



DEPARTMENT OF COMMUNITY DEVELOPMENT

240 Columbus Ave
Sandusky, Ohio 44870
419.627.5707
www.ci.sandusky.oh.us

To: Eric L. Wobser, City Manager
From: Jonathan Holody, Community Development Director
Date: December 1, 2021
Subject: Commission Agenda Item – ED Fund Grant Agreement – Everwild Spirits, LLC

Items for Consideration: Legislation approving a Grant Agreement with Everwild Spirits, LLC for the purposes of furthering economic development efforts in the City.

Background Information: Everwild Spirits, LLC was founded by Rick and Gia Lynch. The couple plans to open and operate the region's first craft bourbon distillery and tasting room at 212 Hancock Street, Sandusky, Ohio.

The couple purchased the subject building in October 2020. They have obtained the necessary federal permit to distill spirits and expect to produce 70 barrels of whiskey in the first year of production at the location.

The total development project is estimated to cost \$2.3 million. The project includes the full renovation of the existing building, the construction of an addition on the north side of the building, and the construction of a new parking lot and outdoor seating area. The City Commission approved an Enterprise Zone tax abatement for the project in the amount of 75% for ten years in May 2021.

Everwild Spirits will be a year-round destination experience. The redevelopment project is scheduled to be completed by Summer 2022. The company expects to have 16 full-time-equivalent employees within three years.

An Economic Development Fund grant in the amount of \$100,000 to support the construction project was recommended for approval by the Economic Development Incentive Committee at its meeting on November 9, 2021.

Budgetary Information: The City will be responsible for providing a total of \$100,000 in grant proceeds from the Economic Development Capital Projects Fund on a reimbursable basis. The project will have an ongoing positive impact on the general fund due to increased income and property taxes.

Action Requested: It is requested that the proper legislation be prepared to allow the City to enter into a Grant Agreement with the company. It is further requested that this legislation be passed in accordance with Section 14 of the City Charter in order to immediately approve the Grant Agreement ensure the timely completion of the project.

I concur with this recommendation:

Eric L. Wobser, City Manager

Jonathan Holody, Community Development Director

cc: Brendan Heil, Law Director
Michelle Reeder, Finance Director
Cathy Myers, Clerk of the City Commission

CERTIFICATE OF FUNDS

In the Matter of: Economic Development Grant- Everwild Spirits

IT IS HEREBY CERTIFIED that the moneys required to meet the obligations of the City of Sandusky under the foregoing Contract have been lawfully appropriated for such purposes and are in the treasury of the City of Sandusky or are in the process of collection to an appropriate fund, free from any previous encumbrances. This certificate is given compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Account # 431-4070-53000

By:  _____

Michelle Reeder

Finance Director

Dated: 12/8/2021

ORDINANCE NO. 21-198

AN ORDINANCE AUTHORIZING AND APPROVING A GRANT IN THE AMOUNT OF \$100,000.00 THROUGH THE ECONOMIC DEVELOPMENT FUND PROGRAM TO EVERWILD SPIRITS, LLC, IN RELATION TO THE PROPERTY LOCATED AT 212 HANCOCK STREET, SANDUSKY; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, Everwild Spirits, LLC was founded by Rick and Gia Lynch with plans to open and operate the region's first craft bourbon distillery and tasting room and develop the property located at 212 Hancock Street and; and

WHEREAS, the total development project is estimated to cost \$2.3 million and includes the full renovation of the existing building, the construction of an addition on the north side of the building, and the construction of a new parking lot and outdoor seating area; and

WHEREAS, it has been determined that the project pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City and for the health and safety and welfare of its residents, and are necessary to improve the economic and general welfare of the citizens of the City; and

WHEREAS, the Economic Development Incentive Committee met on November 9, 2021, and is recommending to approve a grant to Everwild Spirits, LLC, in the amount of \$100,000.00, in accordance with the Economic Development Fund Program, to assist with improvement costs for the purpose of furthering economic development efforts in the City; and

WHEREAS, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to immediately approve the Grant Agreement to ensure the timely completion of the project; and

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

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

Section 1. This City Commission authorizes and directs the City Manager to enter into a Grant Agreement with Everwild Spirits, LLC, for financial assistance through the Economic Development Fund Program for the purpose of furthering economic development efforts in the City, substantially in the same form as Exhibit "A", a copy of which is attached to this Ordinance and is specifically incorporated as

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if fully rewritten herein, together with such revisions or additions as are approved by the Law Director as not being adverse to the City and as being consistent with carrying out the terms of this Ordinance.

Section 2. This City Commission authorizes and approves the grant funding to Everwild Spirits, LLC, in an amount **not to exceed** One Hundred Thousand and 00/100 Dollars (\$100,000.00) from the Economic Development Capital Projects Fund of the City of Sandusky pursuant to and in accordance with the terms of the Grant Agreement.

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

Section 4. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City's Commission and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

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



RICHARD R. BRADY
PRESIDENT OF THE CITY COMMISSION



ATTEST:

CATHLEEN A. MYERS
CLERK OF THE CITY COMMISSION

Passed: December 13, 2021

GRANT AGREEMENT

This Grant Agreement (the "Agreement") is made and entered into as of the _____ day of _____, 2021 between the CITY OF SANDUSKY, OHIO (the "City"), a municipal corporation and political subdivision duly organized and validly existing under the Constitution, its Charter, and the laws of the State of Ohio, and Everwild Sprits, LLC ("the Company"), an Ohio Limited Liability Company.

WITNESSETH:

WHEREAS, the Company has purchased the property located at 212 Hancock Street, Sandusky, Ohio 44870 and further identified as Permanent Parcel Numbers 56-00265, 56-00264, and 56-00379 (the "Property"); and

WHEREAS, The Company intends to redevelop the Property into a craft bourbon distillery, tasting room and retail shop at a total cost of \$2,336,000.00 (the "Project"); and

WHEREAS, this catalytic Project will increase employment, adaptively reuse a currently vacant property and bring a new year-round attraction to the City of Sandusky; and

WHEREAS, to induce the Project, the City has agreed to provide economic incentive grants to the Company to assist in the payment of a portion of the costs of the Project as further described in Section 1 hereof; and

WHEREAS, the City has determined that this Project pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City and for the health and safety and welfare of its residents, and are necessary to improve the economic and general welfare of people of the City;

NOW THEREFORE, in consideration of the premises and the covenants contained herein, the parties hereto agree as follows:

Section 1. City Grant.

The City agrees to grant up to \$100,000.00 in the form of an Economic Development Fund grant to the Company (the "City Grant") toward the costs of the Project, which shall be disbursed upon the completion of the Project. This City Grant shall be disbursed from the 2021 Economic Development Capital Projects Fund (the "Fund"). This City Grant will not increase if the applicant chooses to make additional improvements not contemplated in the grant application. The City reserves the right to make adjustments to the awarded grant amount, if recommended by the Economic Development Incentive Committee, for substantive changes to the project scope only. Construction must be done in accordance with and to the reasonable satisfaction of the City, which includes, but is not limited to, compliance with all Planning, Zoning and Building code regulations, and other applicable codes and regulations of the City, including obtaining permits. Furthermore, the Company agrees to display a sign during construction and for at least one (1) year upon completion of the Project noting the City's support; and

The Company shall notify the City promptly following the completion of the Project consistent with this Section and provide the City with any documents it reasonably requests related to Project costs and construction. The City shall then promptly review those documents and inspect the site and let the

Company know if it has satisfied the conditions set forth in this Section and, if not, describe what is found to be deficient. In order to receive the City Grant, the Project will need to be completed by December 31, 2022. This date may be extended at the discretion of the City Manager.

The City shall pay the City Grant by check placed in the U.S. regular mail within fourteen (14) days following confirmation of the satisfactory completion of construction to the notice address provided in Section 6 below.

Section 2. Authority to Sign.

The Company and the City both represent that this Agreement has been approved by formal action of the duly authorized representatives of both parties.

Section 3. Assignment or Transfer.

The Company agrees that this Agreement is not transferable or assignable without the express, written approval of the City.

Section 4. Choice of Law.

This Agreement shall be governed and interpreted in accordance with the laws of the State of Ohio and the parties hereto agree that any dispute or other matter arising out of the interpretation or operation of this Agreement shall be determined in a Court of competent jurisdiction located within the State of Ohio and County of Erie.

Section 5. Binding Agreement.

This Agreement shall be binding on each of the parties and their respective successors and assigns.

Section 6. Miscellaneous.

- (a) **Notice.** Any notice or communication required or permitted to be given under this Agreement by either party to the other shall be deemed sufficiently given if delivered personally or mailed by United States registered or certified mail postage prepaid or by overnight delivery and addressed as follows:

(i) TO THE CITY: City Manager
c/o Director of Community Development
City of Sandusky, Ohio
240 Columbus Avenue
Sandusky, OH 44870

(ii) TO THE COMPANY: Everwild Spirits, LLC
212 Hancock Street
Sandusky, OH 44870

Any party may change its address for notice purposes by providing written notice of such change to the other party.

- (b) Amendments. This Agreement may only be amended by written instrument executed by all parties.
- (c) Effect of Agreement. This Agreement is signed by the parties as a final expression of all the terms, covenants and conditions of their agreement and as a complete and exclusive statement of its terms, covenants and conditions and is intended to supersede all prior agreements and understandings concerning the subject matter of this Agreement.
- (d) Counterparts. This Agreement may be signed in several counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

SIGNATURES EXECUTED ON THE FOLLOWING PAGE

EXHIBIT "A"

IN WITNESS WHEREOF the parties hereto, by and through their duly authorized representatives, have executed this Agreement on behalf of the corporate entities identified herein, on the date first written above.

EVERWILD SPIRITS, LLC
An Ohio limited liability company

Title: Member

CITY OF SANDUSKY

Title: City Manager

EXHIBIT "A"

The legal form of the within instrument
Is hereby approved.

Director of Law
City of Sandusky

CERTIFICATE OF DIRECTOR OF FINANCE

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

Michelle Reeder, Finance Director

EXHIBIT "A"