

**SPECIAL CAUCUS MEETING  
OF THE COUNCIL OF THE CITY OF BROOK PARK, OHIO  
HELD ON THURSDAY, JANUARY 15, 2015**

The meeting was called to order by Council President Patten at 5:03 p.m., who read the meeting notice. The clerk called the roll and the following Members of Council answered:

**D'AMICO, TROYER, MENCINI, BURGIO, POWERS, HIGGINS**

Also in attendance were Recreation Director Fields, Service Director Cayet, Law Director Jamison, Economic Development Commissioner Dolan, Assistant Finance Director Healy, Councilman Salvatore (5:04 p.m.)

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**SUBJECT:**

1. RECREATION CENTER LEASES – MAYOR COYNE
  1. **Ohio Grindstone lease agreement**
  2. **Bridges Rehabilitation Services lease agreement**

Mayor Coyne stated the city is currently trying to find ways to reduce costs and incur some revenues to sustain city operations. Staff has been reduced at the Recreation Center and there are currently two leases in front of Council for consideration. One lease has been used for quite some time by the day-care center that has never paid any rent to the city. The second lease is an organization that is interested in leasing the downstairs of the recreation center. Mayor Coyne thanked Council President Patten for facilitating this matter and stated these types of issues should probably have longer time so that Council doesn't feel constrained in a half-hour or forty-five minutes that they have to get the information. The administration intends to follow whatever normal procedures Council sets with the adoption of legislation but this give Council Members time to ask questions about these leases as they move forward.

Mr. Dolan stated Council should have two leases and Executive Summaries in front of them; one for Bridges Rehabilitation and the other for Ohio Guidestone. The premises or current nursery school facilities at the Recreation Center is approximately 6,000 square feet being leased and have exclusive use of the mini-gym for the months of June, July and August for an additional rent payment. The improvements by the city of the lease premises is none and the lease option is a term of two-years with the option to renew for a life term and either party has a six-month notice of non-renewal. The rent is \$30,000 annually plus \$3,000 for the use of the mini-gym during June, July and August which is a competitive lease rate. Speaking with commercial real estate brokers trying to identify similarly situated real estate facilities; which has been difficult because it's not an office building it is a non-traditional type of structure. Ohio Guidestone will be using this for a daycare facility for children 12 and below and one item negotiated for the mini-gym is that Guidestone had to buy and install protective matting because in the summer months because food is served as well as other things that can damage the gym floor. Guidestone is required to carry insurance of \$1 million dollars for

Recreation Center Leases – Mayor Coyne: cont.

occurrence for bodily injury and property damage combined; \$1 million dollars for personal injuries that include sexual abuse or molestation; \$2 million dollars of aggregate coverage and \$50,000 property damage for any damages to property on city property and/or the parking lot. The city is named as an additional insured meaning that the city has all the benefits of coverage on behalf of the city in the event of a lawsuit; in addition to that the city has numerous immunities and defenses available to the city. The tenant cannot sublet or sign a lease without the city's expressed consent and the city will maintain all exterior premises such as lawns and the building as well as the mechanical systems in the building; there are no alterations to the premises without consent of the city; the parking is at the designation of the city and has been mapped out by Recreation Director Fields but the nursery school employees know where to park to not interfere with public access to the recreation center. The tenant will have the right-of-access 24/7 (twenty four hours, seven days a week) and can only access the property on weekends outside of normal recreation hours for non-client purposes; meaning employees can do administrative work at that time but is not allowed to run the facility at that time. Trash removal will be taken out on a daily basis and place in the dumpster; the large items will be dumped at city cost. Utilities are prorated based on square footage on a regular monthly basis utility bills will be broken out and they will be invoiced for their utility costs; the city is providing water and sewage to the facility because the cost of separately metering the facility is excessive.

Questions/Answers on the Ohio Guidestone Lease

Mrs. Powers stated this is a fair-market value for this property and currently the city is paying \$21,200 per year for the animal shelter and the square footage is less space then the city is renting for \$30,000; how was it determined that \$30,000 is enough rent?

Mr. Dolan responded that there were conversations with the YMCA; the City of Lakewood and Downtown Galleria and spoke with real-estate brokers and David O'Neal at Colliers; George Pofok at Crestco Real Estate in order to get a figure and this is in the middle of the ballpark figure given. As of today that 50' square foot facility on Holland Road, across from the service garage, is being offered at \$2.50 a square foot for 50,000 square feet and is industrial/commercial property which is a little different. The situation with the animal shelter is that this is a commercial property as well. This is a shared-use facility with public access and there is not much privacy whatsoever. I took the recommendation of real estate professionals and YMCA personnel and also the owner of the Galleria in Downtown Cleveland who has a tax write-off for donation of space to the YMCA and this is comparable to that.

Mayor Coyne stated to Councilwoman Powers I don't agree that the money the city is paying for the industrial property on Smith Road is a good price and the city is going to do all it can to move out of that location. My opinion with the research that was done that this is a fair price for these organizations; this is a triple-net lease on the facility and they have been good tenants, of course they haven't had to pay anything, and do service Brook Park citizens. So the value that this organization is agreeing to pay is fair for the city.

**Question/Answers on the Ohio Guidestone Lease: cont.**

Mr. Mencini stated this day-care does a good job and have been at this facility for a long time but now that they are going to be paying more will they be increasing the amount of children?

Mr. Jamison stated day care centers are regulated by the State of Ohio and have to fit within the regulations of the state in terms of space, personnel and etc. So just because the rent is being increased does not mean that the amount of children can be increased they must conform to the State of Ohio regulations. So not so much the number of children increasing but possibly the cost to the people participating, that may go up but that is between the day care center and customers.

Mayor Coyne stated the growth is in the camp and at one time this facility took the whole downstairs and I think if they were aware of the situation they would have leased all of that space from the city. What the city is trying to get a handle on now is the usage of the water park with summer camp children from the day care center; because most of the children seen during the day are summer camp participants that pay for usage of the water park; this organization has been a good tenant and agree with everything the city is asking them to do.

Mr. Troyer stated all this information was just given to Council and there is a lot to take in but one concern that I have is with the water and sewage being paid by the city and the problem of not being able to ascertain exactly what is being used but with my rentals I always have a limit of what will be paid and it seems like it's dangerous to be including water and sewage without a limit or some kind of a control. Hopefully the gas and electric being prorated works out for the city and with the 500 square foot rate because in talking to a few people today they were saying a little more than this but I'm still checking on that.

Mayor Coyne stated that is exactly what we want you to do is look into this and could you identify the people you talked to like the Administration does at the next Caucus so the city knows that apples to apples are being compared, is that possible.

Mr. Troyer concurred.

Mr. Dolan stated with respect to the water and sewage usage this organization has been a tenant in that building for over ten years and water and sewage usage is well known and pretty much minimum and non-excessive.

Mrs. Powers asked how water and sewage can be determined when there is no separation from the rest of the building and when compared to the animal shelter the city is paying well over \$1,000 monthly for electricity and gas and the water rate at that location is phenomenal; so maybe the city should take a closer look at the water and sewage usage.

Mr. Dolan responded while this organization has been a tenant for ten years and the city is much aware of how they conduct their facilities the city employees and staff have not reported any excessive water use on the premises; there is not a whole amount of usage in a nursery school. Outside of putting a meter in I cannot tell you now much they are using and

Questions/Answers on the Ohio Guidestone Lease: cont.

to install a meter for the nursery school would probably cost \$50,000 and is a big construction project from the street in with new meters; lines and everything.

Mayor Coyne stated the city can get a cost of metering the day care center but it's ridiculous. The city looked at separate readings on the energy side as well and the cost of that is prohibitive. So therefore the day care facility has agreed that based on the square footage that they're using and the total square footage of the building to pay that. Now the next project coming forward to Council is the improvements that have to be made in the building which will address the energy costs; so the city can get a price on putting a meter in there but I think it's cost prohibitive and don't know how long it would take the city to get that money back but the city can get a price on that.

Mr. Salvatore stated Council just received these leases and am sure there will be questions after reviewing them. Mr. Salvatore asked for an exact section of the building that will be rented by these two entities.

Mayor Coyne responded the present day care facility is in the building off the recreation center and is 5,700 square feet and the basement is approximately 6,000 square feet. So the basement area where the old game room; equipment storage room; the little offices and the old craft room with a kiln that was once used for ceramics that nobody uses any longer; less the use of the utility closets and so forth.

Mr. Salvatore commented that no matter what number is received by the day care is a blessing because the city didn't get anything for years past. In negotiating leases it is what somebody is willing to pay and what somebody is willing to let it go for; I'm sure a lot of hours have been put into this negotiating the best deal for the city. Mr. Salvatore commented to Mrs. Powers that your comment about the city paying too much for the animal shelter I agree but that was a different time and a different purpose; so apples to apples are not being compared just based on time differential and as going through the process the Mayor will be looking into the matter of the animal shelter. Mr. Salvatore asked for the timeframe for the leases.

Mayor Coyne responded the one day care facility has been in operation for 13 years and the other one would like to start moving their offices the first week of February and looking at the leases they can be made retroactive. Mayor Coyne continued one bone of contention the city had is with the use of the mini gym because they felt they should have continued use so that negotiation for the use and protection came at the 11<sup>th</sup> hour.

Mr. Troyer stated getting back to the water and sewer and I don't know the layout of the building but it can be done. The water department is not needed for a separate billing or anything all that needs to be done is to find the main supply of the water and install a meter; then figure the use from the last time and charge that portion based on the billing. So that number can be deducted how much water is used and figure out the sewer bill from that. If the facility has their own water heater there is probably one main pipe to look for and install a meter and have an idea of usage.

**Questions/Answers on the Ohio Guidestone Lease: cont.**

Mr. Higgins asked for forgiveness for not possibly understanding what is going on here. Is the city looking at two different facilities one upstairs and one downstairs?

Mr. Dolan concurred.

Mr. Higgins stated with the mention of the kiln in the basement of the recreation center when I tell people that the rooms in the basement of the recreation center used to consist of a photography shop, woodworking shop and a ceramic shop with a kiln people are amazed. My question is to Mayor Coyne; as you're looking forward to maybe retrofitting these buildings into the Recreation Center facility it is my understanding that you are far enough down the road to believe that none of the downstairs area is needed for any of the city hall operations.

Mayor Coyne responded Bowen and Associates is finalizing the preliminaries on how the offices would be laid out; so within the next several weeks Council will be hopefully having meetings for the architects to explain the space-planning is moving along. Mr. Patten and you will have more of an understanding about the HVAC (Heating, Ventilation, and Air Conditioning) issues from dealing with them.

Mr. Higgins continued the other concern is the exclusive right for the gym will these two entities share times with the mini-gym during the months of June, July and August; these two facilities will work out the hours?

Mr. Dolan responded on the Bridges lease that is a typo they will not have use of the mini-gym during the months of June, July and August. Bridges will be leasing the downstairs and have the right to use the public areas of the upstairs building throughout the year, with the exception of June, July and August which is exclusively dedicated to the nursery school summer camp.

Mr. Burgio stated the two years option to renew seems to be fair as well as the six month renewal notice because I don't do a lot of commercial but that seems to be fair. I am also glad that the city is being proactive in doing things to keep the recreation center open.

Mr. D'Amico stated as far as the rent goes in Article 4-Section 4.1 – Fixed minimum rent. It states the fixed amount of \$2,500 per month and talks about the months; will there be a fixed date the monies have to be by?

Mr. Dolan commented the first of the month is stated in Section 4.1, third paragraph.

Mr. Salvatore stated in the event of the termination of the lease will they have to put the area back to the original state before moving in?

Mr. Dolan responded yes.

Questions/Answers on the Ohio Guidestone Lease: cont.

Mr. Mencini stated in Section 4.2 since this is just a verbal agreement could this organization look elsewhere before Council moves forward with this lease?

Mayor Coyne commented they could but basically Bridges would like to move in tomorrow.

Mrs. Powers stated that both organizations will have exclusive use of the mini gym for June, July and August and will be charged accordingly. The nursery school has been using the mini gym year round especially in the winter; so they've been using it all the time. So why will they be charged for only the three summer months?

Mayor Coyne responded because they don't have exclusive use of the mini gym; it's open to them and anybody that wants to use it; so how can the city charge them for that?

Mr. Jamison stated for those three months a summer camp is conducted for children ages 12 to 16 years for a ten-week period so those children will be exclusively in the mini-gym for that time period; that is above and beyond the day care and this has been done for at least ten years and traditionally this summer camp was run out of the basement of the recreation center during those months; so that's the difference.

Mayor Coyne stated currently if the children are playing in the mini-gym and Recreation Director Fields has a program she tells the day care personnel that they can't use the area. In the summer months the mini-gym is not being used so the day care center uses it for three months; it is part of being nice neighbors.

Mrs. Powers commented this agreement is 22 pages and the other agreement is 19 pages and were handed out at tonight's meeting so no decisions should be made tonight.

Mr. Patten stated this is a Special Caucus meeting for Council to receive the lease agreements and ask some questions then review the agreements to ask more questions at future meetings; no action or votes can be taken on these agreements because there is no Special Council meeting following.

Mr. Salvatore stated to Mrs. Fields with these leases and the changes will the Recreation Programs have to be modified in any way?

Mrs. Fields responded no.

Mr. Troyer stated to Mr. Dolan has the city looked at the current use if prorated right now what kind of money Guidestone would be giving towards utilities of gas and electric.

Mr. Dolan responded I have not with prorated being in the agreement; this was a group effort on this.

Mayor Coyne commented the utilities are approximately \$300,000 a year for the total building. The gymnasium is 158,000 square feet; the pool area is about 25,000 square feet;

**Questions/Answers on the Ohio Guidestone Lease: cont.**

the offices, weight rooms and other areas one is 3,650 square feet and the other is 5,250 square feet, the hallways alone are about 6,300 square feet; the community rooms is another 6,600 square feet. The city looked at metering and what the costs and utilities would be and is prohibitive. We will look at it and if its a reasonable cost that makes a lot of sense but in this particular position the city is at the advantage, in my view, but we will get you the costs. Tonight is only about discussion for Council to get the leases to review and do research and come back and ask some more questions.

Mr. Troyer continued that he would like to have that number as to what it would have been based on the current but believe with the way the rooms are insulated probably would be a good deal and would like to get this done as soon as possible for those monies to start coming in.

**Motion** by Mr. Troyer, supported by Mr. Burgio, to place the Ohio Grindstone lease on the next Caucus agenda of January 27, 2015.

**ROLL CALL: AYES:** Troyer, Burgio, Mencini, Powers, Higgins, D'Amico, Salvatore  
**NAYS:** None. The motion carried.

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## 2. **Bridges Rehabilitation Services Lease**

Mr. Dolan stated Bridges Rehabilitation Services is a for-profit facility for adult day care and private training and employment placement for developmentally disabled and mentally impaired adults. Bridges personnel trains these people to do peace-work on site for companies and training for jobs offsite with transportation provided to and from the job site and make sure the individuals are performing well at that job. With this lease the only improvements being made to the recreation center is putting locks on the doors in the basement and the city is charging this facility for the entire 9,773 square footage of the basement including the corridors and other areas. This is a 12 month, first term, with an option to renew two three-year terms hereafter. Giving the rent and the other considerations if Bridges moves in the city agreed that the second and third terms will not have a rent increase. The insurance requirements are \$1 million dollars per occurrence, special riders for bodily injury and property damage, special riders for injuries caused through sexual abuse or molestation, \$2 million dollars for aggregate coverage's' and 500,000 for property damage caused by them to third parties on city property. The city is an additional insured and there is no assignment or sublet and the city maintains, repairs and replaces property and mechanical systems; pro-rated utilities over the square footage and there are no alterations to the property without the city's consent and approval. Parking may be an issued because Bridges has the transportation vans and their parking will be in the middle of the parking lot back towards the elementary school so that public access or employee parking into the building; first dibs on parking will be for seniors and recreation center users on a daily basis. The vans will be parked in the back and Bridges will have a shuttle service or drop off for clients at the front of the entrance. Bridges will be at the center Monday – Friday with clients and sometimes have clients on Saturday mornings but at no time when the recreation center is not open will clients be present. Bridges will have access through the side door on Holland

**Bridges Rehabilitation Services Lease cont.**

Road for employees to come in for administrative work catch-up work after hours in the evenings. The same issue with the utilities is that the metering is prohibitive but as the Mayor and Council Members pointed out the majority of the energy costs of the building is because of all the open spaces such as the gymnasiums and swimming pool areas. So as far as electricity, gas and so forth is a good deal for the city because Bridges is paying a prorated share and most of the usage and loss in the center is public area. As far as water I visited their facility that include a couple of bathrooms and have a change of clothes area. There is no use of showers and from what I saw there isn't any type of excessive use. Bridges will have a little kitchen area that includes a single four-top range to assist in cooking meals.

Mr. Cayet stated Bridges asked for a little kitchenette and service crews fixed up the little snack room that is in the basement and put in a little stove. The stove will not be used for the cooking of meals of any kind and will only be used once in a while to bake cookies or brownies. Bridges will be bringing in seven refrigerators next to the snack room to hold boxed lunches.

Mr. Dolan continued there is minimal dish washing and trash is taken out on a daily basis to the city dumpsters which will be removed due to a possible vermin problem.

Mr. Higgins stated that I've witnessed and been involved with some of these challenged people working with Cleveland Crops and have seen good productive work with the Vocational Guidance School on East 55<sup>th</sup> Street. It is very rewarding to see some of the accomplishments so I'm looking forward to moving ahead with this lease. Mr. Dolan what is the supervisor to client ratio for this facility?

Mr. Dolan responded under one to ten; they have people out on the floor. When I walked through the Middleburg Hts. location the President actually sits in an open area for full observation; there are no private offices. There are also team leaders that are camped around and the clients are high-functioning, you can tell there is an impairment issue, but they are exceedingly polite and overly happy and very joyful people and there is a sense of enthusiasm.

Mr. Higgins stated he couldn't agree more because over on Ridge Road in the City of Parma there is an old homestead called Stearns Farm where several acres are utilized for Cleveland Crops and when I pull in there everyone is happy to see me. These people work and farm and it's unbelievable what they have accomplished over there. Mr. Higgins continued in regards to the utilities when there is ceilings as high as in the gym and pool areas and the front door opening up on a continuous basis if someone wants to share utilities with the city I wouldn't want it metered.

Mr. Burgio asked if Bridges will be leasing the whole basement.

Mr. Dolan responded yes, and city personnel will have access to some of the closets for storage. They will have the key to the elevator so when they leave the premises the elevator

**Bridges Rehabilitation Services Lease cont.**

will not be functional and the doorways leading to the basement will be secured and all the fire exits have been checked. Bridges is not only paying for the use of the rooms but also for the hall space throughout the basement.

Mr. Burgio asked if alterations will have to be made.

Mr. Dolan responded there were some suggestions such as an alteration to one of the bathrooms to make it unisex with a changing table but worked with the Director of Recreation to be able to use the facilities on the first floor if necessary. Bridges is very excited about coming in and is currently located in Middleburg Hts. The clients or consumers as they are called will be able to use the gymnasium and other amenities that is a nice set up for them as well as the city.

Mr. Burgio commented this is early-on but if this comes to fruition it is kind of nice that the city is partnering with people who help people and is a plus for the city.

Mr. Salvatore stated with the lease section 9.02 and the \$500,000 property damage coverage this is basically in the occupied space being leased. What if there is damage that occurs from someone as part of this program that does damage to another part of the building? Can the city take a look at that to see if its covered?

Mr. Dolan responded Tenants Liability Insurance – tenants agree to procure and maintain public liability at tenant's expense in the amount of at least \$1 million dollars per bodily injury and property damage combined; there is a \$2 million dollar aggregate on that. So the property damage is covered in that as well and wouldn't necessarily mean wherever they are at. \$1 million dollars for personal injuries per event that includes a sexual abuse and/or molestation charges which is an additional rider with a \$2 million dollar aggregate per occurrence per person that the Director of Law ran through an insurance check and these were the suggested dollar amounts as being sufficient. The \$1 million dollar aggregate for personal injury to two or more persons and \$500,000 for property damage on or off the premises resulting from or arising out of the fault or negligence of the tenant. For example a tenant's employees runs somebody over going out the driveway that's the \$500,000 coverage whether or not it can be tied into other things inside the building or damage to the building that has the \$1 million and \$2 million dollar coverage's.

Mr. Jamison stated these lease agreements were reviewed by the city's insurance representative and they were satisfied with the coverage's. As it relates to your question let's say a consumer (client) is upstairs using the gym or exercise area of the recreation center the language included in this section would cover that. Also in Section 1.1 extra language was provided saying that if a consumer (client) has to use equipment or an area of the upstairs recreation center the tenant has to provide the appropriate supervision; so the city is covered if they are outside their lease premises by being in the upstairs gym.

Mr. Salvatore stated to Mr. Higgins if a lot of time is spent at Stearns Farm?

**Bridges Rehabilitation Services Lease cont**

Mr. Higgins responded I stop by and these people built it and installed a fence around it and you would be completely amazed by the planning and the crops being sold to schools, restaurants and so forth. There are other farms throughout the area but this is one of the biggest farms and it is truly an amazing sight.

Mrs. Powers stated will the city need to build a second escape route in case of a fire in the basement; is the one exit adequate?

Mr. Patten clarified that city personnel checked with fire prevention and it is adequate.

Mrs. Fields commented there is more than the one exit, there is a total of three stairways.

Mrs. Powers commented that people will never find a more sensitive, caring loving group of people than at Bridges. Will all of them be working offsite or will some work come into the building that can be done on the premises?

Mr. Dolan responded depending on the nature of the work some peace work will be done onsite for a company.

Mr. Mencini asked is it possible down the road that this organization may want to take down a wall in the meeting rooms.

Mr. Dolan responded no there are several rooms that can be partitioned to instruct on specific tasks for a more direct communication.

Mr. Mencini thanked several city businesses and public for a great turnout for the Brook Park Memorial handicapped accessible playground.

Mr. Troyer commented when I spoke of metering I was talking about the water and sewer that is included and about having a limit on the usage. Mr. Troyer stated that prorating the gas and electric will probably work out in the city's favor. Mr. Troyer asked if the supervisors are basically going to be employed in Brook Park for income tax purposes.

Mr. Dolan responded there are 70 potential employees to be put on the city's payroll.

**Motion** by Mr. Higgins, supported by Mr. Mencini, to place on the next Caucus agenda of January 27<sup>th</sup>.

**ROLL CALL: AYES:** Higgins, Mencini, Burgio, Powers, D'Amico, Troyer, Salvatore

**NAYS:** None. The motion carried.

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There being no further business to come before this meeting Council President Patten adjourned this meeting at 5:55 p.m.

RESPECTFULLY SUBMITTED Michelle Blazak  
Michelle Blazak  
Clerk of Council

APPROVED February 24, 2015

THESE MEETING MINUTES APPROVED BY BROOK PARK CITY COUNCIL ARE A SYNOPSIS, NOT TRANSCRIBED IN THEIR ENTIRETY, ALTHOUGH ACCURATE.