



Economic Development Incentive Committee

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Agenda
January 11, 2022
2:00pm
City Commission Chamber
Live Streamed on [www.Youtube.com/CityofSanduskyOH](https://www.youtube.com/CityofSanduskyOH)

1. Meeting called to order – Roll call
2. Election of officers
3. Approval of November 9, 2021 minutes
4. Program financial update
5. Review of applications received
 - TrueGrit Fitness, LLC (dba WellFit Rx)
 - Hampton Enterprises, LLC
 - Tambo Entertainment, LLC
 - WFR Investments, LLC
6. Reminder of next meeting – March 8, 2022
7. Public participation/Comments
8. Meeting adjournment

Economic Development Incentive Committee
November 9, 2021
Meeting Minutes

Call To Order

Chairman Al Nickles called the meeting to order at 2:04pm. The following members were present constituting a quorum: Paul Koch and Jonathan Holody. Also present were: ex-officio member Abbey Bemis, and clerk Kristen Barone.

Approval of July 13, 2021 Meeting Minutes

Mr. Koch made a motion to approve the minutes as submitted and Mr. Holody seconded. All members were in favor of the motion.

Program Financial Update

Mr. Holody stated that at the last City Commission meeting there was an additional \$250,000.00 allocated to the program, which brings the total of uncommitted funds to \$270,000.00. He then said that he does anticipate more funds coming as part of the 2022 budget. Mr. Koch asked if there is an estimated amount that the program will be allocated. Mr. Holody stated that the amount is determined by the admission's tax received, but historically that number has been between \$400,000.00 and \$500,000.00. He then added that after talking with the finance director, the marketing funds that have been noted on the spreadsheet this past year will probably be moved to a different account next year as the Communications Manager will be overseeing those funds.

Review of Applications Received

- **Name One Yellowstone, LLC**

Mr. Holody stated that this application was previously presented to the committee back in 2020 and the committee approved a grant in the amount of \$50,000.00. The recommendation was never sent to City Commission for further approval because of the impact that COVID had on the budget, but staff did administratively approve a \$10,000.00 grant. The developer has continued to work on this project and has seen that the City's budget is in much better shape now than it was before and has asked the City to reconsider the \$50,000.00 grant that was originally approved by this committee. Unless this committee has any objection, staff would like to proceed with taking this to City Commission for final approval. He said that the \$10,000.00 grant that staff administratively approved has not yet been sent to them and if the \$50,000.00 grant is approved by City Commission, the \$10,000.00 grant would no longer be valid. Mr. Koch made a motion to recommend to City Commission the \$50,000.00 grant and Mr. Holody seconded. All voting members were in favor of the motion.

- **Thirty Below (dba Dairy Frost)**

Mr. Holody explained that the Dairy Frost on Cleveland Road received a new owner over the summer named Pij Hunter, and he is going to be doing some renovations there including new front windows and a fire suppression upgrade. Estimated project costs come to over \$4,000.00. Staff recommend a grant amount of \$2,000.00. The project is expected to be completed in the summer of next year. Mr. Koch made a motion to approve a grant in the amount of \$2,000.00 and Mr. Holody seconded. All voting members were in favor of the motion.

- **Sweet Potato Catering, LLC**

Mr. Holody explained that the owner of Sweet Potato Catering, LLC is Katie Korobkin, who recently received a grant for work at Venue 634, located on Columbus Avenue. Today, Katie is requesting a grant in the amount of \$10,000.00 for the renovation of 1302 West Monroe Street. This is where the main location of Sweet Potato Catering, LLC will be. She will have production space and office space at this location. Total project costs include over \$97,000.00. Mr. Koch made a motion to approve a grant in the amount of \$10,000.00 and Mr. Holody seconded. Ms. Bemis stated that she appreciates the thoroughness of the application and stated that if anyone ever needs help putting the application together that she would be willing to assist them.

- **TrueGrit Fitness, LLC (dba WellFit Rx)**

Mr. Holody stated that TrueGrit Fitness, LLC is owned by Dustin Smith. He currently provides services to clients out of Tim Dorsey Fitness, but he would like to rent the space immediately adjacent to Tim Dorsey Fitness so that he can have his own space. That space is currently being used for storage, so Dustin would need to do some improvements to that space, purchase some equipment, and he would also like to hire someone to assist him with his business. Estimated project costs come to over \$12,000.00. Staff recommend a grant in the amount of \$5,000.00 subject to execution of a lease agreement being obtained for the location at 301 E. Market Street. Mr. Koch stated that he will have to abstain from this discussion and vote. Mr. Holody made a motion to approve a grant in the amount of \$5,000.00 subject to execution of a lease agreement at 301 E. Market Street and Mr. Koch seconded. All voting members were in favor of the motion except for Mr. Koch, who abstained.

- **Everwild Spirits, LLC**

Mr. Holody stated that Everwild Spirits, LLC is owned by Rick and Gia Lynch. They are in the process of transforming 212 Hancock Street into a craft bourbon distillery. Total renovation and equipment costs come to over 2.3 million dollars. They anticipate completing the project by the end of next year. They have been awarded a 75 percent tax abatement for ten years, but would like to further assist this company with grant funds in the amount of \$100,000.00. Mr. Koch

stated that he would make a motion to approve a grant in the amount of \$100,000.00 and Mr. Holody seconded. All voting members were in favor of the motion.

- **Hampton Enterprises, LLC**

Mr. Holody explained that Hampton Enterprises, LLC is owned by JaMarcus Hampton. He owns the building at 402 Warren Street, which is a hair salon. He seeks to do a renovation of the building and convert it into salon suites. This will allow independent hair stylists to rent out the suites. Total project costs come to an estimated amount of \$50,000.00, which includes roofing, windows, plumbing and HVAC upgrades. Staff recommends a grant in the amount of \$20,000.00. Mr. Koch stated that he will have to abstain from discussion and voting on this application. Mr. Holody made a motion to recommend a grant in the amount of \$20,000.00 to City Commission and Mr. Nickles seconded. All voting members were in favor of the motion except for Mr. Koch, who abstained.

Discussion

Mr. Holody stated that the Sandusky Food Hall was previously awarded a grant in the amount of \$139,000.00 for the renovation of the old Cardinal Grocery on Washington Street. There is strong indication that the renovations will be occurring soon. The owners have started taking applications from vendors who want to lease space at this location. The current plans call for six vendors. It is estimated that each vendor will have start-up costs of about \$50,000.00-\$60,000.00 for deposits, inventory, equipment, marketing, signage, and wages. The developer of the Sandusky Food Hall has a goal of 50% of the vendor stalls to be owned by underrepresented groups. Staff believe that one way they could accomplish this goal would be to grant \$10,000.00 to each food hall vendor. He said that staff could approve those administratively to speed up the process or staff could bring those to the committee, whichever the committee feels most comfortable with. Mr. Koch stated that he would feel more comfortable with having the committee reviewing these applications one by one as they come in instead of committing \$60,000.00 to potential food vendors today. He said that one reason is that he would like to see the developers making more progress at that location before committing more money there. He also said that he would like to keep what money the committee does have for people that are ready to move forward with their projects instead of holding on to it for potential vendors. Mr. Nickles stated that he agrees. Mr. Holody stated that he will take this back to the developer and ask them to pass along the applications to the vendors as they get interest and the committee can review them one by one then. Ms. Bemis asked Mr. Holody if in 2022 he anticipates having the same structure for the Economic Development grant program where all of the money is in one large pot or if it will go back to having different pots of money for small business assistance versus renovation work. Mr. Holody stated that he anticipates having the same guidelines in 2022 that were in place in 2021, but is open to feedback from the committee on that. He stated that it is easier to explain to people and to administer if all of the money is in one pot. Ms. Bemis said the reason she asks is because she believes there is a cost barrier to participate as a food hall

vendor and will not be surprised if most of the costs submitted to the committee are soft costs versus hard costs and she thought she remembered in the past small business assistance bucket there was more flexibility to get to the \$10,000 grant award. Mr. Holody stated that is a good point. He said that he sees the food hall as a start-up place for most new businesses and that eventually they may want to move into their own building elsewhere, so more of the costs will probably be soft costs instead of construction costs, but if all of the funds are in one pot that shouldn't be an issue and the committee can review those applications one by one as they come in to review that information.

Public Participation/Comments

Ms. Sharon Johnson stated that she was a little concerned by the statement made by the Sandusky Food Hall developers when they said that they have a goal of 50% of vendor stalls to be owned by underrepresented groups (women, minority enterprise, and LGBTQ). She said that is discrimination for them to specify that. She stated that might be something the Law Director wants to look at, especially if the City is going to be using taxpayer dollars to give them grant money. She then said that for Everwild Spirits, it looks like they have a little over two million dollars for project costs, but no bank is listed in the paperwork and she thinks that whatever bank they are working with needs to be listed on the paperwork. Ms. Bemis responded that it looked to her as though the company was using personal equity. She stated that they sold a company and put that money into an Opportunity Fund. Ms. Johnson asked what an Opportunity Fund is. Ms. Bemis replied that is an investment tool. Mr. Nickles added that there are tax advantages to using those. Ms. Bemis stated that there are locally designated areas and the downtown area is an eligible area. Ms. Johnson stated that the reason she thinks everyone needs to be aware ahead of time what banks people are dealing with is so that the committee members and City Commission members know if they will have a conflict or not on voting. Mr. Holody stated that the company deals with Truist Bank. Ms. Johnson then stated that for Sweet Potato Catering, she indicates on her paperwork that she deals with Civista Bank and Mr. Koch works there. Mr. Koch stated that he did see that, but a previous Law Director, Justin Harris, stated that as long as he was not directly involved with the applicant then it should not be a conflict. Mr. Bemis stated that Sweet Potato Catering also lists owner equity on her application as her source of income for the project. Mr. Holody stated that is correct. Ms. Johnson stated that she has noticed that Civista Bank seems to be a popular bank with a lot of the applicants and wondered if the City has offered to other banks the opportunity to work with the applicants. Mr. Nickles stated that the City cannot tell people where to bank or where to get loans from. Mr. Koch added that Civista Bank is 60% of the area so there is a lot of overlap there, but the program is inclusive to everyone. Ms. Johnson then stated that there is a City Commissioner who is a board member of Civista Bank and he also has shares in Civista, so he needs to know if there are any applicants are using Civista Bank for a loan. Mr. Holody stated that if he ever notices any conflict of interest he would definitely bring that forward. Ms. Johnson then asked for clarification on Name One Yellowstone application and Mr. Holody

explained the details of that application again. Ms. Johnson then asked who they have for a bank. Mr. Koch replied that it says on their application Erie Bank.

Next Meeting

January 11, 2022

Meeting Adjournment

Mr. Nickles adjourned the meeting at 2:56pm.

APPROVED:

Kristen Barone, Clerk

Mr. Nickles, Chairman

**City of Sandusky
Economic Development Fund**

Project	Date Approved	Ordinance	Approved Grant Amount	Total Disbursed	Notes
Market Street Collective, LLC	12/9/2019	-	\$ 139,620.00	\$ -	
Family Health Services, LLC	2/11/2020	20-39	\$ 65,000.00	\$ -	
McGookey Properties	3/17/2020	-	\$ 10,000.00	\$ 10,000.00	
2021					
RDJMD, LLC	3/9/2021	21-036	\$ 15,000.00	\$ 15,000.00	
Maca Root Juice Bar	4/13/2021	-	\$ 10,000.00	\$ 10,000.00	
Wake up and Waffle	4/13/2021	-	\$ 6,000.00	\$ -	
HDT Operating Co.	4/13/2021	21-076	\$ 33,450.00	\$ 33,450.00	
Your Turn Special Events, LLC	5/11/2021	-	\$ 2,000.00	\$ 2,000.00	
Port Sandusky Restaurant, LLC	5/11/2021	-	\$ 2,500.00	\$ -	
Body By Erica Taylor, LLC	5/11/2021	-	\$ 7,500.00	\$ 7,500.00	
Venue 634 L.L.C.	5/11/2021	-	\$ 15,000.00	\$ -	
Dott Investmetns, Inc.	7/13/2021	-	\$ 2,500.00	\$ 2,500.00	
FSB Properties, LTD	7/13/2021	-	\$ 10,000.00	\$ 10,000.00	
Derrick's Diner LLC	7/13/2021	-	\$ 3,267.00	\$ -	
Cattien LLC (year one)	7/13/2021	21-120	\$ 20,000.00	\$ 20,000.00	
Name One Yellowstone, LLC	12/13/2021	21-197	\$ 50,000.00		
Thirty Below Investment Group	11/9/2021	-	\$ 2,000.00		
Sweet Potato Catering, LLC	11/9/2021	-	\$ 10,000.00		
Everwild Spirits, LLC	12/13/2021	21-198	\$ 100,000.00		
Total			\$ 503,837.00	\$ 110,450.00	
Fund Balance		Notes			
2020 Carryover	\$ 277,212.00				
2021 Allocation	\$ 375,000.00				
Total Funding	\$ 652,212.00				
Total Grants Approved	\$ 503,837.00				
Balance	\$ 148,375.00				