

Canton Community Improvement Corporation Board of Directors Meeting (CCIC)

2/26/2020 - Minutes

1. Call To Order And Quorum Verification

DIRECTORS PRESENT:

Mayor Bernabei  
Fonda Williams  
Mike Gill  
Greg Hawk  
Chris Smith  
Emil Alecusan  
Bill Sherer

DIRECTORS ABSENT:

Robert Thompson  
John Mariol  
Justin Hardesty (Non-voting Member)

STAFF PRESENT:

Rafael Rodriguez – SEDB Representative  
Phil Schandel – Law  
Mark Crouse – CIC Administrator  
Chris Hardesty – Staff

VISITORS PRESENT:

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PROCEEDINGS:

Mayor Bernabei called the meeting to order at 9:32 am. A quorum was present as reflected above.

2. Approval Of Prior Meeting's Minutes From January 22, 2020

Motion to approve the meeting minutes from the CCIC meeting on January 22, 2020: Fonda Williams  
Second: Chris Smith  
Motion passed by unanimous voice vote.

3. Approval Of Financial Management Report

FINANCIAL MANAGEMENT REPORT:

1:55 Mark Crouse explained in their packets is a consolidated report for the month of January 2020. He further elaborated there were no revenues for January and \$3,326 of expenditures, which include the rent and lighting at Lehman.

2:15 Mark Crouse stated not much is going on currently. He said in February they will receive \$75,000 from the city for the Innovation District and a few more bills for property taxes for the property the CCIC holds. Mark explained they will receive an increase in funding from the city this year, raising their contribution from \$50,000 per year to \$75,000 per year for the next few years. This was voted on at last Monday's Board meeting.

2:50 Mark Crouse explained some of this money will be used to fix the roof at Lehman. He elaborated that there have been a few leaks. Mark stated they have a company that would go up there and we could pay them by the day. He said they could be up there for 3-4 days and we could monitor their progress each day as to what they are doing.

3:30 Bill Sherer asked if there is a ballpark budget?

3:32 Mark Crouse stated there is. It is like \$1,500 per day for them to be up there to go and see the different areas and fix different spots depending on what is bad.

4:29 Mark Crouse said the audit is ongoing for the CCIC. There are 2 different entities that help with the audit and both have information for 2019. He said he will report back in the next couple of months on how we are doing with the audit.

Motion to approve the financial management report as presented: Mike Gill

Second: Bill Sherer

Roll Call Vote:

Mayor Bernabei - YES

Fonda Williams - YES

Mike Gill - YES

Greg Hawk - YES

Chris Smith - YES

Emil Alecusan - YES

Bill Sherer - YES

Motion passes unanimously.

#### 4. Old Business

##### 4.1. Recastio, LLC. Lease Agreement - 309 Court Ave. NW

5:20 Mayor Bernabei stated he wanted to give an update to everyone on something that doesn't require Board approval. Mayor Bernabei said there is a new tenant, who is paying no rent, that was recommended by 5:20 Linda Hale, Jump Start manager. Mayor Bernabei stated there is space available and this tenant has been working has been working with Linda through the Jump Start program. Mayor Bernabei elaborated that 5:45 Glenn Werstler has a business called Recastio and Linda has worked with him and thought he was a nice fit to use one of these spaces. Mayor Bernabei said it is a no rent, 1-year lease that can be terminated at any time. They will be providing their services in lieu of rent.

#### 5. New Business

##### 5.1. Review And Authorize The Revised Amendment And Reorganization Of The Agreement And Plan Between The City Of Canton And Canton Community Improvement Corporation, Originally Established Via Ord. #244/88

7:55 Mayor Bernabei said this is something we dealt with at the last meeting on January 22 and it requires an update. This came out of last Monday's City Council meeting. Mayor Bernabei stated they need to amend the agreement that exists between the city and CCIC. The original agreement is back from 1988 and it hasn't been amended since 1988. Mayor Bernabei elaborated that Council considered a change to the agreement. Mayor Bernabei introduces 7:55 Phil Schandel.

8:32 Phil Schandel said at the last meeting, CCIC voted on a version of the agreement that took out the fair market value and appraisal value that is not in the Ohio Revised Code. He said they also removed one of the alternative methods for the disposition of property. Phil explained that one of the methods allows for the city to pass an ordinance specifying the terms of sale and consideration for any sale or lease of property and the CCIC acts as the city's agent and signs the deed on behalf of the city, which has traditionally been done. He elaborated that Council just passed an ordinance that included this method and that the Ohio Revised Code allows for either method.

9:51 Mayor Bernabei stated we have a process that follows the Ohio Revised Code as written and follows what we have traditionally done in the city of Canton by way of transferring property between the

city of Canton and CIC. Mayor Bernabei further elaborated that there is effectively no change as to how we do business. Mayor Bernabei stated this is something he would recommend and it is something he recommended to Council to adopt.

Motion to authorize the revised amendment and reorganization of the agreement and plan between the city of Canton and Canton Community Improvement Corporation, originally established via Ordinance #244/88: Bill Sherer  
Second: Chris Smith

Mayor Bernabei asked if anyone had any questions. Mayor Bernabei said Phil will actually be rewriting the 1988 agreement for the city and CIC to sign.

Roll Call Vote:

Mayor Bernabei - YES  
Fonda Williams - YES  
Mike Gill - YES  
Robert Thompson - YES  
Greg Hawk - YES  
John Mariol - YES  
Chris Smith - YES  
Emil Alecusan - YES  
Bill Sherer - YES

Motion passes unanimously.

Mayor Bernabei asked Fonda Williams to give updates on Lehman High School.

11:38 Fonda Williams stated the project was awarded state historic tax credits and other funding through tax credits. He said standing right now there is a \$1.4 million gap for the \$14 million project. They are now looking at CRA dollars, which is Community Reinvestment Area dollars.

12:17 Fonda Williams said they are applying for another loan through the Chicago Federal Home Loan Bank. The Cincinnati Federal Home Loan Bank had turned them down. He stated they should know by next Friday if they can shore up the \$1.4 million gap.

12:46 Fonda Williams said SEDB assisted because the contractor can purchase all construction materials through the port authority which resulted in a \$400,000 savings.

13:17 Mayor Bernabei stated this project is to convert the old Lehman High School into 62 units of senior housing.

13:54 Bill Sherer asked if the loan does not go through, what are the options. Fonda Williams said the Federal Home Loan Bank is actually a grant and if it doesn't come through, he is hopeful one of the local banks puts CRA dollars into the project. Fonda stated they have put in a request into Huntington right now for CRA dollars. Huntington is the tax credit syndicator for the project. He said another bank involved was paying 76 ¢ on the dollar and Huntington was paying 82 ¢ on the dollar.

14:57 Emil Alecusan asked if the Rodriguez Company put any equity into it? Fonda Williams said yes they did.

15:10 Mark Crouse said there has been a lot of activity in the building of different developers and construction workers touring it, trying to get the numbers better.

Mayor Bernabei asked if there were any questions on Lehman High School.

## 6. Other Updates

## 6.I. Stark Economic Development Board (SEDB) Presentation - 2019

Mayor Bernabei introduces Ray Hexamer, president of the Stark Economic Development Board (SEDB) for a presentation.

16:16 Ray Hexamer wanted everyone to know they invest in SEDB making business retention and expansion for businesses in the community along with Jackson Township and SEDB. He stated they want to share with everyone what is going on with Canton, but also the county as a whole.

17:10 Ray Hexamer explained the key is looking at it like a business and taking care of our businesses is key. He said they increased their outreach of BRE calls from 105 calls in 2017 to 140 calls in 2018 and 205 calls in 2019. He elaborated as to why they did this. It is because Jobs Ohio gives grants, which comes from the liquor and cigarette taxes, to expanding businesses. However, the only way a business can get a grant is before the expansion process starts. Ray stated they are trying to get out there and help solve any problems a business may have.

19:11 Ray Hexamer stated the only businesses are included in the count of grants given is if there is a contract with the state of Ohio. The total contracts with the state last year were 686 jobs tied to Jobs Ohio grants. The goal was 600 and the total for 2017 was 342. He elaborated that those jobs equated to \$30 million in new payroll for the community. The total in grants was \$4 million for last year and \$135,000 for 2017.

21:05 Ray Hexamer said the agreement with the city, the CIC contributes \$28,100 annually. There were a total of 84 BRE calls for the city of Canton, which was 40% of the BRE calls in 2019.

21:24 Ray Hexamer provided information on additional things they provide. They received a \$93,000 grant from the Stark County Port Authority to market the Nationwide building. He also said they secured a grant from the Stark Community Foundation for the Innovation District, as well as a \$10,000 AEP grant for soil work at the Ford property.

23:18 Ray Hexamer said Jackson Township contributes \$24,100 annually and the SEDB contributes \$16,100, as well as paying for office space, equipment, mileage and other expenses.

23:40 Ray Hexamer explained that it is good to make calls but it is better to make target calls on businesses. They will also make visits to any business. Ray said they have a database for all of the businesses in Stark County. There are 15,526 business and they look at the revenue from those businesses. There are 82 number of businesses with revenue \$50 million or above and 505 businesses with \$7-\$50 million of revenue.

Ray Hexamer introduces 24:30 John McLaughlin, from SEDB.

25:00 John McLaughlin said with their BRE efforts this year, they want to try and be more deliberate and methodical by using a lot more data and partners. There are 3 ways they are doing this. One is through data. They are working with the Auditor on GIS tool to look at where there are high levels of unemployment and where the job hubs are. John stated they will use that date to connect people with jobs.

25:15 John McLaughlin stated they are working with Ohiomeansjobs, who created a jobs database to find companies that have a surge in job postings. John elaborated that they use that data to target specific companies and come in with a valued proposition by using our partnered organizations to try and find people jobs. John said a new position at Strengthening Stark will take the data and create a list of companies to prioritize our BRE efforts.

26:14 John McLaughlin said the 2nd approach is to rely on their partnered organizations and community leaders. John said Fonda has been instrumental in lining up BRE in Canton. John elaborated that looking at Strengthening Starks efforts over the last couple of years have been where the companies are, such as Canton, Jackson, Alliance, and Massillon. He said one of their efforts is meeting with townships that have been neglected and introduce SEDB and what we do.

27:14 John McLaughlin stated the 3rd approach is by word of mouth. Have companies talk to each other and have companies line up other companies for BRE. John exclaimed the goal this year for BRE is 225. Currently, there are 32 right now. John said their current priority is food manufacturing companies and there is a food manufacturing summit coming up in April. John further elaborated that the county has been divided into 5 areas and they will use community leaders to help bring in companies into a specific location and specific time with their partnered organizations to introduce SEDB and all of the resources.

28:40 John asked if anyone had any questions.

29:08 Ray Hexamer explained Business 911. If a business has any issues, they can contact Business 911 for assistance.

30:10 Ray Hexamer said Ohiomeansjobs put together a jobs data base, through Strengthening Stark, that tells people where every job is, the pay, what is needed for the job, and the total number of jobs per city.

31:28 Ray Hexamer stated Ohiomeansjobs also put together a GIS tool through the Auditor's office. This is for the entire state. It provides information to help strategically solve problems in neighborhoods and unemployment. It provides what the open jobs are in a neighborhood, the bus routes, pre-schools, etc. Ray said they are working with 34:10 Barb Bennett of Stark Education Partnership, to connect students with careers. Ray elaborated that a lot of different foundations and the county are helping with the costs.

38:17 Ray Hexamer asked if anyone had any questions.

38:20 Bill Sherer asked how they coordinate with trades?

38: 27 Ray Hexamer said they work with Dave Kirven and his program. Dave has ties with Stark State. Ray also said they are trying to start a manufacturing day with R.G. Drage.

40:30 Email Alecusan asked where does the attraction component come in for the business retention?

40:40 Ray Hexamer said that attraction is very difficult. Last year, there was only 1 attraction company. They probably had 3 attraction companies that they lost for various reasons.

46:00 Ray Hexamer introduced Mike Naso, who will replace Rafael at SEDB.

46:07 Mike Naso introduced himself to everyone Mike said he has an account management and sales background. He is currently studying for his Masters in public administration and economic development.

## 7. Adjourn

Motion to adjourn meeting at 10:12 AM: Emil Alecusan

Second: Chris Smith

Motion Passes by unanimous voice vote

Please contact Christopher Hardesty for additional information at [Christopher.Hardesty@cantonohio.gov](mailto:Christopher.Hardesty@cantonohio.gov) or by phone at (330) 438-4306.