

**CITY OF INDEPENDENCE  
ECONOMIC GROWTH & DEVELOPMENT COMMITTEE MEETING  
MINUTES  
AUGUST 16, 2022 AT 3:30 P.M.  
COUNCIL CAUCUS & VIA ZOOM**

Present: Chairman John DiGeronimo  
Councilperson Tom Narduzzi  
Councilperson Jim Trakas

Also Present: Mayor Gregory P. Kurtz  
Finance Director Vern Blaze  
Vice Mayor Dave Grendel  
Councilperson Dale Veverka  
Economic Development Director Jessica Hyser (left at 4:58 p.m.)  
City Planner Annie Lynch  
Economic Development Coordinator Irene Kalal

Chairman John DiGeronimo called the Economic Growth & Development Committee meeting to order at 3:34 p.m.

Chairman DiGeronimo said I appreciate everyone getting together today. We have had an Economic Growth & Development meeting in June and there was one in December of 2020 and October 2020, and those were very specific meetings. The agenda was basically following the branding and wayfinding. I was hoping we could get together and talk about something other than branding and wayfinding and learn about what the team is doing in this department. We have some new members on the team, Irene and Annie are here. So, if it's maybe more of a personnel update; so that's how we kind of worked on this agenda to share about what we have done throughout the year, what we have coming up next and maybe set the stage for what some other meetings could be moving forward.

Economic Development Director Hyser said sure. So, we have prepared a lovely discussion for you gentlemen. As you mentioned, the team is rounded out by myself and two other staff members, Annie Lynch, City Planner and Economic Development Specialist. We have Irene Kalal who is the Economic Development Coordinator. So, just to kind of give everyone some background information. Jeff Markley who had been the long-time City Planner left in April of this year, and Ryan Wancata moved over to the Parks & Rec Department. That gave us an opportunity to shovel some things around and make some changes to the department.

Annie has been with the team, it will be two years in March and has a background in Planning, so that really gave us the opportunity to bring that function in-house. So, we have somebody here with us on a day-to-day basis who can address some of the City's planning needs. What we have been able to do is have her focus on some other projects. She is working on the Maple Shade project, but we have also been working on some other projects behind the scenes, looking at

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some other ways that we can utilize some of the City's assets. She is focusing on some sustainability. Jim as you know, the Tree Commission is something that's under her right now, as well as she has been able to help us address some areas of physical planning needs with some residents, and we find it really helpful to have her on staff to be able to do that.

One of the big focuses that I also been having us work on is changing how we deal with projects as they come in. I am talking about how we deal with our Boards and Commissions in that respect. So, when a project comes in under our old system, it would just appear on the Planning Commission agenda. The Planning Commission would be addressing that project. Now we have kind of addressed some best practices in the industry. So, when a project comes in, and Annie has been instrumental in directing a staff report. When the Planning Commission gets a project, they understand some of the background information about that property and that project, and so it helps make more of a streamlined process for a company that is coming into the City of Independence, a developer who is invested in our community.

We have also taken it another step further. A lot of times they are in a planning process, so once they receive approval, that was kind of the last step. Well, we have now taken it to another level where we are able to send them a letter that says thank you for being at the Planning Commission, you did receive this approval. It helps them going through the next steps, and also understanding what some of those conditions of that approval might be. So, that has been really helpful for us.

Some of the things that Annie is going to be working towards is AICP certification, which is the American Institute of Certified Planners. It's through the American Planning Association. So, again she has a Master's degree in Planning, but that is just kind of another level of certification to validate, not only the education component of having a Master's degree, but also the practical work experience.

Some of the other things that Annie is working on is some of the placemaking efforts that we have as well as looking at the Hemlock Creek Trail comfort station. So, there is a house there, and how can we utilize that to make it an asset for the community, and so one of the things that we thought about is turning that into a comfort station, aka bathroom. As someone with little children, bathrooms are key because they always have to go to the bathroom at the most inopportune times. So, we have been working on that, and we will probably be talking to Council about that further.

So, Irene is the newest member of our team, and she just started here at the end of June. She is really our liaison between City Hall and the business community. She has a friendly face, and is really helping us step up those efforts. So, we have made it a big goal of ours, and we have done it in the past, is making sure we stop by and visit every business and bring some of that information, that intel back to City Hall. So, that is what Irene has been focusing on.

She is also helping us manage our social media, run some of our programs, and we will talk a little bit more about them, and one of them coming up here is our Restaurant Week Program. A hidden talent of hers is she has a really good eye for graphic design. So, she has been helping us with some of our collateral materials and updating that to reflect the new branding.

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So, those are the two other members of the Economic Development team, and I think we are making some great strides moving forward.

Chairman DiGeronimo said maybe two questions. The first one under Annie's board, updating City zoning and land development. So, if there's a change in zoning, does that come to Council?

Economic Development Director Hyser said one of the things that we would like to do is work with the Planning Commission to update our entire Zoning Code, and so yes that would then go through City Council to be updated. The process I would imagine, if we take what has been done in other communities, would involve the Planning Commission and probably one or two members of City Council to kind of be that voice, but how are we addressing some of the common zoning requests that we are getting. If it becomes a common request, for example everybody needs instead of the 12' x 12' shed, everyone needs at least a 12' x16' shed, whatever that square footage is. So, maybe that is something we address in the Zoning Code. That's something we can look at. There are some things in our Zoning Code that haven't been updated in many, many years. It is also a little cumbersome to deal with; so as we look at the Zoning Code and how we can help invest in the City, that is something they want to look for in the future. That would be something we would hope to work with the Planning Commission and probably a couple of members of City Council to develop going forward.

Finance Director Blaze said but until then any rezoning has to come to Council, So, yes to answer your question.

Councilperson Trakas said just a question. On the citywide connectivity plan, can you re-familiarize me with that?

Economic Development Director Hyser said so one of the things that we have been asked to do is look at how our pathways connect, whether it's a sidewalk or trails. One of the things that we discovered during the pandemic is that people love to be outside a lot more to take in kind of have a rejuvenated appreciation for Mother Nature, and how do we connect people with the places where they want to go. So, we have made a big effort, the City, when street improvements happen to make sure there are sidewalks. One of the things from an Economic Development standpoint we have heard a lot about is connectivity in the Rockside Road area. So, the folks that are on Oak Tree did really enjoy the fact that we installed sidewalks down the pathway, the median, the boulevard; but there are other areas of Rockside that would like connectivity. For example, Rockside Woods Blvd. both north and south. They have close proximity to Rockside Corners, but their employees don't feel safe walking in the roadway and would appreciate having some sidewalks and some pathways to make that connection happen. Then not just looking at the physical connection, but then how do we make that intersection not feel so threatening. So, maybe it's designing some sidewalks and crosswalks that make it look a little less threatening and more inviting versus just being a six lane roadway.

Councilperson Trakas said we had also talked before you came on board about creating a little park down there. I'm still thinking that's a good idea. I don't know whose land we would want to volunteer for that opportunity, but I still think in that area we could put some type of park area

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where people could go picnicking and have a little bit of opportunity themselves to utilize a public entity. I think that would be helpful.

Economic Development Director Hyser said to piggyback on that, so obviously we are making the investment with the land that we have for a parking lot, but let's think about that not just as being a parking lot, but is there opportunity to put some trails on that property and connect it with Brecksville Road or Rockside Woods. Obviously, those roadways have more direct connection to the canal way and the towpath trail, but again it's something that we are thinking about those connections.

Councilperson Trakas said I think Pleasant Valley has some needed opportunities there too.

Economic Development Director Hyser replied absolutely.

Finance Director Blaze said I sure hope if we are doing Rockside Woods Blvd. north they are wider than five or six feet traditional.

Economic Development Director Hyser said well some parts of Rockside Woods are eight foot wide. So, you will be happy to know that.

Finance Director Blaze said some parts.

Economic Development Director Hyser said so one of the things that John and I had talked about was talking about some data, and the first piece of data that John really wanted to kind of focus on was the RITA receipts. So, that is something that comes out of the Finance office.

Chairman DiGeronimo said I guess before, it was kind of important what kind of numbers we could provide. Economic Development, it's kind of hard to share numbers. So, what can we provide? Is there a meaningful number that we can all put our hands around to know throughout the term or the year we are moving forward in certain things? It's hard to do that, but if we started with the RITA receipts, and the Finance Director does a good job providing these, but since we have some current information, just to spend a few minutes on maybe the most important number that we see from the City, but from a data side it doesn't really tell you why or how or who, it's just a big important number.

Finance Director Blaze said the numbers you see on here are by and large a function of economic development that these three gentlemen here behind me lead, and economic development results in employees working for Independence and those employees result in local income taxes paid to Independence.

Just to briefly summarize the whole thing. I started providing this spreadsheet to Council which gives you more than just a gross number and total for the month in one spreadsheet, but if you want the breakdown of it, you can refer to this. It's interesting to see with taxes from withholding that second column on the bottom, year-to-date 2022, 2021 and 2020, \$18,900,000, \$19,600,000, and now we are at year-to-date \$18,600,000. So, we are year-to-date through the first eight months of 2022, our withholding taxes which basically are people who work in Independence, is

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just slightly down over the long trend. If you jump over two columns, Net Profit from what we received from RITA, that's more than made up for the loss of withholding, \$2,100,000 in 2020 year-to-date, \$2,350,000 in 2021, and we are over \$3,250,000 year-to-date in 2022. So, it's a ying and a yang where I guess not as many people are working in Independence, and maybe that hybrid remote work model is the cause of that; but at least the companies in Independence are doing okay on the profitability side and that has made up for it.

That being said, go jump to the last column Total Income tax for the month, again those are year-to-date figures, \$23,200,000 year-to-date in 2022. A little bit higher than 2020, that was that Covid year, but we are down a little bit from 2021. So, I guess to summarize, the bottom has not dropped out in income tax collections. I think some of, if you thought of the worst case scenarios that were running through a lot of people's models in 2020 and 2021 with Covid and work from home and the tax laws and everything; we were probably expecting a lot worse. Not to say that it can't get worse, but at least here through the first eight months, we have two-thirds of our collections for this year, and we are down a little bit, but holding our own. Of course, this is one of a few revenue sources, but we focus on this one the most because this one dwarfs any other revenue source that the City has. TIF revenue is a fraction of this. Hotel/Motel bed tax is a fraction of this, and by fraction I mean less than 10% of this, closer to 5% even. So, this is the driver for us, and look I said it in my weekly report this past Friday. The bottom hasn't dropped off out of the income tax revenue, but our cost of operating a household, business, City, has nothing but increased. Every time we renew medical insurance, fuel, utilities, labor; everything is going up. Infrastructure projects, capital equipment, we have been through enough capital budget meetings to hear Ron and the Police Department and Dennis talk about buying vehicles and equipment and autos and trucks and how those prices have gone up. So, yeah we could absorb it in the short run, but over the long run we can't have a flat to declining primary source of income but continue to have our expenses and our cost of doing business go up because at some point in the future, if those trends continue, those lines cross and when that happens it's problematic.

So, Economic Development, Finance, Mayor's office, Council, we are all keeping our eyes on what is happening out there in the world economy, nationwide, statewide, regionwide and citywide here, getting narrower and narrower; and just not let us get too far ahead of ourselves so that we never get caught in a pickle in the future. I think we are trying to do the best job we can do to be judicious with the financial resources given what we know now, and Jim you bring that statewide and sometimes national perspective. Who knows, are we in a recession or not in a recession? If we are not, are we going into one, and if so, when is that going to be for us over the next rest of this year through 2023. How do we budget for 2023? Do we anticipate more flat to declining revenue? Do we anticipate expenses up? If so, what are the ramifications to us? Those are the questions that we will be asking over the next couple of months and addressing as we sit down as a body to start reviewing 2023 budget proposals and putting some sharp numbers together so that by December there is a 2023 annual appropriations ordinance for Council to vote on.

Mayor Kurtz said just to segway off of what the Finance Director suggested, we had a Mayors meeting last week. In talking with the new RITA Director, she said a couple of things. She said with Independence, she said watch Independence because it's one of those like Mayfield Village, who lost millions of dollars of income tax because they were tied and tethered to one major

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income tax producer. She said I define Independence when people ask as holding their own. Other people are up 8%, 9%, you are holding your own. The only thing she did say is what you eluded to, and Vern has always cautioned us all, net profits, she said just throw that away. Don't even factor that because a lot of times, as we have seen happen million dollar swings, a company is using it to not pay taxes, and then they want the rebates. Don't depend on it she said. Don't even factor that into your analysis.

This is consistent with the Finance Director's analysis and his narrative relative to what we have to look at long term.

Several people began speaking at once.

Finance Director Blaze said the Mayor just talked about (inaudible), and that's this column here, and it's a good trend at least for now. That Net Profit taxes that went up steadily through the last couple of years. The amount of refunds that RITA has had to issue has slowly been declining, but the Mayor is 100% correct. I will get a notice from RITA a heads up, and they will call and say just to let you know, so-and-so company made a large estimated RITA tax net profit payment, and guess what, they over-estimated their income and they actually lost money last year. They just asked us for a refund, and then they are writing a large six figure check. So, the Mayor is right, we have to take this with a grain of salt because some of that for year-to-date 2022, people are paying an estimated corporate profit tax, 2% to Independence, but at year end when they come to balance; and what they projected doesn't match what reality is, a lot of them are asking for the refunds. At least year-to-date we have been holding our own with this. I should say, this is just through RITA. Here is through the State, and we are starting to collect, well it's been consistent. Last year was pretty high, over \$1,000,000 year-to-date. So, we get net profits through RITA and through the State. This is mostly larger entities that do business all across the state, and rather than filing individual like RITA type tax returns in the multitude of communities that they do business across the state. The state allows them to file one tax return with the state, and the state will divvy it out, and we get our share through them. That's the bottom line here. Holding our own is a very appropriate statement, but if we started analyzing expenses, we would just see costs increasing. We are financially fortunate that we can absorb that in the short run, but nobody can continue to have, you might not see this online, but a revenue trend that is basically flat, but an expense trend that over time goes up because when those two meet, that's when your expenses equal your revenue, and then they start crossing in your expenses and seeing your revenue.

Mayor Kurtz said one more point, the Finance Director indicated about capital costs. You are going to see, and we are trying to do an analysis right now asking for more information. The fire truck that we ordered, they have asked now for a \$56,000 increase in order to keep on track on the vehicle. We asked them to detail the costs line items that they bid, and also what increased so we can come to Council and explain here is what we recommend based on this information. Or, in talking to other Chiefs, they are all in the same boat.

Councilperson Narduzzi asked do we have a contract with them?

Mayor Kurtz said we have a contract. It's taken some.

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Finance Director Blaze said there is probably some clause in there.

Mayor Kurtz said the problem is when you have more demand than supply, it's all over. It's everywhere.

Councilperson Trakas said I just bought a new car, and you usually go in and negotiate. They are you are lucky you are getting a car. We don't care who your friends and family discount is because we don't honor them anymore. If you want a car, you are going to pay this for it. Have a nice day. So, I think we are getting a little bit of that.

Mayor Kurtz said to bring it back full circle to what the Economic Development Director said, we are doing everything that we can. We have a great team that we are developing. We have good leadership, great communication between Finance, the Mayor's office and Economic Development, and this team is working tirelessly to try to pull every stone up, where we can pick up a few thousand, or ten thousand or a hundred thousand dollars of income tax, and then of course increase property tax to help the schools. It is a constant moving target.

Councilperson Trakas said this is all excellent information, and as we are talking about data. I think one thing that would help us to help plan also is industry segments. What industry segments are our strengths? Have we lost industry segments? Are there clusters that we are developing around these things and try to figure out who to target in terms of economic development. I think that might be helpful information as well if we had access to that.

Economic Development Director Hyser said we have some access, and we can kind of give you a snapshot of where we are. We obviously have a lot of office users. One segment that we have seen a lot of in terms of what you might see regionally is a lot of IT companies. Kind of the old philosophy of office buildings leading to high revenue, our high wage earners. It was great thinking; however, with the work from home model, it's a bit challenging. We have a lot of eggs in that basket. So, we are trying to be judicious with some of the other opportunities we have and the other zoning that we have set up. So, we looked more at Pleasant Valley and the flex environment. A lot of those companies are more production oriented. For example, Roe Dental is on Pleasant Valley. They have been growing, and their revenue is great. So, we need to think about as we develop land, thinking about how we can develop more flex type spaces. For example, the engineering firm that's coming to Independence. It's a great company because those folks need to be in the office to do the testing of materials and such. So, that is what I can tell you as kind of a general summation. We have a lot of tech companies. It's kind of scary that those tech companies are working from home. Again, I think what we are going to see from this data point, either their finance team is lazy. I guess lazy isn't probably the right word. It's just not switched over to dealing with the cumbersomeness of trying to say okay you are in the office three days, we are taxing you at this rate. We are going to tax you at your at home rate. That is a lot to wrap your hands around; so I think a lot of people who are working from home have just said that they have to pay taxes anyhow, why should they ask for a refund. We do have to be cautious and not think that it can't happen.

Mayor Kurtz said they did also talk about that in terms of people, most people aren't going to file from one community to another. They will file if they go from a city to a township; but like she

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said, if I work in Strongsville and I work in Brecksville, I am not filing. It's not worth my aggravation.

Economic Development Director Hyser said I had the opportunity to do it myself. My husband works in the City of Cleveland and for 18 months worked from home; but what was the point? It would just be more paperwork for me to file for the small return.

Finance Director Blaze said Councilperson Trakas you asked about industry segments, and just in general, I do notice, fortunately we are diversified enough that no single industry wipes us out like Mayfield Village, not a single industry but a single company, Progressive Insurance. So, the model worked as long as it did, but when work from home became another viable business alternative, that just threw their model into turmoil. We are diversified enough, we do have obviously some very large income taxpayers, but what I have noticed declining this year is the mortgage companies. Obviously so because mortgage interest rates went from 2% or 3% to 5% like that, and that shut off all refinance work and all mortgage companies have right now are purchases. So, as interest rates have been declining for decades, everybody refinances every couple of years, these mortgage companies were just a booming business. Now that work was taken away from them in an instant this year, and I do notice that they are cutting back their employee counts and compensation because next to a lot of those companies I see a minus in front of it instead of a plus. They are tracking year-to-year 2022 versus 2021 negative.

Vice Mayor Grendel said Vern probably title companies too. I know for a while in the late 2000s, them having disappeared from the scene too because of the same thing. That's kind of tied in. There are companies and four or five years later they disappear.

Finance Director Blaze said and fortunately those title companies are a little smaller entities, where they will bloom; but they still don't grow to be nearly the size of a Liberty Mortgage or some of the other big mortgage outfits that we have in Independence. You are correct Vice Mayor, the refinance business impacted them because those transactions don't have to be closed out because there aren't as many refinances, it doesn't benefit you anymore where mortgage interest rates are where they are right now. Anybody who got a mortgage in the last couple of years, got it lower than today, so there's no benefit to refinance. It's cyclical. It's always been up and down for as long as I have been involved with it.

Economic Development Director Hyser said one of the other data points that we keep talking about data and the Chairman and I had talked about this a little while ago. So, if anybody knows anything about vehicle traffic data, we have been heavily relying on NOACA, the Northeast Ohio Area Coordinating Agency. They are typically the agency who goes out, will look at streets and do vehicle counts and provide vehicle count information. A lot of their data was obviously pre-Covid.

So, last year the City invested in the Flock license plate readers, and the question is how can we use that information? So, Lieutenant Tinnirello and I have looked at that system and what information we might be able to capture. Those cameras are obviously reading license plates. We don't care about actually reading the license plate, we just want a count of how many license plates are being read. So, we looked at an area on Rockside Road as well as East Pleasant Valley

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Road to see what kind of data we might be able to capture. So, what we have done is looked at weekly traffic counts; so Monday through Friday in a 24 hour period for each of those days. Really Monday at 12:01 a.m. to 11:59 p.m. on Friday. Each of those are the second week of the month, and trying to see what kind of information we might be able to gather from that. I think this is really kind of telling us what we thought we might see which is in January cases of Covid were really high which meant a lot of people were returning to working remotely, and then as time has gone by, things have loosened up and things have seemed to turn a little bit more normal. So, you will see with these numbers, I apologize for it being really small, but the point that I want to get across is that these numbers are generally going up. They typically go up and then fall into the June, July and August timeframe, which I would anticipate because of school, vacation and people being on break for that time period.

One thing we have discovered is there are months that you see gaps in the data. So, we learned that there were some issues with the cameras at that point and time, and that has been corrected. I think this is an interesting trend map. What we have been able to do too, and this is something that we continue to build out. So, one of Annie's hidden talents is also working with GIS data, and so we went through and all of these cameras have been geocoded. So, we went out and physically marked where the cameras are and that data. So, we can pull up that camera location and the data will tell you exactly how many vehicles. Annie pulled this out from a different data set, so you can see there's one truck, 9 Teslas. The other interesting thing about these Flock cameras, and since we are building the parking lot over here on Rockside, or investing in that parking lot, we wanted to make sure that we understood how many electric vehicles are out there. We can't just put into the system tell me how many EVs are driving down the street because Ford makes one, every car maker makes one, but Tesla is really the only, that's the only thing they make is EVs. So, we looked at Tesla. So, we have a count on how many Teslas are out there. This will go through and show you in a little bit more detail what some of that data is. Again, this was something that Annie was able to pull together quickly for us, but we can build it out to have more data.

Councilperson Trakas asked is this for a week?

Economic Development Director Hyser said so this is looking for a specific week. This is looking at last week, August 8<sup>th</sup> through the 12<sup>th</sup>. During that week at this particular point, which is right over there at Rockside and Brecksville Road, 71 Teslas went through that intersection. There was 110 trucks, and 45,000 vehicles.

Finance Director Blaze said so three is the blue one at that intersection, and four.

Economic Development Director Hyser said so here is the challenge is that some of them are at the exact, so the Flock cameras, this is where it gets a little confusing. So, the Flock cameras can only pick up two lanes of traffic at a time; so in some intersections there are actually two cameras because you are picking up two lanes with one camera and a single lane with another camera. It was easier for us to keep them as the cameras. You can combine them. So, again this one is at Rockside Place northbound at Rockside. So, right there at the intersection heading from the hotels.

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Chairman DiGeronimo said so I think it's interesting to have. I think it's cool looking into it and need the personnel to spend the time to do it. I don't know if the numbers will mean something unless we follow it for some traffic comparisons.

Economic Development Director Hyser said that's exactly what we are trying to do. We can follow it and see where it leads, but it's just more of a trend right now, and seeing now if there's another big Covid spike where we see those numbers come down.

Chairman DiGeronimo said and if it's not jiving with the RITA receipts, nobody is here, but we are still collecting, something might be off. If everybody is working remotely, and I am still getting a lot of traffic, is our hospitality industry suffering?

Economic Development Director Hyser said I think we need to keep track of it for a while and see what information we can build out, but this is what we have seen since January.

Chairman DiGeronimo said it's interesting. If someone wants to come here and develop, we could tell them that 45,000 cars pass through here.

Economic Development Director Hyser said it's also more current than what I think we can get from NOACA. It's going to be information from 2019, 2018, and this is real-time data.

Several people began speaking at once again.

Economic Development Director Hyser said so we want to switch and talk about some of the initiatives that we have, and how we are building relationships. So, last year was our first Restaurant Week. We thought it was pretty successful. Again, knowing the hospitality industry was pretty hard hit through the pandemic, I think there was some good response from the community of supporting our restaurants. So, we decided to do it again this year. We strategically did this to cover two weekends just because we feel like people go out and spend the most at a restaurant on the weekend, at least that's what my family seems to do. So, we have it running September 9<sup>th</sup> through the 18<sup>th</sup>. We have as of right now, 13 almost 14 participants. This is a list of the restaurants. The way we worked it is trying to be less burdensome on the restaurants. So, if for every \$25 that you spend at a restaurant, you would get one entry card, and at the end of the week we will have a drawing. We will have a number of prizes. We have a \$100 Visa gift card, 2 \$50, 4 \$25 and 5 \$10 gift cards just as a thank you for the people that are supporting our local restaurants.

One thing that we know is that the Independence residents, we have 7,600 residents, can't keep the number of restaurants we have in town, support them just ourselves. So, we definitely need the business community to come out and help support that. We have developed our social media schedule again to support these businesses and make people aware of Restaurant Week. It's also in the Independence Post. It was in the August edition, and it will also be in the September edition. So, we are really excited about rolling this out, and again you will start seeing social media posts around it.

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Speaking of social media, having Irene on board has really brought a fresh look to some of our social media posts. We know that people are using Facebook, Twitter, LinkedIn to get information. We have enhanced what we were doing before, and we are going to continue to enhance it. One of the things that we like to focus on each week is promoting or highlighting a commercial property as well as promoting one of our businesses. I think from a standpoint of one residents don't necessarily know all of our businesses in the community and what they do; so it's helpful to not only educate residents but also fellow members of the business community so they know who is out there. There are also some good things that are going on if anyone isn't aware. So, 7100 East Pleasant Valley Road on Thursdays from April through November has a food truck out there. So, we are trying to help spread the word about that. It's a great amenity to the business community, especially East Pleasant Valley who doesn't have any dining options that are relatively close. It's more concentrated on Rockside.

Chairman DiGeronimo asked did we coordinate that?

Economic Development Director Hyser said no. We market it for them, but it's all the building owner who does that. We kind of just shared as a general hey thanks for doing it, let's get you some additional air time per se.

Chairman DiGeronimo said one number you shared with me, 800 businesses in town. I don't know if that's an old number, it's a round number.

Economic Development Director Hyser said it's somewhere between 800 and 900, we just had that question the other day. So, there's somewhere between 800 and 900 businesses in the City. It's one of those things, it's really hard to pin that number down because people aren't necessarily, building owners or the tenants aren't necessarily very follow the rules and go get a permit, and then when they leave they don't have to let us know. So, it's challenging, and that's why Irene is here to make sure we have a good pulse on the business community.

Chairman DiGeronimo said so Irene, one business to highlight a week, it's going to take you some time.

Irene Kalal said oh absolutely.

Several people began speaking at once again.

Economic Development Director Hyser said as we continue to build the social media, maybe that's something that becomes a twice weekly thing. One of the things that we are also looking at is how we manage the social media so that it's not just one-way communication, that perhaps it's two-way communication so people if they have a comment about a business or want to find out something that we are responding to them. We are looking at some other tools to enhance how we can manage our social media.

We have a little graphic over here about how page views have gone up in the last couple of months which is a good sign, as well as the number of clicks that are going on. So, these are

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LinkedIn analytics, and as you will see since May and June. I won't say that it's all Irene, but there's definitely been some consistency in our messaging with getting some stuff out there.

As we talked before, we would like to really enhance some of our marketing materials to reflect the new branding. We talked about developing a welcome kit for businesses that are here, but more of a welcome back to the office. One of the things that has been successful is the Independence Hospitality Guide, and that was something that we did with Great Lakes Publishing. We think we can do that in-house with our new branding. I guess maybe not necessarily in-house but not with Great Lakes Publishing, so that we can get that out to the business community as well as the hotels. They have been asking for that again, but we want to make sure that it reflects the new brand and that it takes into account changes that happened during the pandemic. At one point and time, I heard a stat that said that a restaurant that was opened before, 50% of the restaurants that were opened before the pandemic would be closed. I don't think that is obviously the case. That was a prediction early in the pandemic. So, I think printing about restaurants during the pandemic we felt was a little risky. As we are coming out, we are seeing that the restaurant industry, while they have their challenges, seems to be pretty stable and getting information in print is okay to do.

Councilperson Trakas said their problem is they can't get people to work.

Economic Development Director Hyser said that is a universal problem. So, it has changed the way people think about restaurants. You see a lot more drive-thrus because you don't need as many people to work at a restaurant.

So, this is some of the direction that we are going into in terms of updating our materials to reflect the new brand and also provide tools to the business community.

Councilperson Trakas asked and what type of tools are we providing? What do they want to know?

Economic Development Director Hyser said for example, MAI who took CBIZ's old space in Park Center, they are coming here as a new business. They want to be able to give their employees information about what to find in the business community. So, where are the banks, where are the restaurants. Where can I find the dry cleaner, that type of information; but we also have to be able to provide, that's a unique case because they are moving here. If you are considering moving here, you want to know some general statistics. You want to understand about the workforce. So, that type of information we want to update and have available, not only on our website, but be able to provide the business community in a printed format.

Councilperson Trakas asked it would be different than something we would offer inside of the hotels?

Economic Development Director Hyser said yes, they don't care about how many people live in Independence and what the average income is.

Councilperson Trakas said so several types.

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Economic Development Director Hyser said so speaking of the hotels, we have partnered with Great Lakes Publishing for a number of years and have done a number of magazines, the one on the right is last year's edition, and you are getting a sneak peek of what this year's edition will be. So, Great Lakes has been a great partner of ours. We have focused the magazine on aspects about the business community as well as information about what is going on in our local schools that might be a value to the business community. So, the new magazine will be coming out at the end of September or early October. The value we get is that it is mailed to every resident in the City as well as every business, and then polybagged with Cleveland Magazine so that people who may not be familiar with who we are and the benefits we offer and quality of life, they will be getting it as well. I think it serves as a good introduction to who we are as a community. Then there are overruns of this magazine that get delivered to us, and poor Irene will be taking them out to the hotels. This is something that they are able to give to their guests who want to know more information about what they can find here in the City of Independence. We also make it available to anybody else who wants additional copies. They can use it as a recruiting tool to say here this is why you want to invest in our community or want to work for our company.

Councilperson Trakas said you may want to think about the barbershops and salons too. People are sitting there, and they have nothing to do waiting for an appointment, and you have a ton of those sitting there.

Economic Development Director Hyser said that's one of the things that we will be doing with this magazine. We will get the extra copies out.

Speaking of Irene again, so we have developed a quarterly visitation schedule, and I give a lot of credit to my predecessor who really kind of set a lot of this stuff up and we kind of carried along. Our goal is to meet with every business in the City of Independence at least once a year. There is a system to it so it's just not haphazard. We spend the first quarter generally looking at the businesses in our canal and Cloverleaf business district. During the second quarter, the downtown businesses, Pleasant Valley and some of our home-based businesses that we really don't visit the home-based businesses because it's awkward if somebody knocks on your door. Then the third and fourth quarter we really heavily focus on Rockside Road. In this era that we live in, there is a lot of working remotely, so we want to make sure businesses know we have been there and thinking about them, so Irene has developed this lovely door hanger as a way of making sure the businesses know that we have been there, and that we are willing to connect with them so that there is a little bit of a personal touch. This is also a way for us to find out what is going on, so if there are any concerns the business might have, or if we feel there might be a threat for them to leave, we can have those more in-depth conversations.

One of the things that I am really excited to talk about too, and I am not sure why this thing won't disappear up here. It's working with the Independence schools. So, I have had some really great conversations with the Superintendent. He has a really big goal about delivering students that are future ready. Over the years there has been a lot of discussion about career exploration at all grade levels. So, if you are in kindergarten, and you are being exposed to what type of career opportunities there are out there, there's been some discussion about more in depth career possibilities exposure. So, we have talked to the folks at St. Martin De Porres school in the City

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of Cleveland that focuses on giving people a high level education that may not be able to afford it. So, one of the ways that they offset their education is through an internship program. Obviously, we wouldn't be looking at that structure for the pay model, but what they are getting, those kids that go to St. Martin De Porres is really in-depth job shadowing experience. Half of their career is really spent being exposed to the workforce. Obviously, the goal is to help kids know what they want to be before they can get to college so they aren't wasting money, and so that would be a great opportunity for them.

The other focus is really kind of educating the educator. So, what you see a lot is there are people who went to high school obviously go to college, and they know they want to be a teacher and end up teaching. A great career path, but they don't have a lot of in depth knowledge of what some of the other career sectors might be and what those requirements might be. The idea would be to help educate educators about what some career paths are and make it a little bit easier for them to help mentor some students and give them an idea of what the workforce might be in the future. For many years economic development has focused on responding to site locators and other folks, come to this location because we have access to many employees with college degrees. Come to this location because there are "x" number of people, again it always goes back to a college degree. So, there's been a lot of work in the last several years, not to focus necessarily as much as on college degrees but skill sets and the types of workers that are in a location. So, you are starting to see from a workforce perspective a blurring of the lines between secondary education and the workforce, and this is beneficial. So, say you are a company that is looking to hire an engineer in the future. Well let's help that engineer come work here, you can help educate them, pay for their college education, and get them back in your workforce. So, it's also kind of helping with that brain drain that we spent a lot of time talking about in the economic development sector for a lot of years. So, getting kids not necessarily to go away to college and then not come home, but you are keeping them here for a long period of time.

Over the next few months you will see a lot more information about what's going to happen with the schools. It has been really a great conversation for me to be involved with this. Our goal is to really tie some of the businesses in Independence to the schools. Again, maybe for them to be identified as future workers, and again help develop their pipeline and their future talent pool.

Councilperson Trakas said it's particularly valuable to make sure kids do their major in the right things instead of something ridiculous and kind of get them that mentoring ahead of time. As they are contemplating going to school, listening to real world people instead of guidance counselors.

Economic Development Director Hyser said the attitude that was in the 1990s was it doesn't matter what field you get your college degree in. An employer just wants to see that you are able to complete the program. Well, that's not the way the world works in 2022. You need to have a good major, you need to have the good experiences to get you into the right career path.

Councilperson Trakas said pronouns on your resume doesn't really help you with jobs.

Economic Development Director Hyser said well it might, but that's a different story.

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So, kind of switching gears from that, but we are going to talk a little bit about placemaking. We spent a lot of time working with Guide Studio to kind of look at the Rockside Road corridor, and we are going to talk a little bit about that in a bit. The Chairman brought this to our attention, the idea of using our logo to create some custom bike racking, and again this is really kind of an idea for us to use as a talking point. Hey, we were driving through Independence, and we noticed some bike racks. We know that people are creating some of that synergy around downtown and through the park, and we have thrown together some ideas here, maybe some ideas of where we might be able to place some of these bike racks in downtown and around the City campus and making it a talking feature, something that is unique, something that sets us apart from our other communities.

Looking right now, some of these bike racks are about \$1,000 apiece, probably thinking about getting a few of them, placing them around town and seeing how successful, if they are used, if they are utilized, and building it out from there. I kind of wanted to get your guys' opinion on that before we travel down a path.

Councilperson Trakas said I would be supportive of a couple of them, but I would also look at the business community where I think they may be even more interesting for us, they might be able to get more of its ability and usage. We have more people to pull from there.

Economic Development Director Hyser said we are heavily vehicle dominant in the business community. We have looked at some other alternatives that we can do. We will keep that in mind.

Councilperson Trakas said I wouldn't ignore it. I think people would bring their bikes if they knew they could put them somewhere.

Councilperson Narduzzi said down by the comfort station.

Economic Development Director Hyser said we would definitely put something down there like that. If we get a bathroom down there, we would certainly do that.

Finance Director Blaze said I would use that thing this morning when I was doing no repeats with my cross country team.

Economic Development Director Hyser said I am glad that there is a support for a comfort station down there. It's great for men, not for ladies.

Chairman DiGeronimo said you know we invested in the brand to get the most out of it. Things like this, they are cool. If there is some cost-sharing, you have to park by Ace Hardware and Dollar Bank, somewhere like that where you have some room, and if we can do the install and maybe split some costs, things like that and say hey here's an opportunity. We have done the design, we like the uniform look, but I think there is a lot of opportunity to develop more of that biking infrastructure and say that we are just doing a dozen of these, I don't think we have really scratched the surface, but they do something. They do stand out.

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Councilperson Trakas said maybe we ask our residents. We could do another one of those Survey Monkey things or whatever. Say hey where would you like to see these?

Economic Development Director Hyser said one of the cool stories that you are going to see in the magazine is about how Gear Up Velo has on Tuesday nights a group of 25 or so bikers that bike up and down Brecksville Road.

Chairman DiGeronimo said and there's no bike rack outside their building.

Economic Development Director Hyser said there's one right here. One of the challenges is they go out to eat afterwards, but where do you put all those bikes?

Chairman DiGeronimo said so that's a one or twosie kind of thing. Maybe there is something larger needed in certain areas.

Economic Development Director Hyser said absolutely. Vern could tell you about the pool. In our heyday there were a lot more bikers riding up to the pool, but we will get there.

Finance Director Blaze said we have seen a resurgence I think over time with high gas prices, a healthy lifestyle, people will gravitate more to it. In European countries, I haven't been there, but those who travel, biking is much more prevalent than it is in this country, and that's why Jess started out earlier the connectivity, and I gave her a map of just some of our main roads, Rockside, Pleasant Valley and Brecksville Road, as well as some of our secondary mains, Sprague, Brookside, Hillside, Chestnut and maybe one parallel to I-77 and just showed them all in a grid connected. I really think something like that would put Independence on the map as far as encouraging healthy lifestyles and using bikes. I tell the parents of my runners if you live on Pleasant Valley or north, I don't know why you are driving your kids to practice, make them take the bike. It is a warm up there, and it's a cool down home, and it's a more healthy lifestyle instead of you driving them to the campus, going back home, two hours later driving back home. Adopt a healthier lifestyle, and if we had more wider bike paths and all-purpose trails than just six-foot sidewalks, and had some connectivity, I think it would put Independence on the map in that regard. These bike racks would help, and they would go where people want to end up. If they want to end up at the restaurants, they want to end up at the shops, they want to end up at the park; wherever they would want to take the bike to, churches and everything, that is where these bike racks would do good.

Economic Development Director Hyser said again, it's kind of a segway into ongoing projects and again back with Guide Studio. We really heard from our last Economic Growth & Development Committee meeting about when we talked about the wayfinding and placemaking, as well as our branding, is really focusing on the City campus as well as Rockside Road. So, we would like by next year to have the banners. These banners, I am sure you guys remember the old ones we had on Rockside, to replace those with our new branding as well as incorporate the goals of wayfinding and placemaking, that being that kind of grid system to make Rockside a little bit easier to travel, that color coding. These are some early schematic designs of what they might look like. We would take those recommendations from Guide Studio into account and

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develop the final program so that we can make sure that Rockside is a little bit more friendly to vehicle and pedestrian traffic.

Councilperson Trakas said those look very nice.

Several people began speaking at once again.

Economic Development Director Hyser said then again we focus on these. I was wondering why that one didn't settle well with me, and you enlightened me as to why I didn't like it.

Councilperson Trakas said I'm glad we didn't have the slogans. Those were kind of generic.

Economic Development Director Hyser said and the last set of topics that we wanted to spend a little bit of time talking about was the Economic Development Incentive Program. One of the things that had done in the past was really looking at these cash programs, and for those of you who have been on City Council for a while know that there are several grants that the City gave an employer a sum of money. It ranged from \$15,000 to \$1,000,000, depending on the company, and most of that was to address the aging infrastructure office product. A lot of the building owners had some concerns about the fact that their buildings were aging and required a lot of upgrades in order to make them attractive to those that were looking to lease property.

The other challenge that went along with this is that lease rates on Rockside really haven't moved too much. I think one of the big shocks that I had coming up here from the City of Green is how the office lease rates weren't that much different from southern Summit County, and things in southern Summit County are a lot cheaper.

Chairman DiGeronimo said in dollars.

Economic Development Director Hyser said the dollar per square foot. Obviously, new construction Class A is a lot different than some of our older markets, but that was one of the reasons that these cash up front grants were given. That is something that we have moved away from. There might be some ways that we can think about being creative in the future, and in talking to City Council, talking to you guys what the challenges are for those people who are out there, what tools might work well with them. The other part of it is that we have given away a lot of incentives, these grant programs. In my tenure I think you have approved, I want to say 9 of them which is great. I am really grateful that they have been able to help us land these deals, but so far right now we have 25 current grants that are either active or in monitoring stages. Of those, 9 of them are companies that are actually currently paying out cash. So far, those grants have gained us \$116,172,000 in payroll, which turns out to be about \$2,300,000 in municipal income taxes in the City of Independence.

Out of those 9 active grants that we are paying out, we are paying about \$625,000, and some of these grants are ones are, for example, the Topgolf grant, we were able to reduce that from \$1,000,000 down to \$700,000. So, it's a good thing for the City.

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One of the big questions that I know that you guys have, we have an active grant that we would say is in the default stage, 3 grants that we have been monitoring that did not meet their minimum commitments; and so that's something that we have on our radar screen. Typically, you might see us just send out a letter and say hey you didn't make your threshold, you owe us money. However, that's not the approach that we want to take. We really want to have a hands-on approach with the business community so that we are business-friendly and business-savvy. We are reaching out to them to set up calls to find out what is going on versus just sending a default letter to them. We think that approach is a lot more successful in terms of us maintaining our relationship that we have been building over time, as well as working with the companies that are here and still keeping them within the terms of what City Council has approved.

Councilperson Narduzzi asked is that caused by Covid or is that caused by poor management?

Economic Development Director Hyser said it's Covid. It's a lot of the work from home, and a lot of it is how do we go forward? Are we going to shrink? For example, we talked about this a little bit before in a previous Council meeting, The General who is located here, when Covid happened sent their workers home and decided they were going to cancel their lease. So, we were able to come back to them and say hey we have this grant agreement, we have given you this amount of incentives, you really need to pay that all back, and they wrote a check. Their motto is we aren't going to pay for office space and have our employees work from home.

We had a conversation today with a broker, and what we are seeing, at least what I am seeing is still people coming back to the office, coming back to the office slowly; but I think once there is the "R" word, aka recession, that's going to be the leverage these employers need to get people to work back in the office full-time. Right now there is such a challenge for people to find employees that they are making concessions that they wouldn't normally do, and it's costing them their company culture. So, when there is that reset, I think we will start seeing people return to the office in a much stronger fashion.

Councilperson Trakas said on the one active grant that is in default, and we are monitoring, what's the value of those that we have provided?

Economic Development Director Hyser said I don't have the total value. So, the one is (inaudible) Williams, which this their first year. They have not received any incentive from the City of Independence. They are \$80,000 off from getting a grant, their payroll would be \$80,000 off which really only comes down to a couple of thousand dollars. We are working with them saying hey can you cure that default, and then we can give you your incentive. So, it is small in that regard. The other companies, I can't tell you right off the top of my head.

Councilperson Trakas asked they aren't significant players?

Economic Development Director Hyser said they are smaller companies, but it's not one of the bigger ones that we have written a check for.

Councilperson Trakas said so overall we are doing a lot better.

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Economic Development Director Hyser said we are doing better. It's on our radar screen. We really are doing a good job of building relationships with these companies and trying to get the data and making sure that they are living up to them, but also having that business friendly approach as opposed to really severing a relationship with a company.

Councilperson Trakas said getting a hostile letter would probably do that.

Several people began speaking at once again.

Chairman DiGeronimo asked how do you think we compete with other cities? Does a company say we are expecting this, we have an offer here, and you say no?

Economic Development Director Hyser said there are some companies that it has happened to. I think we are conservative, but it's still working to our favor. I think a lot of communities are being a lot more aggressive just because they don't know what the future holds. It's easier to, if it's a company you are retaining, it's a little bit different than a company you are attracting. So, if you are attracting somebody new it's easier to give up a lot versus a company we are trying to retain. We are trying to also set some level of consistency. There is a means and method to what we are giving. It's just not haphazard.

Councilperson Narduzzi said but if you look at it, then we are on the good side. It's been working.

Councilperson Trakas said exactly.

Chairman DiGeronimo said it's manageable. If Council has approved a few, maybe 5 a year, that will get you 25 in a 4 or 5 year span.

Economic Development Director Hyser said some of them are coming on and some of them are going off. It's not unmanageable. If we give a grant out to everybody, it would become unmanageable.

Councilperson Trakas asked are there things that businesses have asked for that we don't do that we want to re-evaluate?

Economic Development Director Hyser said there are 2 programs that we are talking about. So, one of them is, and it's one of the ones in the strategic plan, it's creating a community reinvestment area; and so that's one program, but that's an abatement program. We need to think about whether or not that's really in the best interest of not only the City but the school district because they would be the most impacted. There is some give and take on that, and the other program that we have been talking about is whether or not we get the CIC involved to create more of a loan program. Do we create a program where we change where the carrot is? So, right now our Economic Development programs are set up with the company saying you have (inaudible) this, we will give you this. So, this would say building owner we will help you upgrade your stock, and in return, depending on who you get to lease in terms of what you are bringing in municipal income tax, we will forgive some of that. So, it would change whose

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getting the incentive, but it's also a building owner, if we give them cash up front to do a deal, they don't have a vested interest in what type of customer comes into that space and how they are utilizing it. They just care that they are getting a rent payment; and so that would change how we look at economic development. One of the things that we could do is bring in a couple of brokers and developers, property owners, and maybe have them give you a little bit of an understanding of what the conditions of their building are, what upgrades what improvements they would like to make, and give you an opportunity to kick the tires to see if that's a path that we are just going down.

Councilperson Trakas said I think you have to put some things on the table, and that's one of them. You have aging stock of buildings, and people have choices and they don't want to be in Class B and C necessarily. I was in the Leader Building for years. They didn't put a dollar into that place. I knew what I was getting into. It was going to be a couple of grand a month, and that's all I needed; but I think those are probably some good healthy conversations to have. We might be able to also tie it together and say if you get this, you work with us and you get in. It's not going to be the first guy that runs in the door.

Economic Development Director Hyser said we don't necessarily want a call center because they are not high wage earners. We also don't want somebody who just wants to take the space just to have a nameplate on the door and have their employees work remotely. It's changing where the carrot is.

Councilperson Trakas said and I think we have to look, they are aging buildings.

Councilperson Narduzzi said I think if you have a Class A or Class B office space, you are not going to have a call center. It's going to cost too much to rent the space. If the building is nicer, you are going to get a better clientele in there.

Economic Development Director Hyser said and you would hope that they would actually have their employees working in the office versus working remotely.

Councilperson Trakas said and I also think we talked about, and the Mayor and Vice Mayor talked about this, maybe looking at even part of our community in terms of zoning. Maybe we could do this for a certain part of the community, say the Cloverleaf area has this type of an opportunity.

Economic Development Director Hyser said you invest in Class C buildings to bring them up to B standards versus giving money away to a Class A office building. Perhaps at one of the next meetings we can bring in building owners so you guys have a better understanding of what their current inventory is, and I think pictures say a thousand words and hearing from them versus hearing from me is also helpful.

Councilperson Trakas said we need to get technology in those Class C buildings, sometimes cell phones still don't work on some of the higher floors. How are you going to rent that if you barely have internet?

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Economic Development Director Hyser said it's a challenge.

The other thing that I wanted to bring up to you guys since I have you here, is that on next Tuesday, August 23<sup>rd</sup> Involta is having their event. I know you responded to me Jim; I don't know if anybody else wanted to join us. Dave, okay.

Several people began speaking at once again.

Chairman DiGeronimo asked it's a meet and greet?

Economic Development Director Hyser said Nick from the Cavs is their keynote speaker. So, that's next Tuesday at their offices. They have done a nice job. They worked again with the Planning Commission for their expansion. They provide Cloud storage, data server space in Independence, so it's a nice location. They already started the work, and it won't be an official ribbon cutting reception, but they just wanted to have a community open house type event.

Councilperson Veverka asked what time?

Economic Development Director Hyser said 3:00 p.m.

So, that's all I had. I thought it was a lot.

Chairman DiGeronimo said you are ahead, but you have 10 minutes to stay, but we can keep going.

Councilperson Trakas said I just had one quick thing, in terms of the strategy, what are we trying to do in terms of bringing some new people in? What is the strategy along those lines? We talked about some general things. Are there targets? Do we have some industries, hot spots that we might be able to bring people in to serve some of the needs that we have? We have a budget for marketing, geofencing, that type of thing.

Economic Development Director Hyser said so we are trying to target obviously some flex space. I would love to see some investment in those buildings. People who might be interested in that. Growing what we have here, there are a couple of businesses that we have been working with in the City of Independence that they are outgrowing their current space; so let's find them some options to grow here in the City of Independence. Some of those you guys have incentivized, Roe Dental is one of them. That's a good company. We have incentives in place. We have future incentives, but making those investments so they have the opportunity to grow.

Again, the flex space, and we talked about geofencing and trying to get brokers more aware of what we do have available. So, when you look at our social media, it's all about sharing what information, sharing information about the buildings we have. So, one of the things that we started doing when I came on board is the State of Ohio for Jobs Ohio maintains a database of all of the available commercial properties throughout the state. The opportunity comes out to follow up on leads of people who might be looking for space. In that system there was hardly anything from the City of Independence listed there. So, if somebody was looking for 20,000

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square feet of office space, that wasn't showing up for anybody in Jobs Ohio. That Jobs Ohio database is also what serves Team NEO and serves Cuyahoga County, and shows here's what is available in the area. So, we solved that problem, and we listed all of our commercial properties, and we have also made it available on our website. So, if somebody comes to the City of Independence and wants to know if there is a 5,000 square foot office building, or where there's 10 acres available, we are able to provide that information to them. So, that's part of our strategy, and we will continue to make that going forward.

One of the things that Irene and I are going to be working on this fall is having a Brokers' meeting. So, let's bring all the brokers in that we deal with, so we can sit down with them and say here's what's going on in the City of Independence. Here's where we are making strategic investments. Here's how we can help you, and then it's an opportunity for us to network and dialogue with them to find out from them what would make things better for them. That's something that once we have that on the schedule and have that date set, then we would make sure that Council has an opportunity to meet with them as well.

Chairman DiGeronimo said I think that's key, the relationship with the brokers. I think that great media opportunity came through a broker. The more familiar that the brokers are, they know who we are.

Economic Development Director Hyser replied absolutely, and the broker community has a good understanding of who we are too. They know that we are professional and how to get ahold of us; but still having that face time to press the flesh, it's really good, especially in this post-Covid world.

Vice Mayor Grendel asked what about the northwest quadrant and that lawsuit? Mayor, is that still out there pending?

Mayor Kurtz said it's pending. We have had discussions in an attempt to find some resolution, and we will keep Council posted on anything that develops.

Vice Mayor Grendel said we talked about having that shovel ready, and I would just like to be ready to move.

Economic Development Director Hyser said we have taken some steps to be ready to move. We have done a Phase 1 environmental on that site, and Don Ramm is doing some work as well to look and see that we are able to move forward when necessary.

Mayor Kurtz said we have taken all the internal steps that we can to put ourselves in a position, and that's one of the things I think we will talk to Council about is investments in some of these areas that we can, some planning dollars to be approved and appropriated. So, we think we need to be more proactive.

Several people began speaking at once again.

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Mayor Kurtz said we need to take steps and invest some soft money to position ourselves, and if it's determined that we have the Phase 1 environmental review, then get approval for that. If we have to discuss future zoning possibilities and enhancements for future development, we have to bring that obviously to Council. So, these are some of the initiatives that we are taking upon ourselves now, and if we need funding, then we are going to come back to Council and ask for their support in attempting to position ourselves to be ready to take advantage of an opportunity that may come our way.

Councilperson Veverka said when you have residents that express concern because they see occupancy signs or space available signs; so I guess my backwards question is what is a reasonable target of occupancy as a whole, and are we close to that number, and then is there really much value? If somebody is looking for space, are they looking for space by finding that on a sign or they going to a website? This is a kind of complicated question, but if the building is so many square feet but it's only 4% bits and pieces here and there, it's hard to reassure residents that we are headed in the right direction. The basket is much more full than it's empty.

Economic Development Director Hyser said I think we have to separate the fact that there's always going to be For Lease signs outside of buildings, and as long as a broker is getting their payment, they are going to consider a building leased. I don't know if we can put a value or occupancy rate on it, but we know that there are pockets where there is space available. We know for example that across the street there's a large amount of office space. Hopefully, finding a user to come in and take that will happen, but it's not something that happens overnight. I think that reassuring residents by looking at where our revenue signs are is a good thing versus looking at square footage and occupancy.

Chairman DiGeronimo said and don't forget, that's the landlord and the tenant, so there could be a tenant out there that wants to come in but doesn't want to pay what the landlord wants to charge. So, they are going to go elsewhere. If the landlord doesn't want to accept their rate, then they are okay being empty waiting for the right tenant.

Councilperson Trakas said one of the frustrations of a public job, I think we replaced a lot of the jobs that through other economic development incentives, but people just remember the ones, Cleveland Clinic, and they get stuck in peoples' heads. I think we replaced that pretty nicely, it worked pretty well, but people don't understand that. There are some perceptual issues that we have to deal with.

Chairman DiGeronimo said Jess needs to go.

Economic Development Director Hyser said if there's anything you guys need, feel free. My phone is always, I will pick up at any time or answer emails, or stop by. I am happy to help, and I really appreciate your support for all of the work that we are doing. Thank you.

Chairman DiGeronimo said so I guess in closing, I think a broker meeting would be great. I think that has been done in the past, and just to fully understand where we are. If there are other thoughts that come up from this, something we could share more regularly when we meet again.

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Councilperson Trakas said one thing that I think perhaps we can consider and maybe have another meeting to talk about. So, there's also the opportunity for Intel to come in, and we know that there are vendors that are going to be coming to Ohio to work with them. I think there are two (inaudible), one is to get Independence residents jobs in that type of environment. You are talking about that program through the schools in particular. They are going to be hiring thousands of people, do you really think there are that many qualified people that they are going to be able to hire? I think they will bring in people from out of the country to be honest with you, with all the math and science skills. So, maybe do some things there, but also there is the microchip convention. They convene, and having a booth, going to one of those. I would authorize travel to aggressively go after that. I am one of these that I think you have to go out there and get jobs, you have to bring them in. I think these are all relationships, and being able to smooth everything out. I think it would be healthy if we did that. We have available properties. We have available land for that type of thing. I think there's a real opportunity here that you go out and get it. Let's go to these shows. You don't have to go to 30 of them, but if you went to 5 strategic shows a year, and not just have the brokers come to us. I would go to them. I would have the brokers go to Delmonico's. I would be willing to have a private sector if somebody would help us to pay for it. I think we should be treating these people like kings and really act like a private sector organization when it comes to economic development because that is our lifeblood. We have never been stagnated in this City. We are always moving forward, and I think we can really go out and get them if we try and do some of these types of things.

Finance Director Blaze asked you think Intel is going to have a hard time hiring qualified? I am wondering where the IRS is going to find 87,000 accountants to come and work for them.

Councilperson Trakas said and how quickly are they going to get them too.

Chairman DiGeronimo asked is Kichler gone?

Mayor Kurtz said yes.

Chairman DiGeronimo asked have we marketed that at all? That's not our job?

Mayor Kurtz said we have had discussions. There are not a lot of users for a half million square feet of different elevations. Most of them are looking for 38,000 to 40,000 square feet. These have a variety of different elevations inside there. There have been several inquiries for a fraction of that space. I am still optimistic that somebody will come along and be able to use that much. I haven't been aggressive with respect to any approach. So, time will tell. You can only sell what you have to sell, and we have location, and we have location, and we have location. We are also finding that we need to spend some money in soft costs to become a little more prepared and sophisticated in terms of what our capacities are.

We have the northwest quadrant, we have the Cloverleaf, we have some of these areas. Then the downtown area. We have some land, and now it's a matter of what do we want to be when we grow up? There needs to be some heavy lifting. We have to make some potentially tough decisions and some easy decisions. If it's the right zoning, it becomes easy, and these incentive packages. We still are investing in infrastructure. We put a lot of money into our infrastructure.

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With the ramps, I-480, we are talking with our neighbor, how we can help each other. We don't want to give away a bunch of incentives. We want to be reasonable in our approach to incentives and whatever else we can offer. It's a moving target. We are continually checking the checker, investing some money in some planning and keep our team incentivized to go out and gather data, meet and greet, and find out what our customers are expecting to ensure that they want to stay here. The elements that we are talking about today, the trails, all these different amenities that they are expecting.

The one bright spot is, and I give our team a lot of credit is, I get compliments from Mayors of other cities, a lot of different people who drive through our City and drive through our campus, they see how we are. We pay attention to detail, how we present ourselves. You have Economic Development, the Service Department, the Administration. I give certain aspects of the Administration a lot of credit, we look good, and we are presentable. We are vulnerable, we are competitive. So, now we just need to stay on that course.

Vice Mayor Grendel said like Amazon, they build these big fulfillment centers or that, is that comparable to what Kichler has there?

Councilperson Trakas said they prefer malls. They like to go to malls so that they have a lot of open space. They have a lot more flexibility in terms of the parking.

Several people began speaking at once again.

Finance Director Blaze said well the malls they tear down, the land that is there, and they rebuild. Amazon has pulled the plug on a number of projects around the country. That they are down in Valley View, so close there, I don't think we are going to see any interest in Amazon coming to Pleasant Valley. I am not shedding any tears over that because we would just have a ton more truck traffic down Pleasant Valley, and I don't know if they have the requisite amount of payroll. They are very mechanized. A lot of their delivery drivers are on the road. So, yeah the fulfillment centers themselves have some employees, but I think there is a more dense use there where a manufacturer or distributor will come in there and actually have more employees working out of there.

Mayor Kurtz said the other option would be, Amazon is so sophisticated. They will pick the greater Cleveland area and determine the demographics where they will put a facility based on workforce, certain segments of the community. This area won't qualify, and like Valley View for example, they repurposed that from a fulfillment center to a print shop. They will be doing t-shirts. They are bringing in this sophisticated equipment. They will utilize that facility for a different purpose than what it was intended. I wouldn't be surprised, one of the things I would speculate is the possibility of a partial demo of the Kichler building. I don't know if anyone has thought about it. They could take down those smaller lines and create a campus for a group of users, but not with the current configuration.

Several people began speaking at once.

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Mayor Kurtz said if you could demo part of that building. Remember they were approved for an additional 100,000 square feet. We approved that for them. So, you repurpose some of that, and then you add on more, and you create a certain dynamic. I am not sure if any of the brokers thought about the true potential of that property. Maybe that's something we have a discussion on. I think that would be something, no one is thinking about, but Sherwin Williams certainly would lend itself to a huge opportunity. We will explore that and we will put that in the brokers' ear. We are open to partial demolition and repurpose. We could get more people there, and the right type of customers, I think that would be something. We have demolished some of these. You could do some really creative things, and I am not sure anybody has thought about that. We should make sure we have a discussion.

Finance Director Blaze said you mentioned downtown and some of the opportunity corridors. This fall we will be coming up on a year since the most previous proposal for that did not materialize. I think we should as a team get a little more aggressive in trying to market that piece instead of waiting for somebody to come to us. That is a good piece of property. We have a vision for it. There is overlay zoning in place. There are utilities at two streets. There are no creeks or waterways or flood zones to worry about. That is a shovel ready piece of property right there, and I think if the City was a little more aggressive in letting not just local developers, but northeast Ohio and a region wide basis, proactive marketing can be going about and that piece and our willingness to develop it and our willingness to incentivize development there, maybe something would pop sooner rather than later.

Mayor Kurtz said you know what, I agree with you. There are a few dominos that we are setting up, and that would be an extension of that. I am hoping in the next 30 or 60 days we can have that meaningful discussion with Council and start putting some time and effort into that.

Chairman DiGeronimo said one other anecdote, Jess said about the work from home, and she thought maybe there was some coming back. I don't know. I have not seen the study on work from home, but I didn't see where it's not working. We would like to have everybody back, but there's too much pushback. If companies can work the way they are and retain their employees, I think we are in it for some time. I still think Independence is in a good position. I have a contact, he works for a large employer, and they have mostly been on hybrid. He will say the employer wants him in two days a week at least. It's not mandatory, or at least one day a week. He goes I would like to go in more. On the other days, nobody is there. So, why would I go to an empty office building, work by myself. I am still working remote. Everybody else is home, and I am at the office. So, I have to think there are other employers that do that, and say hey we still need to provide a place for people, but we don't need to pay downtown rents. So, they could have more satellite offices, more small offices in Independence, things like that. It's what some employers are looking for. I still think even if it's work from home, we are still in a good position where we have some availability and some of the small offices might make sense.

Vice Mayor Grendel said a lot of people I do their taxes, they work for American Greetings, and they work remote. I wonder if that move from Brooklyn to Westlake, I wonder if they actually worked there, like you mentioned one or two days a week.

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Chairman DiGeronimo said well they say they want everyone in on Monday, otherwise a couple of days a week.

Mayor Kurtz said I think it's leadership, corporate leaders, I talked to them and some of them want their people in, and some of them don't really care. So, I think you are going to see a hybrid. Some companies are going to have people in. They are going to create that environment to incentivize them with different health related opportunities, whether it be working out, walking jogging, giving flex time. I think what John talked about with smaller regional offices, I think you are going to see the shrinking of office footprints, but instead of having four floors, you may have three, but some repurposing of some of that. As long as we can keep our infrastructure, keep traffic, keep the elements that make us premier on the cutting edge of things we should be competitive. I think we are going to see a lot of different shifting going on in the next decade.

Vice Mayor Grendel said did you see Progressive is selling a number of their buildings.

Finance Director Blaze said I have heard. I guess they are shrinking the footprint, what is being said here.

Vice Mayor Grendel said one of them they just built not that long ago.

Several people began speaking at once again.

Mayor Kurtz said talking with the Mayor out there, that was one of the biggest challenges they had with all the townships next to them.

Finance Director Blaze said it's hard to draw employees from the west side to go to Wilson Mills, but if they are here in Independence it's doable a couple days a week.

Vice Mayor Grendel asked is Welty still trying to get more tenants signed?

Finance Director Blaze said CBIZ is only taking half the building.

Mayor Kurtz said you can see it now, the steel coming up. There are challenges. There are some challenges in terms of costs and trying to contain those costs and trying to manage their scheduling, and we have had some meetings with them of late where they are trying to sort it all out and still get to a reasonable timetable for CBIZ which is across the street right now. I am not sure what the next chapter is going to be with that project, but stayed tuned.

Several people began speaking at once again.

Councilperson Veverka asked so will the people working from home because we have a short supply of workers, will that card be overplayed, and then we will be able to fill a lot of those jobs from overseas at less cost? That is the thing I often wonder about. Does that make sense?

Finance Director Blaze asked what do you mean, send the work overseas?

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Councilperson Veverka said that is what I'm saying, if this work at home thing, and that's all people want to do is work at home, they have to realize that if they can do it at home, they can do it from Delhi, some of these jobs. So, people working from home may overplay their hand and all of a sudden the jobs not only leave the area, but leave the country.

Finance Director Blaze said it's all over the board. Our son is in Chicago. He lives say in this room, and the company that he works for is right there where Police station is. He has not been in that office since Covid started in early 2020. He is right there and hasn't been in there. The boss he reports to is in New York City. That boss said Ethan if you could Bezos and us to take you to the moon, you get an internet connection, and I don't care if you work from there. As long as the work is getting done, you can live anywhere on this planet you want, even on the moon. So, I think it's like what more and more companies are doing. It doesn't work for blue collar type work, that is why Pleasant Valley is more manufacturing, light industrial. You can't commute and work remotely and do that, but it is a little easier for our office. I think some of that shrinking that we talked about going from four floors to three floors is why when we talked about income tax, we are seeing some of that kind of flattening right now. We are going through that transition process where on Rockside as leases expire, hey they had 30,000 square feet, now they are telling their brokers let's look for 20,000. Jess had the example, I think it was a mortgage company, no it was an insurance company, 30,000, 40,000, 50,000 square feet, a lot of office space. They put the RFP out on the street, they want to renew 10,000, and that's what we are seeing. So, I think that's one of the big challenges that is stressing our income tax. We are holding our own, that's a great way to put it, but the dynamics of the market are changing right now. So, as companies shrink their footprints, we are feeling the effects of that.

Vice Mayor Grendel said I still think for young employees out of college and everything, when I got out of law school, I was in the Engineers Building, and there were independent lawyers there. If I was handling a criminal case, at that point when you are young, you will take anything. I spent more time in the morning picking the brains of other attorneys, how do we do this? How do we do that? I learned more. If I was working out of my house, you don't get the benefit of that.

Finance Director Blaze said you have these now, you have Zoom calls. It's not the same as in person, but this generation is making it work.

Vice Mayor Grendel said I guess they are. It's not the same.

Several people began speaking at once.

Vice Mayor Grendel said people tell me they want to talk to somebody face-to-face, it could be legal, it could be psychological. In over 40 years of practice, I have seen about everything that has gone on. I almost feel like I am a part-time psychologist.

Several people began speaking at once again.

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Vice Mayor Grendel said that's what is missing, the Zoom, it's very impersonal. You don't have that same attachment. When we would go out to lunch, three or four of us. We did things after work. We had a better connection than just all being professionals.

Mayor Kurtz said try to rent trucks right now. First the rates are ridiculous, and the fuel surcharge. You call these guys, and they say I have trucks, but I don't have drivers. They keep changing the rules. Now it used to be you can't work over 60 hours. There used to be a book log, and if you want to get a CDL, it's going to cost you \$5,000 or \$6,000, and two weeks to go do it. Then look at trucks, and see how many 20 year-olds or 30 year-olds there are.

Finance Director Blaze said pretty soon you won't see any drivers in those trucks with the technology.

Mayor Kurtz said I'm sorry, but it's realistic. Where are all these people that used to work?

Several people began speaking at once again.

Councilperson Trakas said I think people were convinced if they didn't make \$15 an hour it wasn't a job.

Several people began speaking at once again.

Councilperson Veverka said well the Manager of Dollar Bank, they had a Job Fair, and she said that by far there was a massive number of people that if they couldn't work from home, they weren't interested, just overwhelming. Just a handful of people out of all the people she talked to were willing to have a job where they had to come in regularly.

Finance Director Blaze asked Jim is that the same in the military where it's not work from home, but are the recruiters having a hard time getting applicants that qualify either mentally, physically or emotionally?

Councilperson Trakas said 82% of high school graduates automatically don't qualify for the armed forces, and that's up from 77% two years ago. So, that is just who qualifies, and then they don't want to do it. So, every force is down over 60% in their numbers, and the sad thing is the Chinese and Russians are ramping up. Our force level hasn't been this low since about 1978. They are discharging people or discouraging people on Covid, if they didn't get their shots, 50% of the National Guard across the country didn't get their shots, and they are subject to being discharged. They can't be promoted, they can't be deported. It doesn't help morale.

Finance Director Blaze said and now the CDC is changing their guidance.

Councilperson Trakas said that's another crisis.

Mayor Kurtz said it's all over the world too, it's not isolated to the United States now.

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Finance Director Blaze said birth rates are low, so who is going to fill these jobs. There are not as many young children.

Councilperson Trakas said all of Europe is the same way.

Several people began speaking at once again.

Chairman DiGeronimo asked for a motion to adjourn.

**Moved by Narduzzi, seconded by Trakas, to adjourn the Economic Growth & Development Committee meeting of August 16, 2022. Voice Vote: 3 yes/0 no; motion carried.**

The Economic Growth & Development Committee meeting of August 16, 2022, was then adjourned at 5:28 p.m.

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Debra J. Beal, Clerk of Council  
Minutes Unapproved at Time of Release 08/18/22

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