

## ORDINANCE NO. 21-106

**AN ORDINANCE AUTHORIZING AND APPROVING A GRANT IN THE AMOUNT OF \$100,000.00 TO LAKE ERIE ISLAND CRUISES, LLC TO ASSIST WITH EFFORTS TO RETURN THE GOODTIME I TO THE JACKSON STREET PIER; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, since 2007, Lake Erie Island Cruises, LLC (LEIC) has been leasing dock space at the Jackson Street Pier for the operation of the Goodtime I that is a valued business that brings thousands of people to Sandusky annually and the current Lease Agreement with the City is dated February 20, 2020; and

**WHEREAS**, Lake Erie Island Cruises, LLC operates a business that was directly impacted by the COVID-19 pandemic; and

**WHEREAS**, the Goodtime I recently needed extensive repairs in order to return to operation during the 2021 season at a total cost of \$325,000.00 and the community and citizens of Sandusky have rallied to support the Goodtime I and launched efforts to raise the funds for the repairs allowing the Goodtime I to return to service this year; and

**WHEREAS**, at their regularly scheduled meeting on June 28, 2021, this City Commission ordered legislation to provide grant funds to Lake Erie Island Cruises, LLC, in an amount up to \$100,000.00 to assist with the repair costs for the Goodtime I pursuant to the following conditions:

- LEIC shall provide a business plan to the City within thirty (30) days of the execution of the Agreement;
- The City shall have the use of the Goodtime I at no cost to the City up to three (3) times per year for City events for the calendar years 2022 through 2026;
- LEIC shall resume paying rent as prescribed in the Lease Agreement starting in 2022;
- LEIC agrees to operate the Goodtime I in Sandusky, Ohio, until December 31, 2027; and
- In the event LEIC sells the Goodtime I, any successor in interest to the Goodtime I must operate the Goodtime I in Sandusky, Ohio, until December 31, 2027.

**WHEREAS**, the City has determined that the Goodtime I 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, are necessary to improve the economic and general welfare of people of the City, and are allocated in order to aid a business in the hospitality and tourism field that was specifically impacted by the COVID-19 pandemic; 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 with Lake Erie Island Cruises, LLC, and allow the funds to be appropriated and dispersed upon securing the remaining funds pursuant to and in accordance with the Grant Agreement; 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 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 Lake Erie Island Cruises, LLC, for financial assistance to assist with efforts to return the Goodtime I to the Jackson Street Pier, 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 Lake Erie Island Cruises, LLC, in an amount **not to exceed** One Hundred Thousand and 00/100 Dollars (\$100,000.00) from the Coronavirus Relief Fund of the City of Sandusky pursuant to and in accordance with the terms and conditions contained in 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 requirement.

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.



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RICHARD R. BRADY  
PRESIDENT OF THE CITY COMMISSION



ATTEST:

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MCKENZIE E. SPRIGGS  
CLERK OF THE CITY COMMISSION

## 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 Lake Eire Island Cruises, LLC ("the Company"), an Ohio Limited Liability Company.

### WITNESSETH:

WHEREAS, since 2007, Lake Erie Island Cruises, LLC has operated the Goodtime I in Sandusky, OH; and

WHEREAS, the City and the Company entered into a Lease Agreement dated February 20, 2020 (the "Lease Agreement") for use of dock facilities on the Jackson Street Pier in Sandusky; and

WHEREAS, the Goodtime I is a valued local business that brings thousands of people to Sandusky annually; and

WHEREAS, Company operates a business that was directly impacted by the COVID-19 pandemic; and

WHEREAS, the Goodtime I recently needed additional repairs in order to return to operation during the 2021 season (the "Project") at a total cost of \$325,000; and

WHEREAS, the community and citizens of Sandusky have rallied to support the Goodtime and launched efforts to raise funds for the repairs allowing the Goodtime to return to service this year (the "Project"); and

WHEREAS, the City has determined that the Goodtime I 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, are necessary to improve the economic and general welfare of people of the City, and will aid a business in the tourism, travel, and hospitality industry that was specifically impacted by the COVID-19 pandemic; and

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 a Coronavirus Relief 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 Coronavirus Relief Fund (the "Fund"). This City Grant will not exceed the amount stated herein. The City reserves the right to make adjustments to the awarded grant amount, if recommended by City Commission.

This Grant is contingent on Company securing the remainder of the \$325,000 necessary to pay for repairs to the Goodtime I through funding or financing. Company shall notify the City promptly following the securing of the other financing and provide documentation requested by the City confirming the availability of the additional funding. The City shall promptly review those documents and let the

Company know if it has satisfied the conditions set forth in this Section and, if not, describe any deficiencies. In order to receive the City Grant, the Company must secure necessary funds and or financing for the entire amount of the repairs by December 31, 2021. This date may be extended at the discretion of the City Commission.

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 3. Terms and Conditions.**

The Company agrees to the following terms and conditions in return for the Grant:

- (a) Company shall provide a business plan to the City within thirty (30) days of the execution of this Agreement;
- (b) The City shall have the use of the Goodtime I at no cost to the City up to three (3) times per year for City events for the calendar years 2022 through 2026;
- (c) Company shall resume paying rent as prescribed in the Lease Agreement starting in 2022;
- (d) Company shall agree to operate the Goodtime I in Sandusky, OH until December 31, 2027; and
- (e) In the event the Company sells the Goodtime I, any successor in interest to the Goodtime I must operate the Goodtime I in Sandusky, OH until December 31, 2027.

Failure to satisfy any or all of the terms and conditions by the Company shall be an event of default. In the event of default by the Company, the City may terminate this Agreement, seek reimbursement of the Grant amount, and may take legal action including, but not limited to, attaching a lien on the Goodtime I in the full amount of the Grant.

**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: Lake Eire Island Cruises, LLC  
c/o Joseph M. Lamb  
P.O. Box 60  
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.

LAKE ERIE ISALND CRUISES LLC  
An Ohio limited liability company

\_\_\_\_\_  
Name: Joseph M. Lamb  
Title: Member

CITY OF SANDUSKY

\_\_\_\_\_  
Title: City Manager

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.

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Michelle Reeder, Finance Director

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