

ORDINANCE NO. 21-120

AN ORDINANCE AUTHORIZING AND APPROVING A GRANT IN THE AMOUNT OF \$300,000.00 THROUGH THE ECONOMIC DEVELOPMENT FUND PROGRAM TO CATTIEN, LLC (D.B.A. SMALL CITY TAP HOUSE & CLAG BREWERY), IN RELATION TO THE PROPERTY LOCATED AT 202 & 216 COLUMBUS AVENUE; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, Cattien, LLC is a real estate holding company that owns the buildings at 202 and 216 Columbus Avenue and are home to Small City Tap House and CLAG Brewery; and

WHEREAS, Cattien LLC has spent over \$2.7M since 2014 to acquire and renovate the buildings to accommodate the growing restaurant and brewery and seeks to invest another \$617,744.00 in exterior masonry restoration and façade improvements, for a total investment of over \$3.3M; and

WHEREAS, the proposed façade improvements include new windows, doors, awnings and signage and these improvements were approved by the Landmark Commission on March 17, 2021; 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 July 13, 2021, and is recommending to approve a grant to Cattien, LLC, in the amount of \$300,000.00, 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, the grant funds will be provided on a reimbursable basis over a three (3) year period with up to \$20,000.00 to be dispersed in 2021 and up to \$140,000.00 in 2022 and 2023; 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:

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Section 1. This City Commission authorizes and directs the City Manager to enter into a Grant Agreement with Cattien, LLC (d.b.a. Small City Tap House & CLAG Brewery), 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 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 Cattien, LLC (d.b.a. Small City Tap House & CLAG Brewery), in an amount **not to exceed** Three Hundred Thousand and 00/100 Dollars (\$300,000.00) 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:

KELLY L. KRESSER
INTERIM CLERK OF THE CITY COMMISSION

Passed: July 26, 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 Cattien, LLC ("the Company"), an Ohio Limited Liability Company.

WITNESSETH:

WHEREAS, the Company owns the properties at 202 and 216 Columbus Avenue, Sandusky, Ohio 44870 and further identified as Permanent Parcel #56-00615.000 and 56-01067.000 (the "Property"); and

WHEREAS, the Property houses the Small City Tap House and CLAG Brewery, which attract visitors and notoriety to the City of Sandusky on a year round basis; and

WHEREAS, the Company has invested \$2,766,922.00 to acquire and renovate the Property to accommodate the growing restaurant and brewery, and plans to invest an additional \$617,744.00 on exterior masonry restoration and façade improvements, for a total cost of \$3,384,666.00 (the "Project"); and

WHEREAS, the proposed façade improvements were approved the Landmarks Commission at its meeting on March 17, 2021; and

WHEREAS, the Project will stabilize a historic building and dramatically improve the aesthetic and historic character of the City; and

WHEREAS, to induce the Project, the City has agreed to provide an economic incentive grant 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 \$300,000.00 in the form of an Economic Development Fund grant to the Company (the "City Grant") on a reimbursement basis toward the costs of the exterior masonry restoration and façade improvements, to be payable as follows:

- a) Up to Twenty Thousand Dollars (\$20,000.00) in calendar year 2021;
- b) Up to One Hundred Forty Thousand Dollars (\$140,000.00) in calendar year 2022;
- c) Up to One Hundred Forty Thousand Dollars (\$140,000.00) in calendar year 2023;

This City Grant shall be disbursed from the 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 provide annual progress reports to the City including documents the City reasonably requests to support the reimbursement of funds in calendar years 2021 and 2022. 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 annual reports and 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 final disbursement of 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 Community Development Director
City of Sandusky, Ohio
240 Columbus Avenue
Sandusky, OH 44870

- (ii) TO THE COMPANY: Cattien, LLC
202 Columbus Avenue
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

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.

CATTIEN, LLC
An Ohio limited liability company

Phouc Hong Ngo
Title: Member

CITY OF SANDUSKY

Title: City Manager

The legal form of the within instrument
Is hereby approved.

Director of Law
City of Sandusky

ORDINANCE NO. _____

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WHEREAS, Cattien LLC has spent over \$2.7M since 2014 to acquire and renovate the buildings to accommodate the growing restaurant and brewery and seeks to invest another \$617,744.00 in exterior masonry restoration and façade improvements, for a total investment of over \$3.3M; and

WHEREAS, the proposed façade improvements include new windows, doors, awnings and signage and these improvements were approved by the Landmark Commission on March 17, 2021; 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 July 13, 2021, and is recommending to approve a grant to Cattien, LLC, in the amount of \$300,000.00, 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, the grant funds will be provided on a reimbursable basis over a three (3) year period with up to \$20,000.00 to be dispersed in 2021 and up to \$140,000.00 in 2022 and 2023; 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 Cattien, LLC (d.b.a. Small City Tap House & CLAG Brewery), 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 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.

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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: _____
BRENDAN L. HEIL
INTERIM CLERK OF THE CITY COMMISSION

Passed: July 26, 2021



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: July 14, 2021
Subject: Commission Agenda Item – ED Fund Grant Agreement – Cattien LLC

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

Background Information: Cattien LLC is a real estate holding company that owns the buildings at 202 and 216 Columbus Avenue. The properties are home to Small City Tap House and CLAG Brewery.

Cattien LLC has spent over \$2.7M since 2014 to acquire and renovate the buildings to accommodate the growing restaurant and brewery without any past financial assistance from the City. The company now seeks to invest \$617,744 in exterior masonry restoration and façade improvements, for a total investment of over \$3.3M.

The proposed façade improvements include new windows, doors, awnings and signage. The improvements were approved by the Landmark Commission on March 17, 2021.

The development team has created nationally renowned craft brewery and restaurant that attracts visitors to downtown Sandusky on a year round basis. The proposed improvements will significantly enhance the historic and aesthetic character of the City.

A grant in the amount of \$300,000 was recommended for approval by the Economic Development Incentive Committee at its meeting on July 13, 2021.

Budgetary Information: The City will be responsible for providing a total of \$300,000 in grant proceeds from the Economic Development Capital Projects Fund on a reimbursable basis over a three year period with up to \$20,000 to be released in 2021 and up to \$140,000 to be released in 2022 and 2023. 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 to ensure the timely completion of the project.

I concur with this recommendation:

Eric L. Wobser, City Manager
City Manager

Jonathan Holody
Community Development Director

cc: Brendan Heil, Law Director, Michelle Reeder, Finance Director, McKenzie Spriggs, City Commission Clerk