

SPECIAL CITY COUNCIL MEETING

THURSDAY, MARCH 30, 2023

***MEETING HELD AT COVELLI CENTRE COMMUNITY ROOM**

CITY COUNCIL CONVENED IN SPECIAL SESSION AT 11:00 AM AND WAS CALLED TO ORDER BY PRESIDENT TOM HETRICK. ON A CALL OF THE ROLL, THE FOLLOWING MEMBERS RESPONDED TO THEIR NAMES: BASIA ADAMCZAK, ANITA DAVIS, PATRICK KELLY, JULIUS OLIVER, MIKE RAY SAMANTHA TURNER AND TOM HETRICK, 7. JIMMY HUGHES WAS ABSENT. COUNCIL SWORE ALLEGIANCE TO THE FLAG.

COMMUNICATIONS

COM-23-54 NOTICE OF SPECIAL CITY COUNCIL MEETING FOR WEDNESDAY, MARCH 30, 2023 AT 11:00 A.M. WAS READ AND UPON MOTION OF MR. RAY WAS RECEIVED AND FILED. CARRIED

REPORT

REP-23-04 FINANCE COMMITTEE SIGNED OUT ORD-23-95 ENTITLED: "GRANTING THE BOARD OF CONTROL OF THE CITY OF YOUNGSTOWN THE AUTHORITY TO EXECUTE A WAIVER AND AMENDMENT AGREEMENT BETWEEN THE CITY OF YOUNGSTOWN AND YOUNGSTOWN STAMBAUGH HOTEL, LLC. THE HOTEL OWNERSHIP RECENTLY RECEIVED APPROVAL FROM THE OHIO WATER DEVELOPMENT AUTHORITY (OWDA) TO RESTRUCTURE ITS LOAN TO THE HOTEL OF \$4.9 MILLION, THE CLOSING OF WHICH IS CONTINGENT ON REACHING AN AGREEMENT WITH THE CITY ON RESTRUCTURING THE CITY LOAN (\$845,128.00) UNDER THE SAME TERMS." WAS READ AND UPON MOTION OF MR. RAY WAS RECEIVED AND FILED. CARRIED

ORDINANCES

ORD-23-110 ADOPTING AND APPROVING THE 2023 ANNUAL APPROPRIATION BUDGET CONTAINED IN EXHIBIT "A", ATTACHED HERETO AND MADE A PART HEREOF; AND PROVIDING THAT THIS ORDINANCE SHALL BE AN EMERGENCY MEASURE IF IT RECEIVES THE AFFIRMATIVE VOTE OF SIX MEMBERS OF COUNCIL; OTHERWISE, IT SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER THE EARLIEST PERIOD ALLOWED BY LAW. WAS READ THE FIRST TIME AND UPON

MOTION OF MR. RAY THE RULES OF COUNCIL WERE SUSPENDED BY A VOTE OF YEAS, 6. NAYS, NONE.

REMARKS

COUNCILWOMAN TURNER NOTED FOR THE RECORD, SHE REQUESTED THAT THE COUNCIL CLERKS BE PAID A HIGHER RATE, AND THOSE FUNDS SHOULD BE AVAILABLE IN THE BUDGET. A CITY EMPLOYEE HAS BEEN ALLOWED TO BE OFF WORK FOR 6 MONTHS WITH WAGES AND INSURANCE, AND NO MOVEMENT HAS BEEN MADE ON THAT, AS WELL AS CONTINUOUS CHANGES IN THE LAW DEPARTMENT. SHE ALSO WANTED AN INCREASE THE BUDGET FOR THE AMPHITHEATER SO THAT THEY CAN HELP WITH CULTURAL EVENTS AND BE MORE BENEFICIAL IN THE COMMUNITY. THOSE DOLLARS SHOULD BE AVAILABLE IN THE POLICE OVERTIME BUDGET FOR \$25,000.00.

THE ORDINANCE WAS THEN PLACED BEFORE COUNCIL AND PASSED BY A VOTE OF YEAS, 6. NAYS, NONE.

SIGNED OUT OF COMMITTEE

ORD-23-95 GRANTING THE BOARD OF CONTROL OF THE CITY OF YOUNGSTOWN THE AUTHORITY TO EXECUTE A WAIVER AND AMENDMENT AGREEMENT BETWEEN THE CITY OF YOUNGSTOWN AND YOUNGSTOWN STAMBAUGH HOTEL, LLC. THE HOTEL OWNERSHIP RECENTLY RECEIVED APPROVAL FROM THE OHIO WATER DEVELOPMENT AUTHORITY (OWDA) TO RESTRUCTURE ITS LOAN TO THE HOTEL OF \$4.9 MILLION, THE CLOSING OF WHICH IS CONTINGENT ON REACHING AN AGREEMENT WITH THE CITY ON RESTRUCTURING THE CITY LOAN (\$845,128.00) UNDER THE SAME TERMS; AND PROVIDING THAT THIS ORDINANCE SHALL BE AN EMERGENCY MEASURE IF IT RECEIVES THE AFFIRMATIVE VOTE OF SIX MEMBERS OF COUNCIL; OTHERWISE, IT SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER THE EARLIEST PERIOD ALLOWED BY LAW. WAS READ THE SECOND TIME AND MR. RAY MADE A MOTION TO SUSPEND THE RULES OF COUNCIL. THE RULES OF COUNCIL WERE **NOT** SUSPENDED WITH A VOTE OF YEAS, 5. NAYS, 1 (TURNER).

PRESIDENT HETRICK NOTED THAT WITH 5 YEAS ON THE MOTION TO SUSPEND, THERE ARE NOT ENOUGH VOTES TO SUSPEND THE RULES OF COUNCIL.

REMARKS

COUNCILMAN RAY ASKED THAT HIS COLLEAGUE RECONSIDER, AS HE FEELS THERE ARE ENOUGH VOTES, AND IT IS JUST A MATTER OF SEMANTICS TO SUSPEND THE RULES, TO DELAY THE VOTE. A PROFESSIONAL COURTESY WAS GIVEN WHEN SOMEONE ASKED THEM TO RESCIND THE VOTE, AND IT IS JUST A MATTER OF BEING RESPECTFUL OF ONE ANOTHER.

COUNCILWOMAN TURNER STATED THAT THE CITY OF YOUNGSTOWN IS THE SMALLEST CREDITOR, AT ABOUT 5.6% OF THE TOTAL DEBT, WHERE 1/3 OF THE FINANCING IS PUBLIC DOLLARS, WHICH SHOULD BE PAID BACK TO THE PEOPLE IN A TIMELY MANNER. THE ADMINISTRATION HAS ALLOWED THE HOTEL OWNERS TO MISS NUMEROUS PAYMENTS, AND FEELS COUNCIL HAS BEEN MORE THAN UNDERSTANDING IN THE MATTER. THE STATE CAN AFFORD TO LOSE THOSE DOLLARS, BUT THE CITY CANNOT. SHE IS ALL FOR SAVING A BUSINESS IN THE CITY OF YOUNGSTOWN, BUT IS NOT IN FAVOR OF SAVING A BUSINESS THAT IS NOT TRYING TO SAVE ITSELF AND HONOR THE GOOD WILL OF THE PUBLIC. SHE STANDS BY HER NO VOTE TO SUSPEND THE RULES.

COUNCILMAN RAY RESCINDED THE MOTION TO SUSPEND THE RULES. **ADAMCZAK** SECONDED THE MOTION. HE STATED THAT COUNCILWOMAN TURNER IS GRANDSTANDING, AND HE NOTED THE CLERK DISCUSSED RAISES AT THE FINANCE COMMITTEE MEETING.

COUNCILWOMAN TURNER STATED FOR THE RECORD, SHE HAD ALREADY PRODUCED LEGISLATION (REGRADING RAISES FOR CLERKS) AND IT WAS LEFT SITTING IN COMMITTEE FOR A YEAR. SHE ALSO STATED SHE IS NOT GRANDSTANDING, SHE COMES PREPARED WITH FACTS ON THE MATTER.

COUNCILMAN OLIVER STATED THAT ANY NO VOTE ON THE HOTEL IS SHORT-SIGHTED. HE DOESN'T WANT TO SEND THE MESSAGE TO ANY BUSINESS OWNER INVESTING IN THE CITY, ESPECIALLY ONE THAT IS AN ANCHOR IN THE CITY, THAT THEY MIGHT LOSE THEIR INVESTMENT.

COUNCILMAN RAY MOTIONED TO PLACE ORD-23-95 IN A SECOND READING. COUNCILWOMAN ADAMCZAK SECONDED.

COUNCILWOMAN DAVIS STATED SHE THOUGHT LONG AND HARD ABOUT THE HOTEL AND PULLING THE PLUG ON THE HOTEL WOULD BE A DETRIMENT TO THE CITY OF YOUNGSTOWN. SHE ASKED FOR CLARIFICATION ON HOW MANY LOANS WERE GIVEN TO THE HOTEL BY THE CITY.

MR. MIASEK ANSWERED THAT THE CITY OF YOUNGSTOWN PROVIDED TWO LOANS, A TERM LOAN AND A FLOAT LOAN. THE FLOAT LOAN WAS PAID BACK DECEMBER 2019 IN THE AMOUNT OF \$1,055,350.77.

COUNCILWOMAN DAVIS ASKED IF THEY ARE FINALLY BEGINNING TO PAY BACK ON THE TERM LOAN.

MR. MIASEK HAS A CHECK IN HIS POSSESSION FOR \$8,450.21, WHICH IS THE AGREED INTEREST AMOUNT TO BE PAID SEMI-ANNUALLY, UPON THIS RENEGOTIATED ORDINANCE THAT THE ADMINISTRATION IS SUPPORTING AND ASKING COUNCIL TO CONSIDER. AS PART OF THE CLOSING COSTS FOR THE SENIOR LOAN, THE FIRST INSTALLMENT TO BE MADE TO THE COUNTY UNDER THE

ASSESSMENT IN THE ESCROW ACCOUNT IS IN EXCESS OF \$400,000.00. IF THIS ORDINANCE PASSES, THAT AMOUNT WOULD BE PLACED IN ESCROW UNDER THE PACE LENDING AGREEMENT, AND THAT AMOUNT WOULD BE APPROXIMATELY \$470,000.00 IF THE PACE (PROPERTY ASSESSED CLEAN ENERGY) LOAN DOCUMENTATION IS EXECUTED. THE HOTEL IS COMMITTED TO MAKING PAYMENTS TO THE CITY AND WILL BE MAKING ITS FIRST PAYMENTS TO THE STATE BY JANUARY 2024.

COUNCILWOMAN ADAMCZAK STATED SHE HAS DONE OVER 15 HOURS OF RESEARCH ON THIS TOPIC, AND CAME UP WITH A DECISION THAT IS BEST FOR THE WHOLE.

COUNCILMAN RAY STATED HE ECHOES COUNCILWOMAN ADAMCZAK'S REMARKS, AND IT MAKES SENSE FINANCIALLY AND IS IN SUPPORT OF IT.

COUNCILMAN KELLY ADDED HE AGREES WITH THE MAJORITY OF COUNCIL, AND FEELS SO STRONGLY THAT HE ASKED TO CO-SPONSOR.

COUNCILWOMAN TURNER ASKED IF THERE WILL BE ENERGY EFFICIENT UPGRADES UNDER THE ESID (ENERGY SPECIAL IMPROVEMENT DISTRICT) PROGRAM.

MR. MIASEK STATED THAT UPGRADES WERE MADE UNDER THE CONSTRUCTION OF THE HOTEL. THE ESID PROGRAM WAS NOT IN PLACE, AND YOU NEED A PROJECT BEFORE CREATING AN ESID.

COUNCILWOMAN TURNER ASKED IF THE HOTEL WILL RECEIVE THIS LOAN BUT PAY IT BACK UNDER THE COUNTY.

MR. MIASEK ANSWERED YES THROUGH AN ASSESSMENT ON A SEMI-ANNUAL BASIS.

COUNCILWOMAN TURNER STATED SHE IS IN FAVOR OF THE ESID. SHE DOES NOT THINK THE HOTEL IS THE BEST FIT FOR IT AS THEY CANNOT PAY THEIR OTHER DEBTS. SHE WOULD BE MORE IN FAVOR OF OTHER PROJECTS BEING THE FLAGSHIP ESID PROJECT AND PACE LENDING.

COUNCILMAN OLIVER NOTED THE HOTEL IS CURRENTLY ATTRACTING BUSINESS IN THE CITY AND IS AN ANCHOR, AND IT IS SHORTSIGHTED TO SAY NO TO THIS PIECE OF LEGISLATION AND LET THEM LOSE THEIR SHIRT.

COUNCILWOMAN DAVIS STATED THE HOTEL IS INDEED THE ANCHOR, AS A THREE-PIECE LYNCHPIN FOR THE CITY, WITH THE COVELLI CENTRE AND THE AMPHITHEATER. ALTHOUGH, SHE DOESN'T LIKE IT, SHE WANTS TO DO THE RIGHT THING FOR THE CITY, AND WANTS TO SEND THE RIGHT MESSAGE TO INVESTORS.

SPECIAL CITY COUNCIL MINUTES
WEDNESDAY, MARCH 30, 2023

PRESIDENT HETRICK MENTIONED THE ORDINANCE 23-95 WAS ALREADY IN A SECOND READING AND NEEDED TO BE MOTIONED TO A THIRD READING.

COUNCILMAN RAY RESCINDED HIS PRIOR MOTION TO MOVED ORD-23-95 TO A SECOND READING.

COUNCILWOMAN ADAMCZAK SECONDED.

COUNCILMAN RAY *MOTIONED TO MOVE ORD-23-95 TO A THIRD READING.

COUNCILWOMAN ADAMCZAK SECONDED.

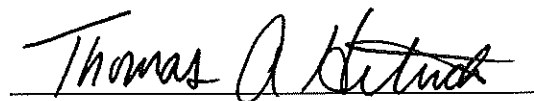
COUNCILWOMAN ADAMCZAK MADE A MOTION TO ADJOURN.

COUNCILWOMAN DAVIS SECONDED.

UPON MOTION COUNCIL ADJOURNED

APPROVED: WEDNESDAY, APRIL 19, 2023


CLERK


PRESIDENT OF COUNCIL