

AGENDA
City Commission Meeting
City Building, 222 Meigs Street
5:00 p.m.

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JULY 10, 2006

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Prayer
Pledge of Allegiance
Meeting Called to Order
Roll Call - BC, BF, DW, CS, DE, DK, DM
Minutes – June 26th

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Charter Officers – Mike Will, Don Icsman, Ed Widman, B. Joyce Brown

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Audience Participation – Agenda Items Only (3 minute limit)

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PROCLAMATION – Heritage Ohio Day in Sandusky – July 13th & July 14th

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CURRENT BUSINESS

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ITEM#1 – Communication submitted by Margaret C. Rudolph, Director of Administrative Services.

ORDINANCE NO. _____ Enter into a contract with Robert L. Heneman, PH.D. of Columbus, Ohio, for Professional Consulting Services for a Job Classification and Compensation Study. *(The cost of this project is \$39,050.00 to be distributed between the City's General, Water and Sewer Administrative Support funds.)* Request passed under suspension of rules in full accordance of Section 14 of the City Charter.

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ITEM#2 – Communication submitted by Charlene Mockensturm, Community Development Director.

ORDINANCE NO. _____ Designating the area, as indicated on the map attached to this ordinance, marked Exhibit "A", which is an area bounded on the north by Sandusky Bay, the South by Adams Street, the West by Decatur Street and the East by Franklin Street, as a Community Redevelopment Area, for utilization of Community Development Block Grant Funds to be expended under the National Objective of Prevention and/or Elimination of Slums and Blight. Request passed under suspension of rules in full accordance of Section 14 of the City Charter.

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ITEM#3 – Communication submitted by Kathryn K. McKillips, Director of Engineering Services.

ORDINANCE NO. _____ Expend the necessary funds for the Emergency Repair Work performed at the Cedar Point Water Tower on Cedar Point Road by Pittsburg Tank & Tower Company, Inc. of Henderson, Kentucky, in the amount of \$20,810.00. Request passed under suspension of rules in full accordance of Section 14 of the City Charter.

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ITEM#4 – Communication submitted by Kathryn K. McKillips, Director of Engineering Services.

ORDINANCE NO. _____ Enter into a contract with Malcolm Pirnie, Inc. of Akron, Ohio, to perform the East and West Interceptor Zoom Camera Inspection for Phase 1 of the Wastewater Treatment Plant in an amount of \$14,400.00. Request passed under suspension of rules in full accordance of Section 14 of the City Charter.

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ITEM#5 – Communication submitted by Kathryn K. McKillips, Director of Engineering Services.

RESOLUTION NO. _____ Enter into the LPA Federal Project Agreement with the Ohio Department of Transportation for the Monroe Street Resurfacing Project. *(The project cost will be funded with FHWA Funds through ODOT and the MPO in the amount of 80% of the eligible costs up to a maximum of \$280,800.00 with the remaining balance of \$105,335.10 being funded with \$5.00 License Fee Funds for a total project cost of \$386,135.10.)* Request passed under suspension of rules in full accordance of Section 14 of the City Charter.

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ITEM#6 – Communication submitted by Gary Packan, Assistant City Manager.

ORDINANCE NO. _____ Declaring that certain real property owned by the City and commonly known as Ransom Park is no longer needed for any municipal purpose and authorizing the execution of an option to purchase agreement with respect to that real property. *(If acted upon \$155,000 purchase price.)* Request passed under suspension of rules in full accordance of Section 14 of the City Charter.

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ITEM#7 – Communication submitted by Charlene Mockensturm, Community Development Director.

RESOLUTION NO. _____ Approving a Compromise Settlement for a Revolving Loan Fund made to the Sandusky State Theatre, Inc. Request passed under suspension of rules in full accordance of Section 14 of the City Charter.

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City Manager's Report
Old Business
New Business
Audience Participation – Open discussion on any item (5 minute limit)
Press Question/Answers
Executive Session
Adjournment

TO: Michael J. Will, City Manager

FROM: _____
Margaret C. Rudolph, Director of Administrative Services

DATE: June 30, 2006

RE: Item for Commission Agenda

ITEM FOR CONSIDERATION: Legislation authorizing the City Manager to enter into an agreement with Robert L. Heneman, Ph.D., to obtain professional consulting services for a job classification and compensation study for all full- and permanent part-time positions of the City.

BACKGROUND INFORMATION: Over the past few years, the City Administration has had repeated requests for "job audits" for the position of Secretary I held by several different incumbents. The individuals, through their bargaining unit leadership, have expressed their displeasure with the denial of additional pay. The request has gone before the Sandusky Civil Service Commission for their review and input and they have determined that a classification study will remedy the situation. Additionally, it is believed that a full classification study will address any other inequities in classification or compensation. For a position to be audited, the criteria which classification and compensation decisions is based must be pre-determined, fair and equitable, and applicable to all positions within the City. The City Administration believes that a complete classification project will not only set the basis for current classification and compensation decision-making, but provide a clear and concise methodology for which to address future requests for re-classification both in covered and non-covered positions with the City. Finally, the completed project will provide accurate and current information that can be used during upcoming collective bargaining sessions. Independent, professional consulting services are recommended due to the time constraints of City staff. Additionally, an independent third party should alleviate any concerns of the process being fairly completed. Proposals were requested from:

Bernardini Consulting	Columbus, Ohio
Clemans, Nelson and Associates	Dublin, Ohio
Downes, Hurst & Fishel	Columbus, Ohio
Robert Heneman, Ph.D.	Columbus, Ohio
Moore, Stephens, and Apple	Westlake, Ohio
Pricewaterhouse Coopers	Cleveland, Ohio
Scott Warrick Consulting	Reynoldsburg, Ohio

Two (2) proposals were received for this project:

Downes, Hurst & Fishel	\$ 48,050.00
Robert L. Heneman	\$ 39,050.00

The proposals were evaluated against scoring criteria with each Heneman scoring 171 and Downes & Hurst scoring 166 out of a possible 180 points. With the points so close the final selection has been made based upon cost of the project.

BUDGET IMPACT: The cost of this project is \$ 39,050.00 to be distributed between the City's General, Water and Sewer Administrative Support funds, however, it should be noted that this project was not included in the 2006 appropriations.

STRATEGIC PLAN IMPACT: There is not a specific strategic plan item directly tied to position classification. However, it should be noted that as employees of the City of Sandusky we provide services to residents and visitors. When employees do not believe they are fairly compensated that feeling can have an impact on their daily interactions with our residents and visitors. A fair, equitable compensation system should impact general performance including customer service.

ACTION REQUESTED: It is requested that the proper legislation be prepared to enter into a contract with Robert L. Heneman, Ph.D., to obtain professional consulting services for a job classification and compensation study for all full- and permanent part time positions of the City. **It is further requested that this legislation take immediate effect in full accordance with Section 14 of the City Charter upon its adoption so that the City may enter into this contract immediately to receive the finished product prior to commencing labor negotiations.**

I concur with this recommendation.

Michael J. Will
City Manager

CC: Donald C. Icsman, Law Director
B. Joyce Brown, Clerk of the Commission

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH ROBERT L. HENEMAN, PH.D., OF COLUMBUS, OHIO, FOR PROFESSIONAL CONSULTING SERVICES FOR A JOB CLASSIFICATION AND COMPENSATION STUDY; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, the City Administration has received requests for "job audits" for certain positions over the past few years and which have been expressed through the employee bargaining leadership of AFSCME; and

WHEREAS, the Civil Service Commission has determined that a job classification and compensation study for all full-time and permanent part-time positions of the City will address this issue and other inequities in classification or compensation and not only set the basis for current decision-making, but provide a clear and concise methodology for future requests for reclassifications; and

WHEREAS, the information from this job classification and compensation study can be used during upcoming collective bargaining sessions and relieve some of the time constraints on City staff; and

WHEREAS, upon public, competitive bidding as required by law, two (2) proper and appropriate bids were received, of which the bid of Robert L. Heneman, Ph.D., of Columbus, Ohio, was determined to be the lowest and best bid; and

WHEREAS, the cost of the job classification and compensation study is \$39,050.00 and will be distributed between the City's General, Water and Sewer Administrative Support funds; and

WHEREAS, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order for the City to enter into this contract immediately to receive the finished product prior to commencing labor negotiations; and

WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. The City Manager is authorized and directed to enter into a contract with Robert L. Heneman, Ph.D., of Columbus, Ohio, consistent with the proposal submitted to the Director of Administrative Services, a copy of which is marked Exhibit "A" and attached to this Ordinance, for professional consulting services for a job classification and compensation study in an amount **not to exceed** Thirty Nine Thousand Fifty and 00/100 Dollars (\$39,050.00).

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion

shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

DANIEL J. KAMAN
PRESIDENT OF THE CITY COMMISSION

ATTEST:

B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed:

TO: Michael J. Will, City Manager

FROM: Charlene Mockensturm, Community Development Director

DATE: June 30, 2006

SUBJECT: Item for the City Commission Agenda designating a portion of the Kilbourne (Old Plat) Target Area Two as a redevelopment area

ITEM FOR CONSIDERATION: Authorization is requested for the designation of the area indicated on the map (Exhibit A) which is bound by Sandusky Bay on the north, Adams Street to the south, Decatur Street to the west and Franklin Street to the east as a Community Redevelopment Area. This will allow the use of Community Development Block Grant Funds to be expended under the national objective of slum and blight.

BACKGROUND INFORMATION: The Erie Regional Planning Commission completed a Housing and infrastructure survey for this area which was submitted to the City's Department of Community Development in June 2006, a copy of which is currently on file in the Department of Community Development, which in summary found the area to be a slum and/or blighted area where at least fifty-one percent (51%) of the businesses and/or improvements are in a dilapidated and/or deteriorated condition as defined by the City of Sandusky's Building and Environmental Health Housing Code. There are 81 residential structures, 90 commercial structures, 13 institutional structures and 24 mixed use for a total of 213 structures in the target area. The inspection of those structures revealed that 130 of those structures, or 61% of the properties should be classified as substandard. Relative to the infrastructure in the area, the streets scored an average of 1.12, sidewalks scored 0.95 and the curb and gutters 0.95. The scoring system is as follows: Condition OK = 0; Minor/Repair = 1; Major/New = 2. Therefore, the numbers reflect that there is also a majority of infrastructure in the target area 2 also in need of repair.

The area is such an area where there are building(s) exhibiting characteristics of dilapidation or deterioration, age or obsolescence, inadequate provision for ventilation, lights, air, sanitation or open spaces and the existence of such conditions endanger life or property, by fire and other causes or any combination of such factors is conducive to all health, transmission of disease, juvenile delinquency, or crime and is detrimental to the health, safety, morals or welfare. Community Development Block Grant funds will be expended in this area for the overall improvement of this area.

STRATEGIC PLAN IMPACT: Development of Housing – By redeveloping this area, the goal of improving housing opportunities and neighborhoods is accomplished.

BUDGET IMPACT: There will be no budgetary impact to the general fund as the funds for project activities will be funded through Community Development Block Grant funds.

ACTION REQUESTED: It is requested that the City Commission approve legislation authorizing designation of the area as a Community Redevelopment Area. It is further requested that this legislation take immediate effect in full accordance with Section 14 of the City Charter to allow for the immediate availability and expenditure of funds in the area.

I concur with this recommendation:

Michael J. Will
City Manager

ORDINANCE NO. _____

AN ORDINANCE DESIGNATING THE AREA, AS INDICATED ON THE MAP ATTACHED TO THIS ORDINANCE, MARKED EXHIBIT "A", WHICH IS AN AREA BOUNDED ON THE NORTH BY SANDUSKY BAY, THE SOUTH BY ADAMS STREET, THE WEST BY DECATUR STREET AND THE EAST BY FRANKLIN STREET, AS A COMMUNITY REDEVELOPMENT AREA, FOR UTILIZATION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO BE EXPENDED UNDER THE NATIONAL OBJECTIVE OF PREVENTION AND/OR ELIMINATION OF SLUMS AND BLIGHT; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, authorization is being requested from this City Commission to designate the area as indicated on the map attached to this Ordinance, marked Exhibit "A" and incorporated herein (a portion of the Kilbourne Old Plat Target Area Two) as a Community Redevelopment Area which will allow the use of Community Development Block Grant Funds to be expended under the National objective of prevention and/or elimination of slums and blight; and

WHEREAS, the Erie Regional Planning Commission completed a Housing and Infrastructure Survey for this area which was submitted to the City's Department of Community Development in December, 2005, a copy of which is currently on file in the Department of Community Development which in summary found the area to be a slum and/or blighted area where at least fifty-one percent (51%) of the business and/or improvements are in a dilapidated and/or deteriorated condition as defined by the City of Sandusky's Building and Environmental Health Housing codes; and

WHEREAS, the proposed Redevelopment Area is such an area where there are building(s), which by reason of dilapidation or deterioration, age or obsolescence, the existence of such conditions which endanger life or property, by fire and other causes or any combination of such factors is conducive to all health, or crime; and

WHEREAS, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter to allow for the immediate availability and expenditure of CDBG Funds in the area; and

WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This City Commission finds and designates the area as indicated on the map, a copy of which is attached to this Ordinance and marked Exhibit "A" and is incorporated herein, and which is bounded on the north by Sandusky Bay, the south by Adams Street, the west by Decatur Street and the east by Franklin Street, a Community Redevelopment Area containing slum and blight conditions and that said designation will allow the utilization of CDBG Funds to be expended under the national objective of prevention and/or elimination of slums and blight.

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

MICHAEL J. KRESSER
PRESIDENT OF THE CITY COMMISSION

ATTEST: _____
B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed:

To: Michael J. Will, City Manager
From: Kathryn K. McKillips, Director of Engineering Services
Date: June 23, 2006
Subject: Commission Agenda Item

Item for Consideration: Emergency work at the Cedar Point Water Tower located on Cedar Point Road.

The water tower had a small leak at a seam. Doug Keller worked on finding companies that were willing the repair the leak. He tried to contact companies in Illinois, Michigan and Kansas. The companies either stated that they do not do repairs or the City should contact Pittsburg Tank (they do repairs). One company did not respond at all. Pittsburg Tank and Tower was then contacted. The work was estimated to cost \$17,310.00. Because of the age of the tank, Pittsburg Tank and Tower recommended that the repair be made as soon as possible to prevent the leak from growing.

The City Manager was informed on June 2, 2006 regarding the emergency nature of the work, and he then forwarded the information to the Commissioners.

Pittsburg Tank and Tower was contacted to proceed with scheduling the work as soon as they were available. At the time the repair was made, two additional leaks were found and repaired for an additional \$3500.00.

The age of the tank brings up the question of useful life. How much longer will the tank last? Does a new tank need to be considered or will looping the watermain on Cedar Point Road to Cleveland Road provide enough water for fire fighting? These are questions that are being discussed at this time.

Strategic Plan Information: This item complies with the City's Strategic Plan. The emergency work performed will ensure that the City continues to provide "High Quality/Low Cost Utilities" for our residents (Action Plan Item J).

Budgetary Information: The cost to repair three leaks is \$20,810.00, to be paid with Water Funds.

Action requested: It is requested that the necessary legislation be approved in full accordance with Section 14 of the City Charter in order for Pittsburg Tank and Tower Co., Inc. to be compensated for work already performed.

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXPEND THE NECESSARY FUNDS FOR THE EMERGENCY REPAIR WORK PERFORMED AT THE CEDAR POINT WATER TOWER ON CEDAR POINT ROAD BY PITTSBURG TANK & TOWER CO. INC., OF HENDERSON, KENTUCKY, IN THE AMOUNT OF \$20,810.00; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, the Cedar Point Water Tower on Cedar Point Road had a small leak at a seam; and

WHEREAS, the City Manager was informed on June 2, 2006, regarding the emergency nature of the work and the information was forwarded to the Commissioners; and

WHEREAS, Pittsburg Tank & Tower Co. Inc., of Henderson, Kentucky, was contacted as the only known company that would do the repairs and it was recommended the repair be made as soon as possible to prevent the leak from growing; and

WHEREAS, the work was estimated at \$17,310.00 and at the time of the repair, two additional leaks were found and repaired for an additional \$3,500.00; and

WHEREAS, the cost to repair the three leaks is \$20,810.00 to be paid with Water Funds; and

WHEREAS, this legislation should be passed as an emergency measure in accordance with Section 14 of the City Charter in order to make payment for services rendered; and

WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Department of Engineering Services of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. The City Manager is authorized and directed to make payment to Pittsburg Tank & Tower Co., Inc., of Henderson, Kentucky, for the emergency repair work performed at Cedar Point Water Tower on Cedar Point Road, for an amount **not to exceed** Twenty Thousand Eight Hundred Ten and 00/100 Dollars (\$20,810.00);

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this

City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

DANIEL J. KAMAN
PRESIDENT OF THE CITY COMMISSION

ATTEST:

B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed:

To: Michael J. Will, City Manager
From: Kathryn K. McKillips, Director of Engineering Services
Date: June 25, 2006
Subject: Commission Agenda Item

Item for Consideration: East and West Interceptor Zoom Camera Inspection.

Two interceptors that pick up sewer mains on the east side and the west side of the City feed the City's Wastewater Treatment Plant. These interceptors were installed in the 1950's when the City stopped discharging the sewer mains directly into Sandusky Bay. This project will give the City information that will help determine if the interceptor needs repair. The camera can also locate debris that may be obstructing the interceptor.

Malcolm Pirnie submitted a proposal that will provide the City with the information on the condition of the interceptor that we need. Malcolm Pirnie is currently working on the City's Sewer Model Update and is very familiar with the City's sewer system. They have used this technology before and have been very successful with the data gathered.

InfraMetrix, who will be a subcontractor to Malcolm Pirnie, will do the camera work. This inspection process will video the condition of the sewers from a manhole and the manhole itself. The camera will zoom in each direction up to 300 feet from the manhole. The data gathering from the inspection will be analyzed and submitted to the City in a final report.

Base on the outcome of this inspection project, a separate project to improve the condition of the interceptor may be necessary in the future.

Strategic Plan Information: This item complies with the City's Strategic Plan. The inspection project will provide a link to the condition of the interceptor. Decreasing existing infiltration and eliminating debris would help provide "High Quality/Low Cost Utilities" for our residents (Action Plan Item J).

Budgetary Information: The cost to inspect 50 manholes and the adjoining pipes along with the submittal of a final report is \$14,400.00, to be paid with Sewer Funds.

Action Requested: It is recommended that the City accept the proposal from Malcolm Pirnie, Inc., for the East and West Interceptor Zoom Camera Inspection in the amount of \$14,400.00 and that the legislation be passed under suspension of the rules in full accordance with Section 14 of the City Charter. The inspection

crew will need up to four weeks to mobilize after the notice to proceed is received.

Kathryn K. McKillips, P.E.
Director of Engineering Services

I concur with this recommendation:

Michael J. Will, City Manager

KKM/cal

cc: Don Icsman, Law Director
Ed Widman, Finance Director
Joyce Brown, Clerk of City Commission

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH MALCOLM PIRNIE, INC., OF AKRON, OHIO, TO PERFORM THE EAST AND WEST INTERCEPTOR ZOOM CAMERA INSPECTION FOR PHASE I OF THE WASTEWATER TREATMENT PLANT; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, this City Commission authorized Malcolm Pirnie, Inc., to update the existing Sewer Collections System Model and Analysis by Ordinance No. 06-009, passed on January 23, 2006; and

WHEREAS, Malcolm Pirnie, Inc., has submitted a proposal to complete a Zoom Camera Inspection of portions of the east and west interceptor sewers which are of concern and for which the City's existing inspection equipment is not adequate; and

WHEREAS, Malcolm Pirnie, Inc., proposes to utilize a subcontractor, InfraMetrix, to perform the field work and collect the inspection data which will then be recorded and analyzed within a final report from Malcolm Pirnie, Inc., at a cost of \$14,400.00 to be paid with Sewer Funds; and

WHEREAS, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to immediately execute the contract thereby authorizing the inspection process to begin which requires up to 4 weeks to mobilize; and

WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Department of Engineering Services of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. The City Manager is authorized and directed to enter into a contract with Malcolm Pirnie, Inc., of Akron, Ohio, consistent with the proposal submitted to the Director of Engineering Services, a copy of which is marked Exhibit "A" and attached to this Ordinance, for the East and West Interceptor Zoom Camera Inspection for Phase I of the Wastewater Treatment Plant in an amount **not to exceed** Fourteen Thousand Four Hundred and 00/100 Dollars (\$14,400.00).

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this

City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

DANIEL J. KAMAN
PRESIDENT OF THE CITY COMMISSION

ATTEST:

B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed:

To: Michael J. Will, City Manager
From: Kathryn K. McKillips, Director of Engineering Services
Date: June 27, 2006
Subject: Commission Agenda Item

Item for Consideration: Legislation authorizing the City to enter into the LPA Project Agreement for the Monroe Street Resurfacing Project with the Ohio Department of Transportation. This agreement will allow the City to be the lead agency in the administration of the project.

The project involves paving Monroe Street from Edgewater Drive to Camp Street and Edgewater Drive from Monroe Street to the southern drive of Toft's Dairy.

The Erie County Metropolitan Planning Organization (MPO) will fund 80% of the construction costs for the project with remaining balance being funded with \$5 License Fee Funds. This funding is funneled through ODOT and the MPO from the FHWA. This work will be performed in 2007.

Budgetary Information: There is no budgetary consequence with this legislation. However, the project cost will be funded with FHWA funds through ODOT and the MPO in the amount of eighty percent (80%) of the eligible costs up to a maximum of \$280,800.00 with the remaining balance of \$105,335.10 being funded with \$5 License Fee Funds for a total project cost of \$386,135.10. This project is scheduled for completion in 2007.

Action requested: It is requested that the necessary legislation be approved in full accordance with Section 14 of the City Charter in order for the agreement to be executed in a timely fashion with the State of Ohio, Department of Transportation.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO THE LPA FEDERAL PROJECT AGREEMENT WITH THE OHIO DEPARTMENT OF TRANSPORTATION FOR THE MONROE STREET RESURFACING PROJECT; AND DECLARING THAT THIS RESOLUTION SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, the National Transportation Act has made available certain Federal funding for use by Local Public Authorities (LPA's like the City of Sandusky) through the Federal Highway Administration (FHWA) which has designated O.D.O.T. as the agency to administer FHWA's Federal Funding Programs; and

WHEREAS, the Ohio Revised Code provides that O.D.O.T. may coordinate its activities and enter into contracts with appropriate public authorities like the City of Sandusky to administer the design, qualification of bidders, competitive bid letting, construction, inspection, and acceptance of any projects administered by O.D.O.T. provided such administration is performed in accordance with all applicable Federal and State laws and regulations; and

WHEREAS, FHWA's funding will be received through O.D.O.T. and the Erie County Metropolitan Planning Organization in the amount of eighty percent (80%) of the eligible costs up to a maximum of \$280,800.00 with the remaining balance (\$105,335.10) being funded with \$5 License Fee Funds for a total project cost of \$386,135.10 with the work scheduled to be performed in CY 2007; and

WHEREAS, this legislation should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter to enable the project agreement to be signed and returned to the Ohio Department of Transportation in a timely manner as requested in their June 12, 2006, letter to the City's Traffic Engineer; and

WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of Department of Engineering Services of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio, finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Resolution** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and
NOW, THEREFORE

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. The City Manager is authorized and directed to enter into the **LPA Federal Local-Let Project Agreement** with the Ohio Department of Transportation for the Monroe Street Resurfacing Project (ERI - Monroe Street; PID No. 80159), substantially in the same form as contained in Exhibit "A" which is attached to this Resolution and specifically incorporated as if fully rewritten herein.

Section 2. If any section, phrase, sentence, or portion of this Resolution is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect

the validity of the remaining portions thereof.

Section 3. That it is found and determined that all formal actions of the City Commission of the City of Sandusky concerning and relating to the adoption of this Resolution were taken in an open meeting of the City Commission of the City of Sandusky and that all deliberations of this City's Commission and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

Section 4. That for the reasons set forth in the preamble hereto, this Resolution is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter from and after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

DANIEL J. KAMAN
PRESIDENT OF THE CITY COMMISSION

ATTEST: _____
B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed:

TO: Michael J. Will, City Manager
FROM: Gary Packan, Assistant City Manager
DATE: June 29, 2006
RE: Item for Commission Agenda (Option / Sale of Ransom Park)

ITEM FOR CONSIDERATION: The purpose of this communication is to request approval of legislation allowing the City Manager to execute an 'Option to Purchase' for the eventual sale of the property located on Cleveland Road, commonly known as Ransom Park, that is no longer needed for any municipal purpose and would be best suited for stimulating economic development.

BACKGROUND INFORMATION: The city administration has been working diligently with John Biechele to sell Ransom Park (0.8906 acres) and develop a retail/office plaza on Cleveland Road. At this time, a building consisting of 12,000 square feet is being proposed for future possible retail and office space.

BUDGET IMPACT: No cost is associated with this land option agreement. The city will receive \$5,000 for a six-month option and an additional \$5,000 for another six-month option if it would be enacted. If after 365 days the property has not been purchased, the option would expire without a refund of the \$10,000. If the option is acted upon, the property will be sold for \$155,000 (price includes the option payments).

ACTION REQUESTED: It is requested legislation be adopted allowing the City Manager to sell the property commonly known as Ransom Park. **It is further requested that this legislation take immediate effect in full accordance with Section 14 of the City Charter in order to expedite the consumption of the execution of the option agreement thereby expediting the potential sale of the property and the receipt of the proceeds from the sale.**

I concur with this recommendation.

Michael J. Will, City Manager

ORDINANCE NO. _____

AN ORDINANCE DECLARING THAT CERTAIN REAL PROPERTY OWNED BY THE CITY AND COMMONLY KNOWN AS RANSOM PARK IS NO LONGER NEEDED FOR ANY MUNICIPAL PURPOSE AND AUTHORIZING THE EXECUTION OF AN OPTION TO PURCHASE AGREEMENT WITH RESPECT TO THAT REAL PROPERTY; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, the City is the owner of certain real property commonly known as Ransom Park, which property is more specifically described in Exhibit "A" (the "Property") attached to a certain Option to Purchase Agreement, a copy of which is marked Exhibit "1" with respect thereto (the "Option Agreement"), which Property is no longer needed for any municipal purpose; and

WHEREAS, David G. Biechele and D. John Biechele (the "Purchasers") have offered to enter into the Option Agreement with the City granting the Purchasers the option to purchase the Property at the purchase price set forth therein; and

WHEREAS, this legislation should be passed under suspension of the rules as an emergency measure in accordance with Section 14 of the City Charter in order to expedite the consummation of the execution of the Option Agreement thereby expediting the potential sale of the Property and the receipt of the proceeds from the sale; and

WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This City Commission finds, determines and declares that the Property is no longer needed for any municipal purpose and that the execution of the Option to Purchase providing for the potential sale, pursuant to Section 25 of the Charter of this City, to the Purchasers of the Property at the purchase price set forth in the Option to Purchase, is in the economic interest of the City. The City Manager is hereby authorized and directed to execute the Option Agreement on behalf of the City in substantially the form of the Option Agreement on file with the Clerk, and together with such revisions or additions as are approved by the Law Director as not being substantially adverse to the City. Upon the exercise by the Purchasers of the option to purchase the Property pursuant to that Option Agreement, the City Manager is also hereby authorized and directed on behalf of the City to execute a quit claim deed conveying the Property to the Purchasers, which quit claim deed shall be in a form satisfactory to the Law Director. The City Manager, Law Director, Finance Director, and other City officials, as appropriate, are each hereby authorized to execute and deliver such instruments, certificates and other documents and take such actions, as are necessary and in the best interests of the City in order to carry out and consummate the foregoing

actions authorized by this Ordinance.

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

DANIEL J. KAMAN
PRESIDENT OF THE CITY COMMISSION

ATTEST:

B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed:

OPTION TO PURCHASE AGREEMENT

THIS OPTION TO PURCHASE AGREEMENT (“Agreement”), is made and entered into as of the ___ day of June, 2006 (the “Effective Date”), by and between **DAVID G. BIECHELE** and **D. JOHN BIECHELE** (collectively, “Optionee”), and the **CITY OF SANDUSKY, OHIO**, a municipal corporation organized under the laws of the State of Ohio (the “City”).

Recitals:

A. The City owns the real property, which the City has determined is no longer needed for any municipal purpose, described on Exhibit A attached hereto and incorporated herein by reference (the “Property”).

B. The City has taken certain actions, including the vacation of the portion of Cleveland Avenue that is part of the Property, to encourage the commercial development of the Property.

C. Optionee and the City have agreed upon the terms under which the City will grant to Optionee an option to acquire the Property as set forth below.

Agreements:

In consideration of their mutual covenants and agreements herein contained, Optionee and the City hereby agree as follows:

1. GRANT OF OPTION; TERM; CONDITIONS. In consideration of five thousand dollars (\$5,000.00) (the “Option Payment”), receipt of which is hereby acknowledged, the City hereby grants to Optionee an option to purchase the Property upon the terms and conditions hereinafter set forth (the “Option”). Optionee may exercise the Option only by written notice of exercise (the “Exercise Notice”) delivered by Optionee to the City on or before midnight on the date that is one hundred eighty (180) days from the date hereof (such date, as may be extended pursuant to the terms hereof, the “Option Expiration Date”) (the period of time between the date hereof and the Option Expiration Date shall be hereinafter referred to as the “Option Period”). Optionee may extend the Option Period for an additional one hundred eighty (180) days by (i) providing the City with written notice (the “Extension Notice”) of Optionee’s election to extend the Option Period no less than thirty (30) days prior to the Option Expiration Date and (ii) paying the City Five Thousand (\$5,000.00) at the time it provides the City with the Extension Notice. During the Option Period, Optionee shall have the right to erect one (1) 4 x 8 foot sign (the “Sign”) on the Property to advertise “space available;” provided, however, that the design and location of the Sign shall be subject to the prior written approval of the City, such approval not to be unreasonably withheld or delayed.

2. IF THE OPTION EXERCISED. In the event that the Option is exercised on or before the Option Expiration Date, there shall exist between Optionee and the City a binding

agreement for the City to sell, and Optionee to purchase, the Property, according to the terms and conditions set forth in this Section 3:

(a) Purchase and Sale. The City shall sell and convey to Optionee, and Optionee shall purchase from the City, upon the terms and conditions hereinafter set forth, the Property.

(b) Purchase Price. The purchase price for the Property shall be One Hundred Fifty-Five Thousand Dollars (\$155,000.00) (the "Purchase Price"); provided that the Option Payment (as well as any payment to extend the term of the Option Period) shall be credited towards Optionee's obligation to pay the Purchase Price hereunder.

(c) The Deed. The City shall convey to Optionee the Property by Quit Claim Deed (the "Deed"). The Escrow Agent shall file the Deed for record and complete this transaction on a date mutually acceptable to the City and Optionee (the "Closing Date").

(d) Closing Costs/Prorations.

(i) The Escrow Agent shall charge:

(A) to Optionee (1) the cost of the filing the Deed for record, (2) one-half (1/2) of any escrow fee which may be charged by any escrow agent or title company, (3) one-half (1/2) of the premium for any Owner's Policy of Title Insurance, (4) the costs of any special endorsements to the Owner's Policy of Title Insurance, and (5) the cost of any survey; and

(B) to the City (1) one-half (1/2) of any escrow fee which may be charged by any escrow agent or title company, (2) any conveyance fee, transfer tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Property, (3) the fee for the title examination and the title commitment, and (4) one-half (1/2) of the premium for any Owner's Policy of Title Insurance (excepting the cost of any endorsements requested by Buyer).

(ii) The following shall be apportioned by the Escrow Agent with respect to the Property as of 12:01 a.m., on the Closing Date, as if Optionee were vested with title to the Property during the entire day upon which Closing occurs: (A) taxes and current installments of special assessments levied against the Property and (B) any other income or operating expenses or other items pertaining to the Property which are customarily prorated between a purchaser and a seller in the area in which the Property is located.

(e) Broker. Optionee (i) represents to the City that it has not dealt with a broker or agent in connection with the sale or purchase of the Property and (ii) agrees to indemnify and hold harmless the City from and against any brokerage commission due in respect of the purchase of the Property by reason of Optionee having dealt with such broker or agent. The provisions of this Section 2(e) shall survive the delivery of the Deed.

(f) Liens. Optionee shall take title to the Property subject to (i) real estate taxes not yet due and payable, (ii) zoning ordinances, if any, and (iii) covenants, conditions, restrictions, reservations, rights, rights of way and easements of record, if any (“Permitted Exceptions”).

Notwithstanding anything to the contrary in the foregoing, Option shall have until 5 p.m. (Eastern Standard time) on the fifteenth (15th) day following Optionee’s exercise of the Option (the “Diligence Period”), to examine the title to the property and to report in writing any valid objections thereto (“Objections”). Any exceptions to the title which would be disclosed by examination of the records shall be deemed to have been accepted unless reported in writing on or before the termination of the Due Diligence Period. If Optionee objects to any exceptions to the title, the City shall have the option to remove such exceptions during a 60 day period following receipt of Optionee’s written notice (the “Cure Period,” such period to terminate earlier in the event the City provides Optionee with written notice of the City’s election not to cure Optionee’s Objections); provided, however, that the City shall not be required to expend any funds to remove such exceptions. If the City elects not to cure any Objections specified in Optionee’s notice, or if the City is unable to effect a cure prior to the end of the Cure Period, Optionee shall have the following options: (i) to accept a conveyance of the Property subject to Permitted Exceptions (specifically including Objections which the City is unwilling or unable to cure) and without reduction of the Purchase Price; or (ii) to terminate this Agreement by delivering written notice thereof to the City within five (5) business days after the end of the Cure Period, and upon timely delivery of such notice of termination, this Agreement shall terminate and the Option Payment shall be returned to Optionee, and thereafter neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement.

3. OPTIONEE’S REPRESENTATIONS AND WARRANTIES. Optionee represents and warrants to the City, effective as of the date of this Agreement and as of the Closing Date, that:

(a) Optionee has the full right, power and authority to purchase the Property as provided in this Agreement and to carry out Optionee’s obligations hereunder.

(b) There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Optionee which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

4. THE CITY’S REPRESENTATIONS AND WARRANTIES. The City represents and warrants to Optionee, effective as of the date of this Agreement and as of the Closing Date, that the City is a municipal corporation duly organized and validly existing under the laws of the State of Ohio, that the City is authorized and empowered to enter into this Agreement, that the same is not in violation of any agreement with or condition imposed by any other party and that

this Agreement constitutes the valid and binding obligation of the City in accordance with the terms of this Agreement. Furthermore, during the Option Period the City agrees not to make alterations to the Property without the written consent of Optionee.

5. OPTIONEE'S RIGHT OF ENTRY. At all times (a) prior to the Option Expiration Date or (b) subsequent to the exercise of the Option but prior to the Closing Date, Optionee, its agents, employees, contractors and representatives, shall have the right, at reasonable times as not to interfere with the City's use of the Property, to enter upon the Property for the purposes of conducting surveys, soil tests, engineering studies, land planning, environmental testing and other testing and exploration work (the "Investigation") necessary or appropriate to formulate plans and determine the suitability of the Property for Optionee's use of the Property. Optionee shall defend, indemnify and hold harmless the City from any and all claims, losses, damages and expenses arising from the Investigation and the entry onto the Property by Optionee, its agents, employees, contractors and representatives. Optionee agrees to return or restore the Property to substantially its original state within a reasonable time after the Investigation is completed, not to exceed sixty (60) days after completion of the Investigation.

6. NOTICES. Any notice or election which may be or is required to be given pursuant to the provisions of this Agreement shall be sufficiently served if sent by certified or registered mail, postage prepaid, return receipt requested, or by Federal Express or other nationally recognized overnight courier, and addressed as follows:

As to the City: The City Manager
The City Building
222 Meigs Street
Sandusky, Ohio 44870

With a Copy to: Sean T. Peppard, Esq.
Squire, Sanders & Dempsey L.L.P.
4900 Key Tower
127 Public Square
Cleveland, Ohio 44114

As to Optionee: John Biechele
3914 Galloway Road
Sandusky, OH 44870

All such notices or elections shall be deemed received on the first business day after being sent by overnight courier or the third business day after being sent by certified or registered mail.

7. CITY OFFICIALS NOT INDIVIDUALLY LIABLE. No member, official or employee of the City shall be personally liable to Optionee, or any successor in interest, in the event of any default by the City, or for any amount which may become due to the City or successor on any obligation under the terms of this Agreement.

8. SECTION HEADINGS. The section headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

9. THIS AGREEMENT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, and shall constitute the entire agreement among the parties. This Agreement shall not be modified or amended except by a written instrument duly executed by the parties hereto.

10. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same document.

11. ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties and there are no agreements, representations or warranties, oral or written, which are not set forth herein. This Agreement may not be amended or modified except by a writing signed by both parties.

12. DISCLAIMERS. It is understood and agreed that the City is not making and has not at any time made any warranties or representations of any kind or character, expressed or implied, with respect to the Property, including, but not limited to, any warranties or representations as to habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, latent or patent physical or environmental condition, dimensions, utilities, operating history or projections, valuation, governmental approvals, the compliance of the Property with governmental laws, the truth, accuracy or completeness of the Property documents or any other information provided by or on behalf of the City or any other person or entity to Optionee, or any other matter or thing regarding the Property. Optionee acknowledges and agrees that upon the Closing Date the City shall sell and convey to Optionee and Optionee shall accept the Property “as is, where is, with all faults.” Optionee has not relied and will not rely on, and City is not liable for or bound by, any expressed or implied warranties, guaranties, statements, representations or information pertaining to the Property or relating thereto. Upon the Closing Date, Optionee shall assume the risk that adverse matters, including but not limited to, construction defects and adverse physical and environmental conditions, may exist and Optionee, on the Closing Date, shall be deemed to have waived, relinquished and released the City (and the City’s employees and agents) from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including reasonable attorneys’ fees and court costs) of any and every kind or character, known or unknown, which Optionee might have asserted or alleged against the City (and the City’s employees and agents) at any time by reason of or arising out of any latent or patent defects or physical conditions, violations of any applicable laws (including, without limitation, any environmental laws) and any and all other acts, omissions, events, circumstances or matters regarding the Property.

IN WITNESS WHEREOF, the City and Optionee have executed this instrument on the date first above written.

“THE CITY”

CITY OF SANDUSKY, OHIO

By _____
Michael J. Will, City Manager

“OPTIONEE”

DAVID G. BIECHELE

D. JOHN BIECHELE

APPROVED TO FORM BY: _____

Law Director
City of Sandusky

CERTIFICATE OF FINANCE DIRECTOR

The undersigned, fiscal officer of the City, hereby certifies that the money required to meet the obligations of the City during the year 2006 under this Agreement has been lawfully appropriated by the Commission of the City for such purposes and are in the treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Finance Director

TO: City Commission

FROM: Charlene Mockensturm, Community Development Director

DATE: June 6, 2006

RE: Commission Agenda Item (Sandusky State Theatre)

ITEM FOR CONSIDERATION: A Resolution approving a lump sum settlement of fifty percent of the outstanding principal balance of the City's Revolving Loan Fund (RLF) loan to the State Theatre. The Sandusky/Erie County Community Foundation (Foundation) has requested that the City accept \$25,000 as full and complete settlement for a RLF loan with a current principal balance of \$50,000 (see attached letter) subject the below listed conditions.

BACKGROUND INFORMATION: In early 2005, the State Theatre applied for an RLF loan in the amount of \$50,000 to be used for equipment for the community center and to purchase inventory for the theatre's gift shop. The Revolving Loan Fund Committee recommended approval of an unsecured loan at 1% interest to be repaid over seven years and the City Commission approved those loan terms in February of 2005.

Today, Sandusky State Theatre, Inc. is out of business; the theatre is closed and the Foundation is paying to maintain the building while working on a plan to re-capitalize and reopen the theatre. As part of that plan, the Foundation must deal with the various creditors of Sandusky State Theatre, Inc. including the City of Sandusky.

The theater's largest creditor is the Ohio Cultural Facilities Commission (OCFC), an organization that provided approximately \$1,800,000 in funding for the construction of the theatre's community center and other renovations. It appears likely that the Foundation can restructure the theater's successfully assist Sandusky State Theatre, Inc. to meet its obligations to the OCFC subject to a number of conditions including one that states that all current creditors be dealt with and there be no other liens on the theatre building. To comply with this condition the City and other creditors are being asked to accept lump sum settlements from the Foundation.

The RLF Committee met to consider the Foundation's request on May 16, 2006. The Committee recommended acceptance of the proposed settlement subject to the following conditions:

1. A closing occurs under the Funding Agreement prior to September 1, 2006.
2. The Ohio Public Facilities Commission approves the continued operation of the theatre by Sandusky State Theatre, Inc.
3. The City being able to obtain one additional job certificate showing that the theatre met low-moderate income hiring goals as required under Community Development Block Grant (CDBG) rules.

4. The City will have the option to take back gift shop inventory for sale and application of the sale proceeds to the RLF loan should the Sandusky State Theatre, Inc. decide not to reopen the gift shop.

BUDGETARY INFORMATION: This action will not negatively impact the City operating budget. The funds for RLF loans come from CDBG monies, not the General Fund. If successful, the reopened theatre should generate substantial income and admissions taxes for the City.

STRATEGIC PLAN IMPACT: The State Theatre is a cornerstone of our Downtown development efforts. The reopening of the theatre will have an immediate positive financial impact on other Downtown businesses and will help our development efforts going forward.

SUPPORTING COMMENTS: When the Theatre decided to expand and create a Community Center the City was an enthusiastic supporter and the \$50,000 RLF loan was a small token of that support.

Today, the City Revolving Loan Fund is a small, unsecured creditor of the Theatre. If the Theatre were to file for bankruptcy there would be little or no possibility of any repayment. The Foundation has asked, subject to a closing occurring prior to September 1, 2006 under the February 15, 2006 asked Funding Agreement among Sandusky State Theatre, Inc., the Sandusky/Erie County Community Foundation and certain donors, that the City accept a \$25,000 lump sum as full settlement of the principal balance of this loan. In return, if there is a closing under the Funding Agreement prior to September 1, 2006, the Foundation will fund and oversee the reopening of the State Theatre and provide an endowment for its continued operations and financial health.

We ask that you support the Foundations efforts by approving this settlement subject to the conditions listed above.

ACTION REQUESTED: It is requested that the City Commission enact the attached legislation under suspension of the rules as an emergency measure in accordance with Section 14 of the City Charter. The Foundation must demonstrate that the Theatre's creditors have been dealt with as a condition of the restructuring agreement with the OCFC. The theatre will not reopen until and unless all conditions imposed by the OCFC have been dealt with.

I concur with this recommendation:

Michael J. Will, City Manager

RESOLUTION NO. _____

A RESOLUTION APPROVING A COMPROMISE SETTLEMENT FOR A REVOLVING LOAN FUND MADE TO THE SANDUSKY STATE THEATRE, INC.; AND DECLARING THAT THIS RESOLUTION SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, this City Commission previously approved a Revolving Loan to the Sandusky State Theatre, Inc., in the amount of \$50,000.00, consistent with the recommendation of the City's Revolving Loan Fund Committee by Ordinance No. 05-065, passed on February 14, 2005; and

WHEREAS, subsequently the Sandusky State Theatre, Inc., was closed and the Sandusky / Erie County Community Foundation is engaged in efforts to reopen the theatre under a certain February 15, 2006 Funding Agreement among the Sandusky / Erie County Community Foundation, Sandusky State Theatre, Inc. and certain donors and as part of that process the largest creditors of the Sandusky State Theatre, Inc., including the City, subject to a closing occurring under the Funding Agreement prior to September 1, 2006, are being asked to compromise and settle their claims to enable the theatre to meet its obligations to the Ohio Cultural Facilities Commission; and

WHEREAS, the City's Revolving Loan Fund Committee met on May 16, 2006, to consider the proposed compromise and settlement and is recommending acceptance of fifty percent (50%) of the original \$50,000.00 loan or \$25,000.00 subject to the following conditions:

1. A closing occurs under the Funding Agreement prior to September 1, 2006.
2. The Ohio Public Facilities Commission approves the continued operation of the theatre by Sandusky State Theatre, Inc.
3. The City being able to obtain one additional job certificate showing that the theatre met low-moderate income hiring goals as required under Community Development Block Grant (CDBG) rules.
4. The City will have the option to take back gift shop inventory for sale and application of the sale proceeds to the RLF loan should the Sandusky State Theatre, Inc. decide not to reopen the gift shop; and

WHEREAS, this Resolution should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter to immediately assist the Sandusky / Erie County Community Foundation in their efforts to comply with all of the conditions imposed by the Ohio Cultural Facilities Commission thereby facilitating their restructuring agreement; and

WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio, finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Resolution** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This City Commission approves the compromise settlement of the Revolving Loan Fund made to the Sandusky State Theatre, Inc., authorized by

Ordinance No. 05-065, in the amount of \$25,000.00 subject to the following conditions:

1. A closing occurs under the Funding Agreement prior to September 1, 2006.
2. The Ohio Public Facilities Commission approves the continued operation of the theatre by Sandusky State Theatre, Inc.
3. The City being able to obtain one additional job certificate showing that the theatre met low-moderate income hiring goals as required under Community Development Block Grant (CDBG) rules.
4. The City will have the option to take back gift shop inventory for sale and application of the sale proceeds to the RLF loan should the Sandusky State Theatre, Inc. decide not to reopen the gift shop; and

Section 2. This City Commission authorizes and directs the City Manager, the Finance Director and other appropriate City Officials to execute necessary documents or instruments in carrying out such compromise settlement and do such other things as are necessary for and incidental to carrying out the terms of this Resolution.

Section 3. If any section, phrase, sentence, or portion of this Resolution is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 4. That it is found and determined that all formal actions of the City Commission of the City of Sandusky concerning and relating to the adoption of this Resolution were taken in an open meeting of the City Commission of the City of Sandusky and that all deliberations of this City's Commission and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

Section 5. That for the reasons set forth in the preamble hereto, this Resolution is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter from and after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

PAGE 3 – RESOLUTION NO. _____

**DANIEL J. KAMAN
PRESIDENT OF THE CITY COMMISSION**

**ATTEST: _____
B. JOYCE BROWN
CLERK OF THE CITY COMMISSION**

Passed: