

**Lorain Port Authority
Board of Directors
Strategic Development Plan Committee Meeting
Tuesday, October 15, 2019, at 6:00 p.m.**

Committee Members: Messrs. Bansek, Davila, Kuszniir, Mullins and Zellers (6:10)

Board Members: Mrs. Cook, Mr. Sommers and Mr. Zgonc

Staff: Tom Brown, Executive Director
Yvonne Smith, Accountant
Tiffany McClelland, Economic Development Director
Kelsey Leyva, Office Manager

Guests: Carissa Woytach, Chronicle
Rick Payerchin, Morning Journal

I. Roll Call

A. The meeting was called to order at 6:04 p.m. by Chairman Matthew Kuszniir with roll call indicating a quorum present.

II. Report of Chairman

A. Chairman

1. Property Listings: Mr. Brown said he has been getting a lot of calls regarding our residential lots along Lakeside Avenue and Colorado Avenue on the East Side. He currently has about five requests. Most are lower dollar values or requests to build a single-family home. A spreadsheet included in the board packet shows our initial and current investment into the properties. Current investment includes lawn maintenance. Two properties are listed on website, but we have not been successful in getting decent appraisals. He wants to get some direction from the board to have a better answer when people call in. Mr. Kuszniir confirmed Mr. Brown is looking for feedback on the various properties to determine if we want to keep, sell or develop. Mr. Brown said yes, and he believes the following discussion would be how to dispose of the properties in a fair and equitable manner. He has ideas for some of the parcels, but that would ultimately be up to the board. Mr. Bansek said

getting appraisals and seeing what our properties are worth sounds like a lot of heavy lifting. Mr. Brown said we've assessed the properties internally, but he hasn't received a response from an outside entity he's contacted several times to provide appraisals. Mr. Brown said we need to find another appraiser. Different appraisers may give different opinions. The numbers listed on the county auditor's website are probably low. The parcels have a nice view today, but there are no guarantees on any of the properties because there is the chance of future development on the marina side. Mr. Mullins said strategically, there are properties we want to control for commercial development. The single lots in a neighborhood are much less strategic and can draw in revenue for the Port. He believes we should identify the properties we don't need and then advertise those for sale. Mr. Bansek is a fan of getting rid of what we don't need. Mr. Mullins said maintenance adds up, and they're zoned residential. We would have to change the zone to do anything with them. Mr. Brown thinks the properties were initially acquired in the 1980s when the plan was to build a hotel on Colorado and East Erie Avenues, but that project never came to fruition. He said he believes the properties at the corner of Lakeside and Colorado Avenues behind the old auto place are ones we keep. There are four parcels. It's too large for a single-family home. It could be a lot of different things. The single island parcels are what Mr. Brown wants to find a fair and equitable manner to dispose of. He said at minimum we would need to advertise publicly and likely have a sealed bid or auction. Recently, a 50-foot wide lakefront property with a beat-up house and garage just went to a county auction and sold for \$140,000 or so and the people who bought it said they were willing to go up to \$200,000. Mr. Mullins said the market is high, especially residential. People are flipping houses in a matter of days. Now is the time to do it. Mr. Kuszniir said it sounds like there is agreement in getting rid of or selling the island lots. Mr. Mullins asked if the properties have been actively listed. Mr. Brown said no. Ms. McClelland showed the properties on a digital map. One is

essentially the front yard of someone's house. Another is a lot on Alabama Avenue, the former Yacht Club. Another residential lot is behind T-Bonds and isn't prime for development. Ms. McClelland pointed out the properties that have strategic value (14, 15 and 16), including the lots near the intersection of Lakeside and Colorado Avenues. Mr. Davila said the old dealership next to our property is for sale as well. Mr. Zgonc asked if it made sense to buy more property. He knows the owner of a house for sale. Mr. Kuszniir said we would need to buy three properties for it to make sense, so we would have the corner. Ms. McClelland said the owner of one of those properties invested around \$300,000 in the last few years and she doesn't see that person selling any time soon. Two might be a possibility. Mr. Mullins asked about zoning. Ms. McClelland said it's R1. If we bought the other properties, the value in the end wouldn't be significant for the Port. It would be a huge gamble. Mr. Mullins agreed. Mr. Kuszniir asked if there was agreement that we would be willing to sell the island lots? Mr. Zellers asked what we would sell them for. Mr. Kuszniir said he means the concept of selling the properties. Mr. Zellers said we've talked about selling them for years. His question is the value. Mr. Brown said we absolutely need a realtor. Mr. Zellers said he doesn't see how we can make any decisions without appraisals. Mr. Mullins said Mr. Brown has said he is trying to find an appraiser to get the properties appraised but people don't want to appraise raw property. He said he believed the question today was whether or not the board wanted to sell some of the properties. He believes there are some that hold no strategic value that we can part with. Mr. Zellers said although realtors may not be excited about our properties, they'll be much better at assigning a value than us. He wants to have all of our properties appraised. Then once we know the potential return on the properties, we will be able to decide to sell or not. Mr. Mullins said the appraisal is separate from the realtor. Mr. Brown said this is the most dialog we've had about getting rid of property. He doesn't want to spend money on an appraisal if we then decide we want to hang

on to it. He said he's receiving a lot of requests from people saying they want to buy a certain lot. Appraisals are still based on the eye of the beholder. He would take the appraisal values and start an auction at that price point. Mr. Zellers agreed in setting a base or minimum value. He thinks the board can make a better decision with more information. Mr. Brown said the difficult one is the 24-acre site. No one is interested in appraising it right now, when considering all properties. Mr. Zellers apologized said he was referring to the other lots showed by Ms. McClelland. All are zoned residential except one is business. Ms. McClelland said the board previously voted to list two properties for sale. They're now on our website and the price is listed as negotiable. There are other properties that can be listed as "for development," but we don't have any listed on the website because the board hadn't made any further decisions. Mrs. Cook asked if the east side homeowner who was previously interested in the lot in front of her house was still interested. Mr. Brown said he could reach back out. A deal was also made previously but fell through. We might be able to reengage. Mr. Mullins asked if the recommendation to the full board would be that the staff obtain appraisals for some of the properties. Mr. Bansek said he would add "with the intention to sell." He doesn't see spending the money if we don't have a path forward. Mr. Kuszniir asked or a motion to take to the full board the recommendation to give Mr. Brown the authority to get appraisals on the properties intended for sale. He then began naming properties, including the three on Alabama Avenue. Mr. Brown said he would like to get appraisals for all of the residential lots. Ms. McClelland said that would include all properties listed in the board packed documentation. Mr. Mullins recommended getting an appraisal estimate, too, before we dive in headfirst. Mr. Bansek agreed in doing it right. Mr. Zellers moved to recommend to the full board the go ahead to appraise, with the intent to sell, the miscellaneous eight properties on the eastside along Lakeside Avenue, Alabama Avenue and California Avenue. Second by Mr. Mullins.

Motion carried. Mr. Zellers asked if our partners at Oasis Marinas would be interested in the corner properties near the marina. Mr. Brown said that could be a possibility in the future.

2. Property Easement for Lorain County Metro Parks Bikeway: Mr. Brown said Mr. Brosky will be here for the full board meeting. The structure of the offer was included in the board packet. The Lorain County Metro Parks are coming to the point where their bike path will terminate at our site. Mr. Brown thinks it will be a great feature. People can travel from Kipton all the way to Lakeside Landing. The Metro Parks are asking for an easement. The original diagram takes a large chunk and we have a little bit of interest in that corner. Mr. Brown doesn't want the easement to take too much of the front lot. Metro Parks bought a few properties next to ours on Lakeside Avenue. The original design has the bike path going behind our signs on the corner of Lakeside and Colorado Avenues. Mr. Brown said he told Mr. Jim Ziemnik with the Metro Parks that we may have some sensitivity, but we want to partner. The redone drawing features a soft curve and about six-foot easement. We may have the signs and flag poles redone, but that wouldn't be a bad thing. Mr. Brown said his opinion is that the main entrance to the marina would be on Lakeside Avenue anyways, meaning the proposed six-foot easement wouldn't be negative for the Port. He didn't want the Metro Parks to pay for new designs unless we passed a resolution agreeing to the easement, pending final legal approval. There are three items in the contract. It says we would donate the 6-foot area for the easement. If the Metro Parks doesn't do project, it says we'd have to buy the land back at fair market value. Mr. Ziemnik was appealed that ended up in the contract and is fixing the language to remove it. Mr. Brown is hoping to avoid the time and money involved in obtaining engineer's designs. The Metro Parks are still deciding where the bike trail will terminate. A cool possibility would be terminating near the pavilions at Lakeside Landing. Ms. McClelland noted there is a bike rack there already. The Metro Parks are good partners. Mr. Mullins asked for

clarification on what is being constructed. Will it be a sidewalk? He's concerned it could make the neighboring property unattractive to possible developers. Mr. Brown said it would be an 8-to-10-foot bike trail. Mr. Mullins then asked if metro parks would sell us property next door? Mr. Brown said he could ask if they don't use it for the bike trail. The original easement request was for 23 feet and they immediately moved it back to six when they realized the Port may have some concern. Mr. Kuszniir asked about the downside and impact of the 6-foot easement. Mr. Mullins said only so much of the property is buildable due to the slope toward the lake. It could be difficult for commercial. Mr. Brown said he would have to check with zoning, but it might be that structures have to sit five feet from the property line. Mr. Zellers asked if Metro Parks would want to buy property from us? Mr. Brown said he was unsure and didn't have that discussion with Mr. Ziemnik. Mr. Zellers said he sees the potential for additional infrastructure, such as restrooms, since the trail would end there. Mr. Brown said he could ask. Mr. Mullins said the Metro Parks is about five years out from purchasing additional property. Mr. Brown said it hasn't been discussed, but because it would be for a public use, the Metro Parks could go eminent domain for the 6-foot easement. Mr. Mullins said if the six feet included the sign area, it may not affect the potential for future development. Mr. Zellers wants a better idea of the area it would take up. If the bike path is five feet from the road, then we're talking 11 feet total. Then how much does that affect our property's value? Mr. Brown pulled up a map and explained the lot is 50-feet wide. If we are uncomfortable with the proposed easement, the Metro Parks will likely look for an alternate solution for how to terminate the trail. Mr. Mullins clarified Mr. Brown's concern that the Metro Parks may spend money for us to say no. Mr. Brown said he can call Mr. Ziemnik first thing tomorrow to ask for renderings if that's what the board wants. Ms. McClelland drew a few lines on the county auditor's map and estimated we would be giving up about 21 feet of the lot. Mr. Mullins and Mr. Zellers want a rendering for peace of

mind. Mr. Mullins said his concern is the property would get crowded. He asked where the trail is coming from? Mr. Brown explained it goes up Kansas Avenue through Longfellow Park, then into Century Park, along Colorado Avenue and then will terminate somewhere near Lakeside Landing. Mr. Kuszniir asked about the alternative. Mr. Brown said one hasn't been formulated, but if we don't grant the easement the Metro Parks will find another way to end the trail near Lakeside Landing. Mr. Zellers asked if the committee could give their consent for the staff to get a rendering and then move forward without another meeting. Mr. Brown said no, we would still need to have a special call to approve everything. Mr. Kuszniir said he doesn't think a motion is necessary but summarized the committee's recommendation to the full board that a rendering of some kind is needed before the full board can decide. Mr. Zellers asked for dimensions with the rendering. Mr. Bansek mentioned offering the parcel for sale. Mr. Brown said that is one of the options included in the contract proposed by the Metro Parks.

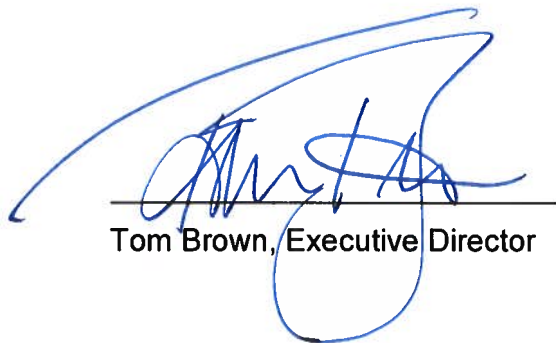
III. Other Business: None.

IV. Adjournment

- A.** There being no further business to come before the committee, Mr. Mullins moved to adjourn. Mr. Bansek seconded. Meeting adjourned at 6:59 p.m.



Brad Mullins, Chairman



Tom Brown, Executive Director