

ORDINANCE NO. 20-039

AN ORDINANCE AUTHORIZING AND APPROVING A GRANT IN THE AMOUNT OF \$65,000.00 THROUGH THE SUBSTANTIAL DEVELOPMENT GRANT PROGRAM TO FAMILY HEALTH SERVICES, LLC, IN RELATION TO THE PROPERTY LOCATED AT 1912 HAYES AVENUE; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, Family Health Services, LLC is a federally qualified health center which provides a wide range of medical and dental services to citizens of the City of Sandusky and Erie County, including comprehensive primary care and enabling services, preventive women's health services, behavioral services along with operating a pharmacy program; and

WHEREAS, Family Health Services, LLC, seeks to provide expansive dental service and coverage options with particular attention servicing the underserved, low-income, Medicaid population of patients who are drastically underserved, and desires to build an expansive state-of-the-art 3,000 square foot full-service dental facility at the South Campus of Firelands Regional Medical Center, formerly the Providence Hospital property; and

WHEREAS, this project will include installation of 8-10 dental chairs and x-ray sensors, including customary accompanying equipment: plumbing, vacuum lines, electrical, and compressor units and is expected to allow for 20,000 patient visits, the hiring of 20+ dentists, hygienists, and other supporting staff, sales revenues estimated to be \$1.2 million in 2020 and increasing to \$2.86 million in 2022 and associated payroll figures growing to approximately \$1.5 million by December 31, 2022; and

WHEREAS, the total estimated cost of the project is \$1,500,000, with the majority of costs associated with \$800,000 for equipment purchases and \$500,000 for construction and buildout; and

WHEREAS, it has been determined that the development of this property with 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 February 11, 2020, and is recommending to approve a grant to Family Health Services, LLC, in the amount of \$65,000.00, in accordance with the Sandusky City Economic Development Programs, to assist with project 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 execute the Grant Agreement and ensure the full benefit of the agreement is realized; 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

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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 Family Health Services, LLC, for financial assistance through the Substantial Development Grant 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 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 Family Health Services, LLC, and the Finance Director is directed to expend funds to Family Health Services, LLC, in an amount **not to exceed** Sixty Five Thousand and 00/100 Dollars (\$65,000.00) 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 the law.

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

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adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.



RICHARD B. BRADY
PRESIDENT OF THE CITY COMMISSION

ATTEST: 

KELLY L. KRESSER
CLERK OF THE CITY COMMISSION

Passed: February 24, 2020

GRANT AGREEMENT

This Grant Agreement (the "Agreement") is made and entered into as of the ____ day of _____, 2020 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 FAMILY HEALTH SERVICES, LLC ("the Company"), an Ohio Limited Liability Company.

WITNESSETH:

WHEREAS, the Company, led by its chief executive officer, Mr. David P. Tatro, is a federally-qualified health center which provides a wide range of medical and dental services to citizens of the City of Sandusky and Erie County, including, but not limited to: comprehensive primary care and enabling services, preventative women's health services, behavioral services, and operating pharmacy; and

WHEREAS, the Company seeks to provide expansive dental service and coverage options for the citizens, with particular attention servicing the underserved, low-income, Medicaid population of patients who are drastically underserved;

WHEREAS, the Company now desires to build an expansive state of the art 3,000 square foot full-service dental facility, which will be located at the South Campus of Firelands Regional Medical Center, formerly the Providence Hospital site (the "Project"); and

WHEREAS, included in this buildout will be installation of 8-10 dental chairs and x-ray sensors, including, but not limited to customary accompanying equipment: plumbing, vacuum lines, electrical, and compressor units ; and

WHEREAS, this Project is expected and anticipated to allow for 20,000 patient visits, the hiring of 20+ dentists, hygienists, and other supporting staff, sales revenues estimated to be \$1.2MM in 2020 and increasing to \$2.86 MM in 2022 and associated payroll figures growing to approximately \$1.5MM by December 31, 2022; 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 development 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 \$65,000.00 in the form of a Substantial Development grant to the Company (the "City Grant") toward the costs of the Project, which shall be disbursed upon completion of the Project and occupancy of the buildout space. This City Grant shall be allocated from the 2020 Economic Development Capital Projects Fund (the "Fund"). This City Grant will not increase if the

EXHIBIT

"A"

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 and Zoning codes, including Landmarks Commission approval, 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 MARCH 31, 2021. 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 Development Specialist

City of Sandusky, Ohio
240 Columbus Avenue
Sandusky, OH 44870

(ii) TO THE COMPANY: FAMILY HEALTH SERVICES, LLC
1912 Hayes Avenue, Suite D
Sandusky, OH 44870
Attention: Mr. David P. Tatro

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

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.

FAMILY HEALTH SERVICES, LLC
An Ohio limited liability company

Title: _____

CITY OF SANDUSKY

Title: City Manager

The legal form of the within instrument
Is hereby approved.

Director of Law
City of Sandusky

DRAFT

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.

Director of Finance

DRAFT