvened this meeting at 10:40 p.m.

MOTION TO AUTHORIZE THE ADMINISTRATION TO SETTLE THE CASE FOR THE OLD HOTEL, WITH MODIFICATIONS AS SET FORTH BY THE LAW DEPARTMENT.

Motion made by Mr. Wilson, seconded by Mr. Ferrara, and carried by a voice vote of 7-0-1, with Mr. Hawksley abstaining.

Hearing no further business before this Committee, Chair Hawksley adjourned this meeting at 10:41 p.m.

Linda M. Copley, Clerk of Council

ACTION RECOMMENDED:

- 1) A PRESENTATION WAS GIVEN BY SUMMA/ROBINSON ON THEIR PROJECT
- 2) TO AUTHORIZE THE CDBG ALLOCATIONS AND THE TWO RECOMMENDED POLICY CHANGES
- 3) TO AUTHORIZE CHANGES TO THE CITY'S INCUBATOR POLICY AS PRESENTED