

ORDINANCE NO. 20-067

AN ORDINANCE AUTHORIZING AND APPROVING A GRANT IN THE AMOUNT OF \$1,300,000.00 TO FEICK BUILDING LLC, IN RELATION TO THE PROPERTY LOCATED AT 158-160 EAST MARKET STREET; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, the City Commission declared the City's intention to invest in the redevelopment of the Feick Building located at 158-160 E. Market Street by granting funds up to \$1.3 Million to Marous Development Group, LLC, by Resolution No. 016-18R, passed on March 26, 2018; and

WHEREAS, Feick Building LLC, in conjunction with its affiliated development company, Marous Development Group, LLC, is redeveloping the century-old 8 story steel, approximately 60,000 square foot building located at 158-160 E. Market Street and commonly known as the Feick Building, for office and commercial use and tenancy; and

WHEREAS, Feick Building LLC, will invest approximately \$9,899,300.00 into this project, including \$712,500.00 for acquisition and \$9,186,800.00 in buildout and improvements, to essentially repurpose and rebuild the interior of the building to facilitate first floor retail space along E. Market Street and upper floor commercial and retail uses; and

WHEREAS, due to the importance of this project and the transformative nature of redeveloping one of the City's most iconic buildings, Staff is recommending to approve a grant to Feick Building LLC, in the amount of \$1,300,000.00 to assist with project costs for the purpose of furthering economic development efforts in the City and the grant will be paid with Capital Funds financed through the issuance of urban renewal revenue notes or bonds and the notes or bonds will use proceeds from the Chesapeake TIF to pay such debt service; 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, it is being requested in companion legislation to approve an Enterprise Zone Agreement with Feick Building LLC, for tax abatement; 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 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 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

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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 Feick Building LLC, for financial assistance 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 Feick Building LLC, and the Finance Director is directed to expend funds to Feick Building LLC, in an amount **not to exceed** One Million Three Hundred Thousand and 00/100 Dollars (\$1,300,000.00) from the 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.

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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



KELLY L. KRESSER
CLERK OF THE CITY COMMISSION

Passed: April 13, 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 FEICK BUILDING LLC, or its assigns ("the Company"), an Ohio Limited Liability Company.

WITNESSETH:

WHEREAS, the Company is majority-owned indirectly by Adelbert (Chip) P. Marous, Jr. who, through his affiliated companies has for over 40 years executed development and construction services on adaptive reuse projects in Northern Ohio, including the Columbus Avenue Revitalization Project in downtown Sandusky that now houses our new City Hall;

WHEREAS, the location of this proposed project is the iconic Feick Building, which is located at 158-160 East Market Street, which along with the adjacent parking lot owned by the Company, being Permanent Parcel Numbers: #56-00354.000, 56-00183.000, 56-00184.000 (the "Building");

WHEREAS, the Company and City have undertaken extensive discussion regarding the conversion and ultimate end use of the Building and have previously entered into legislation, dated March 26, 2018, which was then centered around the Building becoming mixed-use with the upper floors supporting residential;

WHEREAS, the Company has determined that the proper and best use for the Building will be to renovate the Building for office uses on the upper seven floors and/or first floor retail or restaurant (the "Project");

WHEREAS, the Company has invested over \$1.1 million to date including the acquisition, pre-development and certain Project improvements and projects to invest approximately \$10,000,000 to bring this Project to fruition. The Company estimates the addition of between 20 and 111 full time permanent employees once this Project is completed and the space is fully tenanted;

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 the development of the 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 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 One Million Three Hundred Thousand Dollars (\$1,300,000.00) to the Company, towards the costs of the Project, to be payable in three (3) disbursements:

(a) Five Hundred Thousand Dollars (\$500,000.00) within thirty (30) days after full execution of this Agreement;

(b) Five Hundred Thousand Dollars (\$500,000.00) upon completion of all envelope improvements, including, but not limited to new and/or renovation of the roof, windows, doors, tuck pointing, and ground floor facade, completed to the satisfaction of the City pursuant to inspection by the City's Chief Building Official or his designee; and

(c) Three Hundred Thousand Dollars (\$300,000.00) upon completion of white box improvements, completed to the satisfaction of the City pursuant to inspection by the City's Chief Building Official or his designee.

All funds shall be disbursed from the Capital Projects Fund. The City intends to finance this amount through the issuance of urban renewal revenue notes or bonds. These notes or bonds will use proceeds from the Chesapeake TIF to pay such debt service. This Grant amount will not increase if Project costs increase or if the Company chooses to make additional improvements beyond what has been summarized in this Grant Agreement. Construction and/or renovation 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 and Planning Commission approval, and any other 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.

The Company shall promptly notify the City following the completion of the Project benchmarks consistent with the foregoing paragraph and provide the City with any documents reasonably requested related to Project costs and construction schedules. The City shall promptly review such documents and inspect the site and inform the Company if they have satisfied the conditions set forth in this Section and, if not, describe- in writing- what is found to be deficient.

The City shall pay the City Grant for each respective disbursement by check placed in the U.S. Regular Mail within fourteen (14) days following confirmation of the satisfactory completion of the Project phases to the notice address provided in Section 6 below.

Section 2. Authority to Sign. The Company and City represent that this Agreement has been approved by formal action of the duly authorized representatives of each party.

Section 3. Non-Assignment or Transfer. The Company agrees and acknowledges that this Agreement is not transferable or assignable without the written consent and 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:

TO THE CITY: City Manager
 c/o: Chief Development Officer
 City Hall
 240 Columbus Avenue
 Sandusky, Ohio 44870

TO THE COMPANY: Feick Building LLC
 c/o: Mr. John E. Spear
 38025 Second Street
 Willoughby, Ohio 44094

- (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 executed in several counterparts, each of which shall be deemed 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 entities identified herein, on the date first written above.

FEICK BUILDING LLC,
an Ohio limited liability company

By: _____
Name: _____
Its: _____

CITY OF SANDUSKY, OHIO

By: _____
CITY MANAGER

The legal form of the within instrument is hereby approved.

Director of Law
City of Sandusky