

Economic Development Incentive Committee
January 11, 2022
Meeting Minutes

Call To Order

Vice Chairman Paul Koch called the meeting to order at 2:02pm. The following members were present constituting a quorum: Paul Koch, JaMarcus Hampton, Brendan Heil, and Jonathan Holody. Clerk Kristen Barone was also present. Ex-officio member Abbey Bemis joined the meeting after the election of officers.

Approval of November 9, 2021 Meeting Minutes

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

Election of Officers

Mr. Koch nominated Al Nickles to continue on as Chairman and Mr. Hampton for Vice Chairman. Mr. Holody seconded the motion and all voting members were in favor.

Program Financial Update

Mr. Holody reminded the committee that the total amount of funding that was available last year was a little over \$652,000.00. A little over half a million dollars of those funds have been committed, for grants that were approved by the committee. That leaves a balance of about \$148,000.00 left to disburse. Before the committee today will be requests totaling about \$95,000.00, which would leave about \$50,000.00 left, if all of those requests are approved. He stated that he anticipates more funds being allocated in 2022, but he needs to talk more with the City Manager on that yet. Ms. Bemis asked when he expects to have that information available to share. Mr. Holody stated that he expects to be able to share more at the next meeting in March. Ms. Bemis asked if he will continue to accept applications in the meantime. Mr. Holody responded that he would. Mr. Koch asked if the City's 2022 budget has been approved by City Commission yet. Mr. Heil stated that it was.

Review of Applications Received

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

Mr. Holody stated that this agenda item and the next one were both approved at the last meeting, but there were only three members in attendance and one member had to abstain. After the meeting, staff received clarification that a majority of the board is needed to vote in favor of a motion, for a motion to pass. He then reminded the committee that Dustin Smith is the owner of TrueGrit Fitness. 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. The space is currently being used for

storage, so Dustin would need to do some improvements to the space, purchase equipment, and he would also like to hire someone. Total project costs come to about \$12,000.00. Staff is recommending a grant in the amount of \$5,000.00. Mr. Heil stated that he saw that a few of the estimates provided were made out to Tim Dorsey Fitness, and wanted to make sure that all of that is actually going to TrueGrit Fitness. Mr. Holody responded that yes that work is for TrueGrit Fitness. He said that at first there was some contemplation of TrueGrit subleasing from Tim Dorsey Fitness, but it has been determined that TrueGrit will have their own lease with the property owner, so that might be why some of the paperwork says Tim Dorsey Fitness. Mr. Hampton asked how long the lease agreement is for and if the \$5,000.00 is going towards the lease. Mr. Holody clarified that the funds are not going towards lease payments, but improvements to the space and equipment. Mr. Koch stated that he needs to abstain from voting on this application. Mr. Heil made a motion to approve the application as recommended by staff and Mr. Hampton seconded. All voting members were in favor of the motion, except for Mr. Koch, who abstained.

- **Hampton Enterprises, LLC**

Mr. Heil made a motion to table this application as he needs more time to look into whether or not a board member is able to receive grant funds or not. Mr. Holody seconded the motion and said that if possible, staff may try to put together a special meeting, in order to keep things moving in a timely manner. All voting members were in favor of the motion.

- **Tambo Entertainment, LLC**

Mr. Holody stated that Tambo Entertainment has executed a five year lease for commercial space in the former E&K Winery building at 220 East Water Street. The company seeks to develop and operate an entertainment venue named Clubhouse No. 3. The establishment will feature golf and multisport simulators, a full service bar, and other indoor entertainment. This building has been used primarily for storage for at least 15 years. The project requires extensive renovations to the first floor space. Other costs listed by the applicant include design/professional services, furniture, and inventory, bringing the total project costs to over \$600,000.00. Staff recommends a grant in the amount of \$60,000.00. The applicant hopes to open up the business in March of this year. Mr. Koch asked who owns that building. Mr. Holody replied that Mr. and Mrs. Feick own it. Ms. Bemis said that she said that she has taken many people through that building in the past to see if anyone would be interested in taking that project on and running a business there and so she is glad to see that someone is finally able and willing to do that at that location. She said that the

family also has a good track record in the city. Mr. Koch made a motion to approve the application as recommended by staff.

- **WTFR Investments, LLC**

Mr. Holody stated that What the Fried Rice Investments, LLC is the first possible vendor in the soon to be Sandusky Food Hall. The committee may recall that the Sandusky Food Hall developer has been granted funds directly. So this application is for the vendor who is seeking to open at the Food Hall. The applicant does currently operate at a location outside of the Toledo area. They make fresh to order Asian cuisine. He stated that the vendor has indicated that total project costs are \$60,000.00 and he wanted to point out that \$15,000.00 of that is a security deposit to the food hall operator. Staff recommends a grant in the amount of \$10,000.00. Mr. Heil asked what the \$20,000.00 in tenant improvements and equipment includes. Mr. Holody stated that would be for equipment not provided by the food hall operator, for instance a rice steamer and signage. He said that the applicant did include a POS system in that amount, but then saw that the food hall operator will be providing that, so the applicant may not actually have \$20,000 in improvements and equipment costs. Mr. Koch stated that he would have a hard time voting for granting money to any food hall vendor before the food hall is completed because the vendors cannot begin their work until the food hall is finished, so that could be a ways out yet. He said that he would rather grant the money to people who are ready and able to move forward. Mr. Heil stated that is a good point. He said he is also concerned with what was provided to justify the project costs. If the applicant is renting most of their equipment from the food hall operator, he is not sure how much more they really need to spend, so he would like to see that information. Ms. Bemis stated that she does not disagree with those comments, but even if you take out the \$15,000.00 going to the food hall operator for lease and use of equipment, a \$10,000.00 grant is still a small percentage. TrueGrit received about 40% of their project costs and that is typical for small businesses. However, it would be nice to get that clarification on what they are actually spending the funds on and to see what the 2022 budget is. Mr. Koch moved to table the application for now and Mr. Hampton seconded. Mr. Hampton asked if it might be helpful in the future to be able to visit sites where these projects are taking place in order to get a better understanding of the projects Mr. Heil responded that all of the board members would not be able to go at once or it would be considered a public meeting. All voting members were in favor of the motion.

Next Meeting

March 8, 2022

Discussion

Mr. Koch stated that he thinks it is a good idea if voting members will let the clerk know before the meeting if they will have a conflict in voting or not, so that way staff will know ahead of time if there will be enough voting members available to vote on applications. He also said that he thinks it would be a good idea to add voting members if possible, so that the applications and meetings can keep moving forward in a timely manner. Mr. Heil stated that they would have to change the ordinance, but staff can discuss that. Mr. Hampton asked where he could find a copy of the ordinance. Mr. Heil stated that is online, but staff could get him a copy.

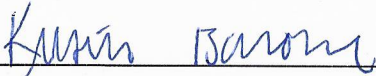
Public Participation/Comments

Ms. Sharon Johnson stated that for the TrueGrit Fitness application she noticed that the owner of that building is Scott Thom and asked if that is the same Scott Thom that is a city employee. Mr. Holody stated that is correct. Ms. Johnson stated that someone should look into that as a conflict. Ms. Bemis asked if he was involved in the Economic Development programming. Mr. Heil responded that he is not. Ms. Johnson then asked if she was understanding correctly that Hampton Enterprises was first asking for \$50,000 and now it is an additional \$20,000? Ms. Johnson then stated that Hampton Enterprises owns 10 properties and they are behind on paying their taxes from what she can see. She then wondered if he is up to date on his rental registration and if there are any code violations, because he cannot be given a grant if he has any of that. Mr. Hampton stated that everything is paid up to date. He also clarified that the grant amount that is being request is a one-time grant in the amount of \$20,000.00. Ms. Johnson then said that in the past there was a separate pot of money for signage and façade, but now that there are not separate pots of money will the project costs be listing if signage and façade work will be done or will applicants just be listing that under construction work and nobody will really know what that includes? Mr. Holody stated that the project summaries go over what the projects entail and then the applicants provide the back-up documentation. It is then also verified when the project is completed and before the funds are dispersed.

Meeting Adjournment

Mr. Heil made a motion to adjourn and Mr. Holody seconded. The meeting ended at 2:54pm.

APPROVED:



Kristen Barone, Clerk



Mr. Nickles, Chairman