

Contact: Jessie Obert

For immediate release

April 2, 2020

## **Hudson's Voice Calls Decision to Sever Ties with Downtown Phase II Developer Long-Overdue, Vows to Continue to Hold City Accountable**

The City of Hudson's announcement on Saturday, March 28 that it was no longer working with Testa Companies on the Phase II Downtown Development project comes nearly a year after an advisory vote proved that a majority of Hudson residents oppose the multi-year, multi-million dollar project. The long delay in taking action to alter the project is another sign of the City administration's mismanagement of the project, which is widely seen as a waste of millions of tax-payer dollars and representative of a tone-deaf City administration.

"For more than a year and a half, the citizens of Hudson have been telling the City Manager and others in the Administration that the Phase II Redevelopment project is not right for Hudson. The project does not make financial sense, and as planned, will not support existing downtown businesses nor will it provide true and direct public benefit," said Rebecca Leiter, president of Hudson's Voice. "In light of the current healthcare and economic crisis gripping America, this is no time to pursue this deeply flawed multi-million dollar development project in the heart of our city."

Hudson's Voice, a grassroots coalition of Hudson residents, business owners and civic leaders, garnered broad community support in 2019 to formalize the lack of support for the Downtown Phase II project at the ballot box in May. Their successful advocacy efforts led to significant change in the membership of Hudson City Council and the Mayor's Office.

"It's clear that a majority of the people in Hudson have lost confidence in the City's management of the redevelopment of downtown Hudson and see the project as an irresponsible use of taxpayer money," said Jessie Obert, vice president of Hudson's Voice. "While the long-overdue decision to cease work with Testa Companies is a step in the right direction, the City must take broad-based community input into account to determine appropriate next steps that will reflect Hudson's charm and will appeal to the majority of our citizens."

It is important to note that while the City announced it was severing ties with Testa Companies, it failed to provide any details regarding next steps, just vague allusions to continuing the project that has already incurred over \$11 million in tax payer obligations with nothing to show for it and no plan to recover the public's investment.

"This lack of clarity is troubling. Moving forward, Hudson's Voice will continue to hold the City Manager and the Administration accountable on this project and other city matters," said Obert. "We will continue to fight for what is right for our community."

The community's concerns related to the Downtown Phase II plan include the cost of the redevelopment project, housing density, excess Class-A office space, the need for significant and costly environmental remediation of some of the property slated for redevelopment and a lack of return on investment for the city and its residents.

**About Hudson's Voice**

The purpose of Hudson's Voice, LLC is to promote and advance the common good and general welfare of the Hudson, Ohio Community through a social community movement designed to be an effective resource to the City and its City Council, by elevating and encouraging discourse regarding legislation, ballot initiatives, property development and/or other civic issues that effect the greater good of the citizens of Hudson.

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Contact: Jessie Obert

For immediate release

April 7, 2020

## **Hudson's Residents Win as the City of Hudson's Bid to Purchase Windstream Property Fails; More Uncertainty Shrouds Downtown Phase II Project**

*Hudson City Council defeats Resolution No. 20-41, saving taxpayers more than \$1 Million*

Hudson City Manager Jane Howington's efforts to purchase the Windstream Property at 94 Owen Brown Street, the second of two Windstream-owned properties that the City of Hudson eyed for redevelopment as part of the Downtown Phase II project, failed tonight as Hudson City Council voted 3-3 to defeat Resolution No. 20-41 which was introduced by Councilman Bill Wooldredge. Council members Bigham, Foster and Sutton voted against the measure, saving the city and its taxpayers \$1,025,000.

"Council's decision not to purchase the Windstream property was the fiscally responsible thing to do and it put the residents' and existing local businesses' interests first," said Rebecca Leiter, President of Hudson's Voice. "We want to thank Council Members Bigham, Foster and Sutton for standing up for the community they serve."

The City of Hudson sought to purchase the Windstream property as part of a multi-year, multi-million dollar redevelopment that, if it proceeds, would change the fundamental character of the community's historic Downtown. A majority of residents in Hudson have long opposed this ill-conceived and mismanaged redevelopment project and formally registered their dissent in a May 2019 advisory vote, with 52% of voters disapproving of the project.

"The fact that City Manager Jane Howington and Council President Bill Wooldredge continue to try to force the Downtown Phase II project on the residents of Hudson, even after residents repeatedly voice their opposition, is mind boggling. It reinforces the growing opposition to her administration and mistrust in her leadership," said Jessie Obert, Vice President of Hudson's Voice. "That Council Members Wooldredge, DeSaussure, and Schlademan voted to support this purchase is unconscionable, especially now, as we're in the midst of an historic global public health and economic crisis that is likely to have a negative impact on the city's tax revenue and fundamentally change demand for office space and new retail."

City Council's vote on the Windstream property purchase comes seven weeks after Howington formally terminated the city's relationship with Testa Companies, the developer tasked with planning the Downtown Phase II development project. This decision, which came after nearly \$11 million of tax payer funds had been incurred in pursuit of the project, was only made public on March 28, 2020. To date, the City has not shared any information regarding a potential new developer with the community.



Hudson's Voice, a grassroots coalition of Hudson residents, business owners and civic leaders, garnered broad community support in 2019 to formalize the lack of support for the Downtown Phase II project at the ballot box in May. The community's concerns related to the Downtown Phase II plan include the cost of the redevelopment project, housing density, excess Class-A office space, the need for significant and costly environmental remediation of some of the property slated for redevelopment and a lack of return on investment for the city and its residents.

#### **About Hudson's Voice**

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**Memorandum**

**DATE:** November 25, 2019

**TO:** Robert Warner, P.S.  
Environmental Design Group  
[REDACTED]  
[REDACTED]

**FROM:** Nate Wonsick, P.E. – Asst. City Engineer

**C:** Jane Howington – City Manager  
Thomas Sheridan – Asst. City Manager – Professional Services  
Bradley Kosco, P.E., P.S. – City Engineer  
Greg Hannan – Community Development Director

**RE:** **Downtown Phase 2A – City of Hudson Earthwork Calculations & Options**

Dear Mr. Warner:

The City of Hudson engineering staff completed an evaluation of the earthwork on the fill material as depicted in the GPD report (2018) for the proposed Downtown Phase 2A development based on the survey and CAD surface data provided by EDG, Inc. and soil borings provided by GPD for your information as you finalize your design. As part of our evaluation, we created a surface in AutoCAD based on the soil boring data to represent the bottom of the fill material present at the site. The attached calculation summary (See attached) and cost data represent the results of these surface comparisons and calculations. The costs were based on several contractors and consultants in NE Ohio. The CAD file we modified has also been attached for your use (i.e. CAD Format, electronic file emailed).

These options are provided to you as your team evaluates the soils on the site and this information could possibly reduce the cost to your developer. Please feel free to consult with a geotechnical engineer and the other utility companies involved in this project design as you complete your design of the development.

I hope you find the information helpful, and if you have any questions do not hesitate to contact me.

Respectfully,

Nate Wonsick

*Attachments: Fill Material Calculation & Options Summary, CAD file*

## Downtown Phase 2a Fill Material Calculation & Options Summary

### Option #1 (most conservative estimate)

Mass removal of material (fill) and Mass Import of Material

Estimated Earthwork Volumes\*:

1. Mass Excavation of fill material (per soil boring depths): 40,000 CY x \$9/CY = \$360,000
2. Mass Import material to proposed finish grades: 20,000 CY x \$9/CY = \$180,000
3. Excavation of Basements and haul off material: 20,000 CY (included with typical home basement excavations)

Total Option #1 estimated cost to replace fill material = \$540,000

### Option #2 (less conservative estimate)

Mass removal of material (fill) and selective import of material so that basement re-excavation is minimized.

Estimated Earthwork Volumes\*:

1. Mass Excavation of fill material (per soil boring depths): 40,000 CY x \$9/CY = \$360,000
2. Partial Import material (NOT to finish grade, basement areas partially backfilled): 10,000 CY x \$9/CY = \$90,000
3. Partial Excavation of Basements and re-use material on-site: 10,000 CY (included with typical home basement excavations)

Total Option #2 estimated cost to replace fill material = \$450,000

### Option #3a (less conservative estimate)

Selective removal of material (fill) and selective import of material so that overall earthwork is minimized (Cement Stabilize Roads).

1. Excavation of Basements and haul off material: 20,000 CY (included with typical home basement excavations)
2. Partial Excavation of additional fill material beneath basement excavation areas where the existing fill exceeds 8' depth (per soil boring depths): 3,000 CY x \$10/CY = \$30,000
3. Cement Stabilization of Roads and driveways:
  - a. The cost/SY for recent private development is \$9/SY. We have used \$10/SY for this cost estimate. Based upon areas below, the cost for cement stabilizing DTP2A pavement areas is:

Public roads: 40,920 S.F. = 4,600 SY x \$10/SY = \$46,000

Private roads: 23,141 S.F. = 2,600 SY x \$10/SY = \$26,000

Private drives: 14,885 S.F. = 1,650 SY x \$10/SY = \$16,500

Total Option #3a estimated cost to replace fill material = \$118,500

Option #3b (least conservative estimate)

Selective removal of material (fill) and selective import of material so that overall earthwork is minimized (Undercut Roads)

Estimated Earthwork Volumes\*:

1. Excavation of Basements and haul off material: 20,000 CY (included with typical home basement excavations)
2. Partial Excavation of additional fill material beneath basement excavation areas where the existing fill exceeds 8' depth (per soil boring depths):  $3,000 \text{ CY} \times \$10/\text{CY} = \$30,000$
3. Roadway undercut sub base volumes:
  - a. Public roads:  $40,920 \text{ S.F. at } 1.5' = 2,273 \text{ C.Y.} \times \$10/\text{CY} = \$22,730$
  - b. Private roads:  $23,141 \text{ S.F. at } 1.5' = 1,286 \text{ C.Y.} \times \$10/\text{CY} = \$12,860$
  - c. Private drives:  $14,885 \text{ S.F. at } 1' = 551 \text{ C.Y.} \times \$10/\text{CY} = \$5,510$

Total Option #3b estimated cost to replace fill material = \$71,100

As you can see there are multiple options to mass removal of all soils to be considered by your design team. This is a summary of options and should not be misconstrued as a geotechnical report. The City would advise the development team to seek their own advice from a geotechnical engineer for more options.

*\* Notes:*

- 1. Earthwork calculations are based on survey and CAD surface data provided by EDG, Inc. and soil borings provided by GPD. Additional CAD surfaces were created from soil boring data and should be considered approximate.*
- 2. The excavated materials would be hauled to the former YDC site 2 miles away if formally approved by the City & within areas designated by the City. The YDC site could also be used for borrow.*



**Memorandum**

**DATE:** December 9, 2019

**TO:** Greg Hannan – Community Development Director

**FROM:** Nate Wonsick, P.E. – Asst. City Engineer

**C:** Thomas Sheridan, P.E., P.S., CFM – Asst. City Manager – Professional Services  
Bradley Kosco, P.E., P.S. – City Engineer

**RE:** **Downtown Phase 2A – Cost Estimate of Clean Fill from the YDC site**

Dear Greg:

Based on conversations City staff recently had with developers that have worked in the City of Hudson, the current rate for clean fill (material only) is approximately \$10 per cubic yard. Based on the most conservative calculations I had previously prepared in a memo to Bob Warner at EDG on November 25, 2019, 20,000 cubic yards of clean fill may be required for the Downtown Phase 2A project from the YDC property. This clean fill would have an estimated value of \$200,000.00 for the material only.

If you have any questions do not hesitate to contact me.

Respectfully,

Nate Wonsick



OHIO  
HUDSON

ADMINISTRATION • [REDACTED]

November 20, 2019

Paul Testa  
Joel Testa  
Testa Companies  
[REDACTED]

Dear Paul and Joel:

Thanks again for your time today. I appreciate the ability to rearrange schedules so we could meet in person. I wanted to review what I took away from our discussion; if you see that I have missed something or misinterpreted something, please let me know.

First and foremost, it appears you both have a desire to move forward with the Hudson Phase 2 project provided soils, financing and phasing issues can be resolved.

Regarding the soils:

- We discussed having all our soils people together to understand the discrepancies in analysis.
- Possible testing of material at the YDC site.
- Possible joint earth moving efforts (City at YDC but not aware the City equipment would be suitable).

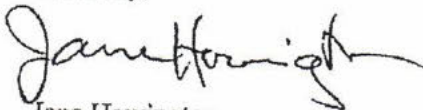
Regarding financing:

- Review of sale values for both north and south areas with possibility of shifting some value from north to south.
- Review carrying cost and how this can be managed or recovered.
- Sales tax exemption with the DFA.
- TIF coverage.

Regarding phasing issues:

- Discussed the possibility of constructing the commercial building at the end of Clinton Street at the same time as the housing construction.

Sincerely,



Jane Howington  
City Manager, City of Hudson

Acknowledged by:

  
Paul Testa, CEO, Testa Companies

OHIO  
HUDSON

ADMINISTRATION • 1140 Terex Road • Hudson, Ohio 44236 • (330) 342-1700

February 24, 2020

VIA EMAIL &  
US MAIL TO:

Testa Enterprises, Inc.  
[REDACTED]

Attn: Joel A. Testa, Vice President  
[REDACTED]

Re: First and Main Phase II

Dear Joel:

Thank you for your recent response to the City's December 23, 2019 Downtown Phase 2 Development Agreement Proposal. Unfortunately, City Council cannot support the provisions you have offered. In particular, the movement of a portion of the residential land value to the commercial area and to have that value incorporated into the 20-year lease payments was unacceptable.

Of additional concern is the methodology proposed in the financing and transfer of the residential development. City Council does not want to be a mortgage holder especially subordinate to development financing. Joel, I understand the revisions made to the residential side of Phase 2 created a different density than what was initially envisioned and has created financial complexities for both the Testa Companies and the City of Hudson. Realistically, the proposed project is no longer a viable option for either party.

Therefore, I believe a dissolution of the Phase 2 project between the City of Hudson and the Testa Companies has occurred. I personally thank you and your team for the effort and time that has been put into the proposed Phase 2 project.

Respectfully,

*Jane Howington*

Jane Howington  
Hudson City Manager

cc: Paul Testa, Testa Companies

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ADMINISTRATION • 1140 Terex Road • Hudson, Ohio 44236 • (330) 342-1700

March 2, 2020

VIA EMAIL &  
US MAIL TO:

Testa Enterprises, Inc.  
[REDACTED]

Attn: Joel A. Testa, Vice President  
[REDACTED]

Re: First and Main Phase II

Dear Joel:

As promised and in good faith, I have discussed with individual City Council members the options related to the project which you presented to me in our conversation last week. The impressions that I gained from those discussions are that they are not interested in pursuing those options and, in particular, any monetary payment to Testa as a result of the project not moving forward. As you are aware, the City has expended considerable time and funds on this project over several years and both parties pursued this project at their own risk and at their own costs.

The City will not be moving forward with this project with Testa. At this point, if there needs to be further discussions with respect to this matter, it may be best for our respective attorneys to have those discussions. Both City Solicitor Matt Vazzana and City Special Counsel Todd Hunt are available to do that and can contact Jim Simon and/or Andy Natale in this regard.

Joel, I value our relationship that has been built over these past years and trust that this matter will be resolved amicably.

Respectfully yours,

*Jane Howington*

Jane Howington  
Hudson City Manager

cc: Paul Testa, Testa Companies



FOR IMMEDIATE RELEASE

Jody Roberts  
Communications Manager/ PIO

  
[www.hudson.oh.us](http://www.hudson.oh.us)

### City of Hudson to Pursue New Direction of Phase II Development

HUDSON, OH (March 28, 2020) – The City of Hudson announced today that it is altering course on the construction of the Downtown Phase II development adjacent to First & Main in the City’s core. The City will be parting company with Testa Companies on this project.

“The Testa Companies have been great to work with and we are parting company on good terms,” said City Manager Jane Howington. “We wish Joel and his company well.”

“Our intent had been to begin construction on the residential component of Phase II first,” Howington said. “We’ve heard a lot of feedback from residents about what they want in Phase II residences. We want to make sure what we build what the community needs and that the development fits the community’s character. With all the work the City has done on the development of the Phase II area, we will be able to capitalize on all those efforts and move forward as quickly as possible.”

She also noted that the City has had strong interest in new commercial space, particularly Class A office space. “The land at the end of Clinton Street is ready to go,” Howington said. “We are confident we can fill that building as soon as it’s finished and begin generating tax revenue for the City. It will allow us to begin realizing some of the investment that’s been made in this area. It will be exciting to see Phase II starting to take shape after all this time.”

Beginning work on Phase II will also enable the City to continue work on its “smart signaling” project, designed to address traffic congestion in downtown Hudson, and also undertake a major stormwater management project to resolve sewer issues currently affecting homeowners in the Historic District.

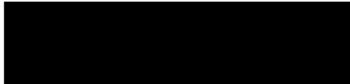
“We feel this is a real turning point on this project,” said Howington. “While in the midst of the coronavirus crisis this may not be the best time to announce this, we know it has been a long process to get to this point and we wanted citizens to know that this decision has been made.”

Updates on Phase II will be posted to the City’s website at [www.hudson.oh.us/downtownphase2](http://www.hudson.oh.us/downtownphase2) and shared on the City’s Facebook, Twitter and Instagram accounts.

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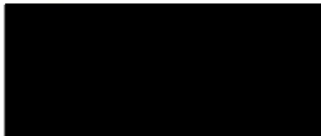
Aaron S. Evenchik



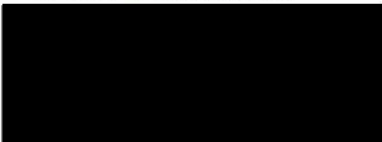
April 1, 2020

VIA U.S. MAIL and E-MAIL

Matt Vazzana, Esq.  
City Solicitor  
City of Hudson, Ohio



R. Todd Hunt, Esq.  
Walter Haverfield  
The Tower at Erieview



**Re: City of Hudson / First & Main, Phase II / Demand for Reimbursement of Expenses or Continuation of Project / Public Records Act Request / Litigation Hold Notice / Demand for Return of any Testa Intellectual Property**

Dear Mr. Vazzana and Mr. Hunt:

Hahn Loeser & Parks, LLP represents Testa Enterprises, Inc. who forwarded Jane Howington's March 2, 2020 letter. Having reviewed the project history, memorandum of understanding, investments made by Testa, and approvals of the City for the project, Testa is entitled to reimbursement of its costs and will not agree to a no cost walkaway. Testa incurred costs based upon the MOU and representations of the City, approvals by the City, and Testa's good faith efforts to advance the project. Sadly it is the City who refuses to honor its agreements and has

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continually down-zoned the project, reducing the land value. Despite this, Testa has stood by the City, designed significant improvements (including a pump station) and has consistently worked with the City.

Testa remains willing to finalize the purchase agreement, ground lease, and development agreement on terms consistent with the parties' years of discussions, including the City's agreement to permit Testa to pay on sales as units are sold. However, if the City refuses to move forward, then Testa is entitled to a "commercially reasonable termination" payment under the MOU. Testa and its counsel are willing to meet at the City's convenience, via phone conference, virtual meeting, or otherwise, to attempt resolution.

If the City refuses to work with Testa on the development, then Testa demands that the City segregate and return to Testa all of Testa's project related plans, drawings, utility installation plans and improvement plans, and any other work product created by Testa. Testa objects to Testa's work product being used by any other developer or the City without reimbursement to Testa and Testa's agreement and release on the same. Testa demands a detailed plan on how the City will protect against misuse of this information.

Additionally, because chances of litigation on this project/dispute are high, Testa demands that the City and its consultants take efforts to prevent the deletion or destruction of any documents, files, electronic documents, e-mails, or the like in any way related to First and Main Phase 2 project, Testa, Testa's work on the project, intra-City communications, meeting notes, or any other document related to the project.

Finally, per Ohio's Public Records Act, Testa requests the following documents be made available to Testa for inspection and copying:

- All documents related to the First and Main Phase II project, starting on Jan. 1, 2018. This includes all internal city documents, documents by and between council members, planning and zoning commission members, architectural review board members, any third party consultants relating in any way to the project, meeting notes, internal City e-mails, or external e-mails or communications related to the project, or any other documents related to the project.

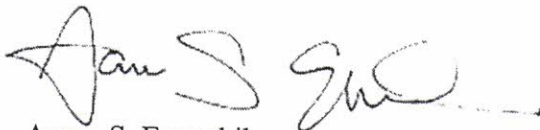


- The scope of this request specifically includes any City communications or e-mails with any third parties related to the project, including but not limited to Fairmount Properties, Welty, Don Taylor, Payne & Payne, Petros, Testa, and any other builders or developer.
- The scope of this request also requires production of Jane Howeington's entire file related to the project, including any internal memos, e-mails, meeting minutes, diary entries, phone notes, and any other related documents.

If something will not be produced, please so advise why. If there is a cost for this production, please advise and reimbursement will be made. We are willing to accept documents electronically to honor social distancing requirements.

Testa remains willing to meet and review these issues at any time. Pending resolution Testa reserves all of its rights and claims under the memorandum of understanding, prior approvals, and at law.

Sincerely,



Aaron S. Evenchik

ASE/rl

cc: Paul Testa (via e-mail)  
Joel Testa (via e-mail)

CITY OF HUDSON, OHIO

*Downtown Hudson - Phase II*

*Assumes Residential Land Payments Over 4 Years*

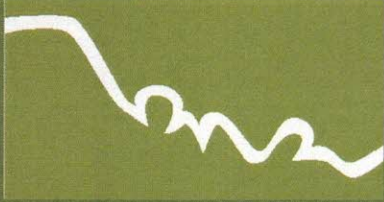
**PHASE II ESTIMATED PROJECT COSTS (1)**

<u>Project</u>	<u>Total</u>
Land Acquisition	\$1,838,720.85
Site Preparation & Demolition	\$1,416,063.02
Bus Garage, Salt Dome Improvements	\$7,318,430.18
General Phase II Costs	\$310,852.82
Sanitary Pump Station	\$195,243.75
Totals	<u>\$11,079,310.62</u>

(1) Estimated project costs provided by the City.

(Subject to the attached letter dated December \_\_, 2019)  
(Preliminary - Subject to Change)  
(For Internal Use Only)





# Brandywine Creek Balanced Growth Initiative Watershed Plan



Environmental  
Web Page  
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LWV  
Piece too

2013 FINAL

DECEMBER 4, 2013