

**Lorain Port and Finance Authority  
Board of Directors  
Committee of the Whole Meeting  
Port Office  
Tuesday, April 27, 2022, at 5:00 p.m.**

**Board of Directors:** Ms. Bonilla; Messrs. Mullins, Nielsen, Scott, Sommers,  
Veard, Zellers and Zgonc (8)

**Staff:** Tom Brown, Executive Director  
Yvonne Smith, Accountant  
Kelsey Leyva-Smith, Office Manager

**Guests:** Sanford Washington, Lorain Safety/Service Director  
Jack Bradley, Lorain Mayor  
Andy Serfozo, Trolls Under the Bridge  
April Serfozo, Trolls Under the Bridge  
Jeff Neal, NNH, LLC and TTAJ, LLC  
Barb Callahan, Lorain resident

**I. Roll Call**

**A.** The meeting was called to order at 5:05 p.m. by Chairman Brad Mullins with roll call indicating a quorum present.

**II. Report of Officers**

**A. Chairman**

**1. Riverside Park Building Presentations:** Mr. Brown said we received two proposals for the Riverside Park Building. The submitters are here to present. He also invited Mr. Sanford Washington and Mayor Jack Bradley as the property is city owned.

**a. Trolls Under the Bridge:** Mr. Brown turned the floor over to Mr. and Mrs. Andy and April Serfozo. Mr. Serfozo started by explaining he and his wife are Lorain residents, Lorain High Grads and high school sweethearts married 30 years. He said having a business where they serve hard ice cream and shaved ice is something they've talked about for a long time. Mrs. Serfozo said she grew up on the East Side going to Dairy Queen and down to the water. Her dad always talked about buying the building at

Riverside Park for an ice cream business called Trolls Under the Bridge. It never came to be, but when the article came up about it being available for lease Mrs. Serfozo said she shared that with her dad. He's 70 and not interested anymore but encouraged his daughter to go with it. She went on to explain that she and her husband fell in love with shaved ice served with Dip N' Dots while vacationing in North Carolina. They want to offer the same great experience. Mr. Serfozo has a business background and rents cottages. Mrs. Serfozo is a teacher. They love Lorain and its people and think this would be a good business for the community. Mr. Serfozo said for their needs the building wouldn't need much work. Their plan would involve cleaning it up, including the outside area. They've talked about potentially more benches and umbrellas to make it look nice. Inviting food trucks and entertainment would also be part of their goal. They intend to have regular hours from Memorial Day to Labor Day. They are not interested in paying themselves. Mr. Serfozo said he has worked at Ford for 28 years and Mrs. Serfozo is employed by Elyria City Schools. He said he runs Amvets and his family's condo business. As far as setup, they could be ready to go quite quickly. Mr. Mullins asked about necessary permits? Mr. Serfozo said they'll have mostly ice and ice cream which make the health department restrictions minimal. They are already looking into insurance, too. They're open to including other people, such as food trucks and musicians, to draw more people to the park. Mr. Mullins asked if there would be employees? Mr. Serfozo said themselves, family members and teachers who work with his wife have volunteered to work the summer. Mr. Mullis asked if it would be year-round? Mr. Serfozo said that would somewhat depend on the fees. They want to want to work on the building year-round. He suggested a multifaceted fee structure where the off season would be a different rate. Any savings would go back into the business. They are not in it for the money. Mr. Scott said it seems like they're great people who are busy. How will they fit it in? Mrs. Serfozo said the hours are based on her availability. It would be open all summer until

schools starts back up. Mr. Scott asked about hamburgers and hot dogs down the road? Mrs. Serfozo said she wants to do one thing well first but is open to expanding. Mr. Mullins asked how much they plan to invest initially and if they have a business plan? Mr. Serfozo said yes. They've priced out the equipment they need and plan to have the EIN by next week. They're going to move forward with the business with or without our building. Mr. Mullins appreciates their passion. He said he doesn't want to be in a situation again where there isn't regular activity in the building. He wants to see a business model and the initial investment. It would be between two K Creams. Mr. Serfozo said it's always popular, but there is always a line. He sees room in the market. He will submit business plan to Mr. Brown. They know what they want to buy and do to the building. They are interested in five-year lease but are open to year-to-year. Ms. Bonilla asked if they had an ideal number as far as the lease? They said no. All they factored was the cost for the ice cream, machines, cups, spoons, etc. If they did \$500 in sales, they'd make \$270 in profit that day. Mr. Serfozo said they're also in talks with Dip n' Dots. Mr. Scott asked how much this was going to cost them? Mrs. Serfozo said they're out of pocket about \$10,000 in equipment, not including insurance. Mr. Serfozo said that is minimal in their eyes to start a business. They're confident they can make it work.

- b. Jeff Neal: Mr. Neal introduced himself and explained he is representing a group of investors under the guise NNH, LLC, as well as TTAJ, LLC. He said their idea for the Riverside Park Building is based on a place in Huron called Pier Pub. The buildings are very similar. They want to create a bar and restaurant, if possible, if the city would allow it. It would be a daiquiri bar. They want to add decking to extend the dock for transient boaters. Mr. Neal said we're one of the only rivers that doesn't have more to offer. He said he worked with the previous Lorain administration after expressing interest in the park previously. They don't have architecture drawings yet, but the only issue he noticed after visiting the building might

be making sure the lift station was capable of handling more than 10 people. The business would be a seasonal restaurant from April through October. Mr. Mullins asked about the level of investment they intend to make? Mr. Neal said minimum \$100,000, up to \$150,000, depending on construction costs. Although seasonal, they would maintain the property year-round. They want to add decking all the way around and cover it too. Mr. Neal said they would also get rid of the container. He said Frosty Frogs and Wet Willies are other examples of establishments similar to what they want to create. It doesn't have to have alcohol, but it would be great to have it. There could be alternatives, so it's still family oriented and gives the boaters somewhere to go. We need more than one place on the river. Mr. Scott asked about the time frame? Mr. Neal said it would depend on acceptance and liquor license. Mr. Scott said what about after acceptance? Mr. Neal said construction is hard to predict currently, but a minimum of six months. Most likely it would be next season. He wants to do it right. Mr. Mullins asked about permits and the health department? Mr. Neal said he would handle everything and work with the city. Mr. Zgonc asked about parking? Mr. Neal said the lot can hold 42. Mr. Brown said we own an empty lot nearby if it came to that. Mr. Neal said Riverside Park is underutilized as it sits. It needs changed into something more viable. Mr. Veard said he could see the project taking 4.5-5 months. Mr. Neal said contractors are a problem. He's 90% completed on one of his buildings but he can't get an electrician to complete the work. Completion would depend on contractor availability. Mr. Neal said he thinks it will work well as a seasonal business. Mr. Mullins said he shares the same philosophy. He thinks we need more for people to do. Mr. Neal said they would be good neighbors and close at 11 p.m. or so. They realize it's in a residential area. Mr. Bradley said the city and county are talking about lighting the bridge. It's a great location for views of the bridge. Mr. Neal said he's thought Riverside Park is a great location for years. Mr. Brown said the best thing we can have is presence. The second you don't is

when we have issues. We have Murray Ridge picking up litter, but people have moved into the historic hut and we're moving them out. Fishermen mostly pickup after themselves. Being there daily goes a long way. Mr. Nielsen asked about hours. Mr. Neal said 11-11p, April through October. Mr. Brown said daquiri bars don't take a lot of staff. It's a great business model. He thinks the city needs one. Mr. Neal said he talked with the schools about getting their culinary students to work at restaurants for them.

### **III. Other Business**

**A. Presentation Discussion:** Mr. Mullins opened the floor. Mr. Zellers asked what we wanted as far as a dollar amount for the lease? Mr. Brown said we asked LoCo 'Yaks for \$500 a month. They said no. He thinks there was underperforming and bad luck last year for them, but with waterfront property we have to do better. Mr. Brown said we have to have a level of commitment with whoever they go with. The LED lights there was about a \$15,000 investment. We provide litter control. The parking lot there is pretty good, but the boardwalk needs repairs or redone. We lost the playground last season. He's working on a grant application for a new one. They're both interesting proposals. He thinks we can try to help foster, but we have to have a time limit on that period. There has to be a certain level of business sense and financial commitment. Mr. Mullins said Mr. Neal needs a liquor permit. Without it that kills the business. Mr. Bradley said he thinks they need that to be successful. They have no issue with that idea. We only have The Shipyards as a riverfront restaurant currently. People are always looking for places to go on Sunday. He suggests a lease based on profits. Mr. Brown said that's possible but can become tricky with a startup. We're open to a lower-level lease structure during construction. He thinks there should be a minimum number to show responsibility. Mr. Brown said we also need the city's blessing short term and for anything more than 10 years. Mr. Scott asked how long the liquor license process takes? Mr. Brown said he thinks it's been expedited but it varies. With it being a public park there would likely need to be designated areas for alcohol. Mr. Brown said maybe about 90 days, so he'd have it by next season.

Mr. Scott said what if the liquor license doesn't come? Mr. Mullins said he thinks the contract would be contingent on the liquor license. Mr. Bradley asked about helping out the Serfozos with their proposal? Mr. Scott said it would be nice to have both. Mr. Brown said he has a couple of ideas in mind for the Serfozos. He said he doesn't see the investment group spending \$100,000 without knowing they can get the liquor permit, so he will call Mr. Neal about it tomorrow. The container will be moved. Mr. Mullins said he likes the idea of a daiquiri bar. He doesn't know how the park and bar would coexist, though. Mr. Nielsen said he likes the hours of the bar/restaurant. Mr. Mullins likes the investment. Ms. Bonilla asked about the docks and who would be responsible? Mr. Brown said they would be responsible. Mr. Scott asked what's next? Mr. Mullins said he thinks we need to sit down and decide what we want. He likes both proposals but prefers the daiquiri bar. Mrs. Smith said whoever it is, she prefers a fixed rate versus a percentage. Mr. Mullins said \$500 a month is reasonable. Riverside Park is prime real estate. Mr. Scott asked how we can make both work? Mr. Nielsen suggested the ticket booth. Mr. Brown said he was talking with Mr. Bob Earley about leasing the ticket booth as storage as it's more ideal for that purpose, and then the Trolls could be in the old concession stand. And be up and running very quickly. Mr. Scott said he thinks we need both. The ideas serve two different markets. He doesn't want the Serfozos to walk away thinking we don't want to help them. Mr. Mullins said we need people with a plan that is financially sustainable and understands this is a 12-month business they have to pay for. Mr. Scott believes we need to give them an opportunity. Mr. Mullins wants it to be a calculated opportunity. Mr. Scott agrees with Mr. Mullins and wants to know the Serfozos have skin in the game. Mr. Zellers said he loves the idea of putting the Trolls in the former concession stand. Mr. Brown confirmed it has running water and everything the Trolls would need. Spectrum used to run it during concerts. Mr. Zellers asked what was the previous lease amount? Mr. Brown said \$250 a month all year, but they were only open about 25 days a year. He would prefer a set amount divided by 12 instead of them paying different amounts at different times. Mr. Mullins asked if we would require a deposit? Mr. Brown and Mrs.

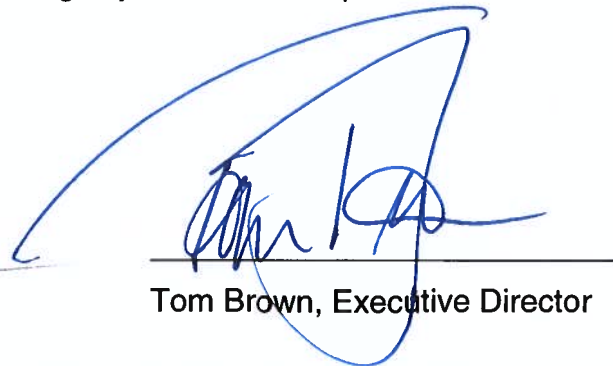
Smith said we should. Mr. Zellers said we need to establish a dollar amount for the lease. He said he heard someone suggest \$500 a month, which is \$6,000 a year. Mr. Nielsen asked about real estate taxes and if we factor that into the lease amount? Mr. Brown said we'd structure it as a triple net lease. As for the lease with Mr. Neal' group, Mr. Nielsen said he thinks we would need to negotiate that as he will be doing more construction. Mr. Mullins suggested structuring the lease in a way that would incrementally increase over the length of the agreement or decrease or terminate if things didn't work out. Mayor Bradley said he thinks the space should be for a bar or restaurant. It's an ideal location for that type of business. Mr. Brown suggested a meeting with Building, Housing and Planning and the investment group to go over zoning, occupancy, permitting, etc. He suggested a 60–90-day discovery period for Mr. Neal's group to do the necessary research to ensure the bar and restaurant is viable. Mr. Mullins agreed. Mr. Nielsen said he wants to get back to the Serfozos quickly to give them time to plan, and because we have a board meeting in two weeks. Mr. Brown said he will call them tomorrow to confirm they are interested in the Black River Landing concession stand. He added that LoCo 'Yaks expressed their need to sell the container at Riverside Park if they no longer leased the building. We're interested in purchasing it for additional storage behind the Ferry Terminal Building. Mr. Mullins said he's in favor of Mr. Earley using the ticket booth for storage and the Trolls using the concession stand. Mr. Brown said he will get to work and report back at the next meeting.

#### **IV. Adjournment**

- A.** There being no further business to come before the board, Mr. Nielsen moved to adjourn. Mr. Sommers seconded. Meeting adjourned at 6:16 p.m.



Brad Mullins, Chairman



Tom Brown, Executive Director