



**SANDUSKY CITY COMMISSION  
REGULAR SESSION AGENDA  
MARCH 27, 2017  
CITY HALL, 222 MEIGS STREET**

**INVOCATION** N. Twine  
**PLEDGE OF ALLEGIANCE**  
**CALL TO ORDER**  
**ROLL CALL** D. Waddington, D. Brady, G. Lockhart, D. Murray, N. Twine, W. Poole & N. Lloyd  
**APPROVAL OF MINUTES** February 27, 2017  
**AUDIENCE PARTICIPATION**  
**COMMUNICATIONS**  
**CURRENT BUSINESS**

**CONSENT AGENDA ITEMS**

**SECOND READING**

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**A. Submitted by Aaron Klein, Director of Public Works**

**EMERGENCY REPAIRS TO DRESSER COUPLING AT BIWW**

**Budgetary Information:** The cost of \$11,566.10 for the repair coupling will be paid from the water fund.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed approving the emergency repair work being performed to the 24" emergency Dresser coupling at the Big Island Water Works plant; ratifying the award to and execution of the contract with Mosser Construction of Fremont, Ohio, in the amount of \$11,566.10; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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**B. Submitted by Stuart Hamilton, IT Manager**

**KRONOS SUPPORT & MAINTENANCE AGREEMENT, 2017 - 2018**

**Budgetary Information:** The cost for this support and maintenance agreement for a twelve month period will be \$10,301.63, and will be paid with funds from the IT's operating budget in the amount \$5,150.82, by the water fund in the amount of \$2,575.41 and by the sewer fund in the amount of \$2,575.40.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and directing payment to Immixtechnology, Inc. of McLean, Virginia, for the support and maintenance fees for the Kronos Workforce Management System; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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**C. Submitted by Marvin Ranaldson, Transit Administrator**

**SECOND AMENDMENT TO SOFTWARE AGREEMENT WITH TRAPEZE SOFTWARE GROUP FOR STS**

**Budgetary Information:** There is no cost for this amendment.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and directing the City Manager to enter into a second contract amendment to the software license and maintenance agreements with Trapeze Software Group, Inc., for use by the Sandusky Transit System; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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**D. Submitted by Marvin Ranaldson, Transit Administrator**

**PARTICIPATION IN FY 2015 TIGER DISCRETIONARY GRANT PROGRAM**

**Budgetary Information:** The local match required by this program is \$2,000 with a potential project cost of \$100,000 to \$220,000 depending upon available funding.

**RESOLUTION NO. \_\_\_\_\_:** It is requested a resolution be passed authorizing the filing of a grant application with the Ohio Department of Transportation through the U.S. Department of Transportation Federal Transit Administration for the FY 2015 Transportation Investment Generating Economic Recovery (TIGER) discretionary program grant for the Sandusky Transit System; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

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**E. Submitted by Hank Solowiej, Finance Director**

**ANNUAL SUPPORT FEE WITH SOFTWARE SOLUTIONS INCORPORATED FOR FINANCIAL SOFTWARE**

**Budgetary Information:** The total cost for the annual support fee is \$27,093. Of this amount, \$13,546.50 will be paid by the general fund, \$6,773.25 by the water fund and \$6,773.25 by the sewer fund.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and directing payment to Software Solutions Incorporated of Lebanon, Ohio, for the annual software support fee for the period April 1, 2017 through March 31, 2018; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**REGULAR AGENDA ITEMS**

**SECOND READING**

**ITEM #1 – Submitted by Hank Solowiej, Finance Director**

**GENERAL APPROPRIATIONS FOR FISCAL YEAR 2017**

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed making general appropriations for the fiscal year 2017 and declaring that this ordinance shall take effect in accordance with Section 14 of the city charter.

**ITEM #2 – Submitted by Matt Lasko, Chief Development Officer**

**LEASE AGREEMENT WITH SANDCITY, LLC**

**Budgetary Information:** Under the proposed lease agreement, the monthly rental payments will be split between the general fund (1/3), water fund (1/3) and sewer fund (1/3). The annual operating reimbursements will be split between the general fund (1/3), water fund (1/3) and sewer fund (1/3). The security deposit will be paid from capital funds.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and directing the City Manager to enter into a lease agreement with SandCity, LLC for the relocation of City Hall; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**ITEM #3 – Submitted by Matt Lasko, Chief Development Officer**

**LOAN AGREEMENT WITH SANDCITY, LLC**

**Budgetary Information:** The city will be responsible for providing \$1,425,000 in loan proceeds, the majority coming from recycled Urban Development Action grant funds and the balance from Chesapeake TIF and capital funds, at the closing of financing and tax credit equity.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and approving a loan agreement in the amount of \$1,425,000 to SandCity, LLC, in relation to the property located at 234 – 256 Columbus Avenue and 115 East Washington Row; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**ITEM #4 – Submitted by Matt Lasko, Chief Development Officer**

**GRANT AGREEMENT WITH SANDCITY, LLC**

**Budgetary Information:** The city will be responsible for providing \$450,000 in grant proceeds from the economic development capital projects fund. \$325,000 will be disbursed at the closing of financing in 2017 with the remaining \$125,000 to be disbursed on or before January 19, 2018.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and approving a grant in the amount of \$450,000 to SandCity, LLC, in relation to the property located at 234 – 256 Columbus Avenue and 115 East Washington Row; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**ITEM #5 – Submitted by Angela Byington, Director of Planning**

**JOINT AGREEMENT FOR FINANCIAL ASSISTANCE FOR PY 2017 CHIP FUNDING**

**Budgetary Information:** There is no impact on the city's general fund. All projects in the program will be paid for through CHIP grant funds.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and directing the City Manager to enter into a joint cooperating agreement between the City of Sandusky, the Board of Erie County Commissioners, the City of Huron and the City of Vermilion relating to the Community Housing Impact & Preservation (CHIP) program; approving the submission of a grant application by the Board of Erie County Commissioners on behalf of the City of Sandusky, Erie County, the City of Huron and the City of Vermilion for financial assistance from the program year 2017 Community Housing Impact & Preservation (CHIP) program through the Ohio Development Services Agency's Office of Community Development; and declaring that this ordinance shall take effect in accordance with Section 14 of the city charter.

**FIRST READING**

**ITEM #6 – Submitted by Stuart Hamilton, IT Manager**

**WEBSITE REDESIGN & REBUILD**

**Budgetary Information:** The cost of this agreement will be \$29,700 which will be split between departmental operating budgets.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and directing the City Manager to enter into an agreement with Revize LLC, of Troy, Michigan for services to redesign and rebuild the city's website.

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**ITEM #7 – Submitted by Stuart Hamilton, IT Manager**

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**IN-CAR CRUISER VIDEO & AUDIO SYSTEM (AMENDMENT)**

**Budgetary Information:** The cost for the fifteen cruiser mobile video systems from LE Mobile-Vision, Inc. is \$103,466.50 which will be paid \$82,431.23 from the enforcement & education fund, approximately \$4,977.21 (75% federal share) from the Edward Byrne Memorial Justice Assistance grant and the remaining balance will be paid with capital improvement funds.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed amending Ordinance #17-026, passed on February 13, 2017, for the purchase of fifteen cruiser mobile video systems and accessories through the State of Ohio Cooperative Purchasing program from L3 Mobile-Vision, Inc., of Rockaway, New Jersey, for the Police Department; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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**ITEM #8 – Submitted by Maria Muratori, Development Specialist**

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**APPROVING RECOMMENDATIONS FROM THE TAX INCENTIVE REVIEW COUNCIL & COMMUNITY REINVESTMENT AREA HOUSING COUNCIL**

**Budgetary Information:** Some of the agreements require both or either annual monitoring fee payments and city compensation payments. For the 2016 agreements, the city is to receive a combined \$3,938.44 in monitoring fee payments and a combined \$2,968.59 in city compensation payments. All funds are to be deposited into the general fund.

**RESOLUTION NO. \_\_\_\_\_:** It is requested a resolution be passed accepting and approving the City of Sandusky Tax Incentive Review Council's recommendations regarding current taxation agreements; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

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**ITEM #9 – Submitted by Aaron Klein, Director of Public Works**

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**CHANGE ORDER #1 FOR WWTP GRIT TANK EXPANSION PROJECT**

**Budgetary Information:** The original project cost was \$1,200,000.00. With the proposed change order, the total project cost would be increased to \$1,271,495.05 and paid through an OWDA loan received for this project and the bar screen repair from 2014. A portion of the project will receive reimbursement from Erie County per the sewer service agreement.

**ORDINANCE NO. \_\_\_\_\_:** It is requested an ordinance be passed authorizing and directing the City Manager to approve the first change order for work performed and to be performed by Mosser Construction, Inc., of Fremont, Ohio, for the WWTP grit tank expansion project in the amount of \$96,495.05; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

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**CITY MANAGER'S REPORT**

**OLD BUSINESS**

**NEW BUSINESS**

**AUDIENCE PARTICIPATION**

Open discussion on any item (5-minute limit)

**EXECUTIVE SESSION(S)**

**ADJOURNMENT**

**Buckeye Broadband broadcasts on Channel 76:**

**Monday, March 27 at 8:30 p.m.**

**Tuesday, March 28 at 5 p.m.**

**Monday, April 3 at 8:30 p.m.**

**YouTube:** [https://www.youtube.com/channel/UCBxZ482ZeTTixa\\_Rm16YWTQ](https://www.youtube.com/channel/UCBxZ482ZeTTixa_Rm16YWTQ)



## DEPARTMENT OF PUBLIC WORKS

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AARON M. KLEIN, P.E.  
Director

222 Meigs Street  
Sandusky, Ohio 44870  
Phone 419/627-5829  
Fax 419/627-5933  
aklein@ci.sandusky.oh.us

To: Eric Wobser, City Manager  
From: Aaron M. Klein, P.E.  
Date: March 14, 2017  
Subject: **Commission Agenda Item**

**ITEM FOR CONSIDERATION:** Legislation approving the emergency repair work to the 24" Emergency Dresser Coupling at the Big Island Water Works (BIWW) Plant and ratifying the award to and execution of the contract to Mosser Construction, Inc., of Fremont, Ohio.

**BACKGROUND INFORMATION:** During an inspection, staff discovered the images on the attached photos of a 24" Dresser coupling at Big Island Water Works that was installed in 1939. Located on the pipes between clearwell #1 and the 24" high service line, the coupling is an essential part of the treatment process required to supply potable drinking water to the City's distribution system. Since there is no valve between the clearwell and the joints, there is concern that pipes may shift if a systematic repair is not performed causing failures in at the joints. In addition, the clearwell would need drained to make the repair possible.

Mosser, who is currently onsite for the PAC project, supplied a cost on Tuesday, March 7 of \$11,566.10 with a minimum 1-week delivery time. Per Section 24 of the City Charter, which allows for this emergency repair to be performed, staff had given Mosser a notice to proceed on March 10, 2017 and City Commission granted approval by motion at the March 13, 2016 meeting.

**BUDGETARY INFORMATION:** The cost of \$11,566.10 for the repair coupling will be paid from the Water Fund.

**ACTION REQUESTED:** It is recommended that legislation be approved for the emergency repair work to the 24" Emergency Dresser Coupling at the Big Island Water Works (BIWW), ratifying the award to and execution of the contract to Mosser Construction, Inc. to make the necessary repairs in the amount of \$11,566.10. It is further recommended that this legislation be approved under suspension of the rules and in accordance with Section 14 of the City Charter to ensure the emergency repairs are completed and allow the contractor to be paid once work is completed and invoice is received.

I concur with this recommendation:

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Eric Wobser  
City Manager

cc: K. Kresser, Commission Clerk; H. Solowiej, Finance Director; J. Harris, Law Director







Prime Contractor - Mosser Construction, Inc.  
 Sub Contractor - \_\_\_\_\_  
 Work Authorization - \_\_\_\_\_

 Date - 03/20/17  
 Project - City of Sandusky PAC  
 Bid Package - 7257.1

**- - SUMMARY OF ACTUAL COST - -**

 Description of Work: Replace (2) DIP Coupler between the Wet Well and first inline valve  
Replace all bolts on the well side of the valve and the dresser coupling with SS  
 \_\_\_\_\_  
This scope does not include any work or time associated with draining or sanitizing the Wet Well  
If assistance is required with this Mosser will be able to assist on a T&M Basis  
The Wet Well must be drained below the pipe elevation

LABOR COSTS:	(See Attachment for Breakdown)	\$ 3,314.21
MATERIAL COSTS:	(See Attachment for Breakdown)	\$ 8,017.29
EQUIPMENT COSTS:	(See Attachment for Breakdown)	\$ 234.60
SUBCONTRACTOR COSTS:	(See Attachment for Breakdown)	<u>\$ -</u>

<b>GRAND TOTAL:</b>	<b>\$ 11,566.10</b>
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Authorized by CT Consultants

\_\_\_\_\_

Date: \_\_\_\_\_



ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE APPROVING THE EMERGENCY REPAIR WORK BEING PERFORMED TO THE 24" EMERGENCY DRESSER COUPLING AT THE BIG ISLAND WATER WORKS (BIWW) PLANT, RATIFYING THE AWARD TO AND EXECUTION OF THE CONTRACT WITH MOSSER CONSTRUCTION OF FREMONT, OHIO, IN THE AMOUNT OF \$11,566.10; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, during an inspection, staff discovered an emergency issue with a 24" Dresser coupling at Big Island Water Works (BIWW) that was installed in 1939 and is an essential part of the treatment process required to supply potable drinking water to the City's distribution system; and

**WHEREAS**, since there is no valve between the clearwell and the joints, there is concern that pipes may shift if a systematic repair is not performed causing failures at the joints; and

**WHEREAS**, Mosser Construction, Inc., who is currently working onsite for the Powder Activated Carbon (PAC) project, submitted a quote on March 7, 2017, with a minimum 1-week delivery time; and

**WHEREAS**, pursuant to the Ohio Revised Code the emergency nature of the repair work at the Big Island Water Works (BIWW) obviates the necessity to comply with formal competitive bidding and advertising and therefore Mosser Construction, Inc. was issued a Notice to Proceed on March 10, 2017; and

**WHEREAS**, the City Manager notified this City Commission at their March 13, 2017, regularly scheduled meeting of the emergency nature of the situation and necessary repair work to be completed and subsequently the City Commission approved the emergency action to commence by passage of a motion; and

**WHEREAS**, the cost for the repair work by Mosser Construction Inc. is \$11,566.10 and will be paid with Water Funds; 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 ratify the award and execution of the contract with Mosser Construction, Inc. and to allow the contractor to be paid once work is completed and invoice is received; 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 Public Works, 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 confirms the finding of a real and present emergency regarding repair work to a 24" Emergency Dresser Coupling at the Big Island Water Works (BIWW) obviating the necessity to comply with formal competitive bidding as authorized by the Ohio Revised Code, ratifies the award to and execution of the contract

with Mosser Construction, Inc., of Fremont, Ohio, in an amount **not to exceed** Eleven Thousand Five Hundred Sixty Six and 10/100 Dollars (\$11,566.10), consistent with the quote submitted by Mosser Construction, Inc. of Sandusky, Ohio.

Section 2. 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 3. 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 Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017



## ADMINISTRATIVE SERVICES

222 Meigs Street  
Sandusky, Ohio 44870  
Phone: 419-627-5969  
shamilton@ci.sandusky.oh.us

To: Eric Wobser, City Manager  
From: Stuart Hamilton  
Date: March 4th, 2017  
Subject: **Commission Agenda Item – Kronos Support and Maintenance 2017-2018**

**ITEM FOR CONSIDERATION:** Requesting legislation authorizing the payment for one year of support and maintenance services from immixTechnologies, Inc. of McLean, VA.

**BACKGROUND INFORMATION:** We rely on Kronos for our time collection inside the City. For support and updates we are required to stay current each year with our support and maintenance agreement.

Our support and maintenance provides us with technical support and software updates for our software, our time collection hardware and training to ensure we use our product in the most effective way.

**BUDGETARY INFORMATION:** The cost for this support and maintenance agreement for a 12-month period will be \$10,301.63, and will be paid with funds from the I.T's operating budget in the amount of \$5,150.82, by the Water Fund in the amount of \$2575.41, and by the Sewer Fund in the amount of \$2575.40.

**ACTION REQUESTED:** It is recommended that the proper legislation be prepared to enter in to agreement with immixTechnology, Inc. to purchase one year of support and maintenance. It is requested that this legislation take effect in full accordance with Section 14 of the City Charter to allow payment to be made prior to April 24, 2017, when the new service period begins on most of the products, and to ensure no break in coverage and smooth time collection for payroll.

I concur with this recommendation:

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Eric Wobser, City Manager

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Stuart Hamilton, I.T Manager

cc: K. Kresser, Commission Clerk; H. Solowiej, Finance Director; J. Harris, Law Director

# Sales Quotation

Don Rumbutis  
 City of Sandusky  
 222 Meigs Street  
 Sandusky, OH 44870  
 PH: 419-627-5828  
 drumbutis@ci.sandusky.oh.us

**Contract No.:** 534339  
  
**CAGE Code:** 3CA29  
**DUNS No.:** 09-869-2374  
**TAX ID#:** 54-1912608  
**Terms:** NET 30  
**FOB:** Destination

**Quote Number:** QUO-749013-T0H1M6  
**Quote Date:** 2/8/2017  
**Expiration Date:** 4/24/2017

Order/Payment Address:  
 immixTechnology, Inc.  
 8444 Westpark Drive, Suite 200  
 McLean, VA 22102  
 PH: 703-752-0610 FX: 703-752-0611  
 EFT: BB&T  
 Routing No. 055003308

**immixTechnology, Inc.** Wood, Joshua  
**Contact:** Josh\_Wood@immixgroup.com

**Manufacturer Quote #:**  
**Manufacturer Ref #:** 6087292

**Manufacturer Contact:** Shadle, Desiree  
 (469) 221-1805 Desiree.Shadle@kronos.com

Item	Part Number	Contract	Trans Type	Product Description	Qty	Price	Extended Price
1	8800175-000GM	534339	MNT	Gold Maintenance for Workforce Timekeeper V8 - per employee** TRUSTED PRODUCT **	75	\$8.3000	\$622.50
				Period of Performance: 7/11/2017 to 4/23/2018.			
2	8800175-000GM	534339	MNT	Gold Maintenance for Workforce Timekeeper V8 - per employee** TRUSTED PRODUCT **	300	\$8.0000	\$2,400.00
				Period of Performance: 4/24/2017 to 4/23/2018.			
3	8800176-000GM	534339	MNT	Gold Maintenance for Workforce Accruals V8 - per employee** TRUSTED PRODUCT **	75	\$3.2300	\$242.25
				Period of Performance: 7/11/2017 to 4/23/2018.			
4	8800176-000GM	534339	MNT	Gold Maintenance for Workforce Accruals V8 - per employee** TRUSTED PRODUCT **	300	\$2.8500	\$855.00
				Period of Performance: 4/24/2017 to 4/23/2018.			
5	8800177-000GM	534339	MNT	Gold Maintenance for Workforce Employee V8 - per employee** TRUSTED PRODUCT **	50	\$5.6200	\$281.00
				Period of Performance: 7/11/2017 to 4/23/2018.			
6	8800177-000GM	534339	MNT	Gold Maintenance for Workforce Employee V8 - per employee** TRUSTED PRODUCT **	250	\$2.2400	\$560.00
				Period of Performance: 4/24/2017 to 4/23/2018.			
7	8800178-000GM	534339	MNT	Gold Maintenance for Workforce Manager V8 - per employee** TRUSTED PRODUCT **	30	\$32.7100	\$981.30
				Period of Performance: 4/24/2017 to 4/23/2018.			

Item	Part Number	Contract	Trans Type	Product Description	Qty	Price	Extended Price
8	8800185-000GM	534339	MNT	Gold Maintenance for Workforce Integration Manager V8 - per employee** TRUSTED PRODUCT **	75	\$1.7000	\$127.50
Period of Performance: 7/11/2017 to 4/23/2018.							
9	8800185-000GM	534339	MNT	Gold Maintenance for Workforce Integration Manager V8 - per employee** TRUSTED PRODUCT **	300	\$2.1600	\$648.00
Period of Performance: 4/24/2017 to 4/23/2018.							
10	99X2800-501	534339	HW MNT	Depot Exchange 4500 Numeric Bar Code 10/100 Mbit Ethernet, Exp Memory** TRUSTED PRODUCT **	11	\$211.2000	\$2,323.20
Period of Performance: 4/24/2017 to 4/23/2018.							
11	ED-SUBSCRIPTION - 350-399	534339	LIC	KnowledgePass Ed Services Subscription 350-399 (4/24/2017-4/23/2018)** TRUSTED PRODUCT **	1	\$1,260.8800	\$1,260.88

<b>HARDWARE MAINTENANCE</b>	\$2,323.20
<b>LICENSE</b>	\$1,260.88
<b>SW MAINTENANCE</b>	\$6,717.55
<b>Grand Total</b>	<b>\$10,301.63</b>

Prev IM: IM78695 and IM76751

Subject to the Terms and Conditions of Contract Number 534339.

Taxes: Sales tax shall be added at the time of an invoice, unless a copy of a valid tax exemption or resale certificate is provided.

All Purchase Orders must include: End User Name, Phone Number, Email Address, Purchase Order Number, Government Contract Number or Our Quote Number, Bill-To and Ship-To Address (Cannot ship to a PO Box), Period of Performance (if applicable), and a Signature of a duly Authorized Representative.

The identified line items are Trusted Products under the immixGroup Trusted Supplier Program. immixGroup Trusted Supplier Program Policies, Commitments and Guarantees/Warranties can be obtained at: [http://www.immixgroup.com/uploadedFiles/Trusted-Supplier-Program\\_Guarantee-and-Warranty.pdf](http://www.immixgroup.com/uploadedFiles/Trusted-Supplier-Program_Guarantee-and-Warranty.pdf)

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING AND DIRECTING PAYMENT TO IMMIXTECHNOLOGY, INC., OF MCLEAN, VIRGINIA, FOR THE SUPPORT AND MAINTENANCE FEES FOR THE KRONOS WORKFORCE MANAGEMENT SYSTEM; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the City Commission authorized the City Manager to purchase a Kronos Workforce Management System from immixTechnology, Inc., of McLean, Virginia, through the State of Ohio Department of Administrative Services Cooperative Purchasing Program by Ordinance No. 08-022, passed on March 24, 2008; and

**WHEREAS**, the City Commission authorized the City Manager to enter into an agreement with immixTechnology, Inc., of McLean, Virginia, for upgrades to the Kronos Workforce Management System by Ordinance No. 14-097, passed on August 24, 2014; and

**WHEREAS**, this City Commission authorized the City Manager to enter into an agreement with immixTechnology, Inc., of McLean, Virginia, for services to upgrade the Kronos Workforce Management System to Kronos Workforce 8 by Ordinance No. 16-059 passed on March 28, 2016; and

**WHEREAS**, the Kronos Workforce Management System is used for time collection and reporting and this support and maintenance fee provides technical support and software updates for the software, time collection hardware and training; and

**WHEREAS**, immixTechnology, Inc. is a Government Solutions Provider that installed and supports our Kronos system; and

**WHEREAS**, the total cost of the annual support and maintenance fees is \$10,301.63, and will be paid with funds from the Information Technology's operating budget in the amount of \$5,150.82 (50%), Sewer Funds in the amount of \$2,575.40 (25%), and Water Funds in the amount of \$2,575.41 (25%); 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 to allow payment to be made to immixTechnology, Inc. prior to April 24, 2017, when the new service period begins on most of the products, and to ensure there are no breaks in coverage; 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 Information Technology, 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 hereby authorizes and directs the City Manager and/or Finance Director to make payment to immixTechnology, Inc. of McLean, Virginia, for the support and maintenance fees for the Kronos Workforce Management System in an amount **not to exceed** Ten Thousand Three Hundred One and 63/100 Dollars (\$10,301.63).

Section 2. 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 3. This 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 Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for 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 upon its passage, and its due authentication by the President, and the Clerk of the City Commission of the City of Sandusky, Ohio.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017



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City of Sandusky Department of Planning and Development  
222 Meigs Street, Sandusky, OH 44870  
(419) 627-5715

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**TO:** Eric Wobser, City Manager

**FROM:** Marvin Ranaldson, Transit Administrator

**DATE:** March 15, 2017

**SUBJECT: Trapeze Software PASS Amendment #2**

**ITEM FOR CONSIDERATION:** It is requested that an ordinance be approved authorizing a second amendment to the Software Agreement with Trapeze Software Group, Inc of Delaware, to allow First Transit Inc. to access the City licensed software and to remove MV Transportation from accessing that Software.

**PURPOSE:** This is required to transition from our existing service provider MV Transportation Inc. to our new Service Provider First Transit Inc. effective April 1, 2017.

**BACKGROUND INFORMATION:** The City purchased Trapeze Software for the Sandusky Transit System program in 2000. This software aids the STS dispatchers in scheduling trips and keeps all the statistics used for STS reporting for the Federal Transit Administration, ODOT, and the National Transit Database. It also tracks trips for local agencies' clients so that STS personnel can complete monthly agency billings for transportation services provided. The operation of this software is critical to ensuring that we are providing high quality and cost effective service to our customers.

Trapeze Software provides 24-hour-a-day, 7-day-a-week support service for the transit system. They also provide periodic updates to the system. These services are all covered by the annual maintenance fee.

**BUDGETARY INFORMATION:** There is no cost for this amendment.

**ACTION REQUESTED:** It is requested that legislation be approved authorizing the City manager to execute this second contract amendment with Trapeze Software. It is also requested that the legislation be passed under the suspension of the rules in accordance with Section 14 of the City Charter, to allow First Transit access to the software necessary for the operation of the Sandusky Transit System by April 1, 2017.

I concur with this recommendation:

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Eric Wobser  
City Manager

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Angela Byington  
Director of Planning

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Marvin Ranaldson  
Transit Administrator

cc: Kelly Kresser, Clerk of the City Commission  
Hank Solowiej, Finance Director



ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A SECOND CONTRACT AMENDMENT TO THE SOFTWARE LICENSE AND MAINTENANCE AGREEMENTS WITH TRAPEZE SOFTWARE GROUP, INC., FOR USE BY THE SANDUSKY TRANSIT SYSTEM; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the City purchased Trapeze software in 2000, that was used until July of 2005 when the service provider at the time began using a different software package of their own, and Trapeze was reinstated in September of 2007 and is still being utilized by the Sandusky Transit System (STS); and

**WHEREAS**, this software assists STS dispatchers in scheduling trips and maintains statistical information used for STS reporting to the Federal Transit Administration, Ohio Department of Transportation and the National Transit Database, along with tracking local agencies' clients which assists STS personnel to complete monthly agency billings for transportation services provided; and

**WHEREAS**, Trapeze Software Group provides a 24-hour-a-day, 7-day-a-week support service and periodic system updates as part of the services included in the annual software support and maintenance agreement; and

**WHEREAS**, this Second Amendment will grant the City permission to allow First Transit, Inc., who was selected as the City's transit transportation services provider effective April 1, 2017, access to the TripSpark PASS Software and this agreement will furthermore terminate any access from MV Contract Transportation, Inc.; 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 for the City Manager to immediately execute the Second Amendment which will allow First Transit access to the software necessary for the operation of the Sandusky Transit System by April 1, 2017; 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 Sandusky Transit System, 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. The City Manager is authorized and directed to execute the Second Contract Amendment to the Software License and Maintenance Agreements with Trapeze Software Group, Inc., for use by the Sandusky Transit System, substantially in the same form as reflected in Exhibit "1" which is attached and specifically incorporated as if fully rewritten herein together with such revisions or additions as are approved by the Law Director as not being substantially adverse to the City and being consistent with the purpose of this Ordinance as set forth in the preambles hereto.

Section 2. 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 3. 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 Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017

## **CONTRACT AMENDMENT #2**

**THIS AMENDMENT** is made effective this \_\_\_\_ day of \_\_\_\_\_ 2017 between:

1. **Trapeze Software Group, Inc. a Delaware corporation (successor in interest to Trapeze Software Group, Inc. an Arizona corporation) dba TripSpark Technologies** with its place of business at (“Trapeze” or “TripSpark”); and
2. **City of Sandusky** with its place of business at 222 Meigs Street, Sandusky, Ohio U.S.A. 44870 (“Licensee”).

**WHEREAS** TripSpark and Licensee intend to amend the Software License Agreement and Software Maintenance Agreement respectively dated February 23<sup>rd</sup>, 2000 and as amended pursuant to Contract Amendment #1 dated September 18, 2007 (collectively the “Agreements”), in order to replace MV Transportation, Inc. with First Transit, Inc. as Licensee’s service provider under the scope of the Agreement.

**NOW THEREFORE** TripSpark and Licensee agree as follows:

1. **Definitions**

As used in this Contract Amendment #2

“Software License Agreement” means the Software License Agreements and corresponding amendments entered into between TripSpark and Licensee effectively dated February 23 , 2000 setting out the terms and conditions by which TripSpark, among other things, agreed to license, install, implement the TripSpark Software as defined therein;

“Software Maintenance Agreement” means the Software Maintenance Agreements and corresponding amendments entered into between TripSpark and Licensee effectively dated February 23, 2000 setting out the terms and conditions by which TripSpark, among other things, agreed to provide support services with respect to the TripSpark Software as defined therein;

All other capitalized terms shall have the same meaning as in the Agreement unless the context requires otherwise.

2. **Amendment #2 to the Agreements**

- (a) Licensee is granted permission by TripSpark to allow First Transit, Inc. access to the TripSpark PASS Software product strictly in accordance with the terms of the Agreement, limited to the provision of its services for the sole benefit of Licensee’s internal business purposes only.
- (b) As result of First Transit, Inc.’s access as described under section 2(a) above, MV Transportation, Inc. shall have no further access to TripSpark PASS Software pursuant to the Agreement, effective from the date of First Transit’s access to TripSpark PASS Software in any capacity (“Access Termination Date”). Accordingly, all reference to MV Transportation, Inc. shall be replaced with First Transit, effective the Access Termination Date.
- (c) Licensee shall enter into a written agreement with First Transit, Inc. in order to ensure such First Transit, Inc.’s compliance with the terms of the license granted under this Agreement. Licensee further agrees, any failure by the First Transit, Inc. to comply with such license terms shall be considered a breach of this Agreement by the Licensee.

(d) All remaining terms and conditions, and covenants of the Software License Agreement and Software Maintenance Agreement remain unchanged.

**IN WITNESS WHEREOF**, the parties have caused this Contract Amendment #2 to be signed by their duly authorized representatives as of the date above.

**TRAPEZE SOFTWARE GROUP, INC.**

**CITY OF SANDUSKY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



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City of Sandusky Department of Planning and Development  
222 Meigs Street, Sandusky, OH 44870  
(419) 627-5715

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**TO:** Eric Wobser, City Manager

**FROM:** Marvin Ranaldson, Transit Administrator

**DATE:** March 15, 2017

**SUBJECT:** **2015 TIGER grant Application**

**ITEM FOR CONSIDERATION:** It is requested that a resolution be approved authorizing the participation of the City of Sandusky in the FY 2015 TIGER Discretionary Grant program administered by the Ohio Department of Transportation.

**PURPOSE:** This project is a once in generation opportunity for the Sandusky Transit System to improve service performance and quality. Tangible benefits for our system will provide benefits to every rider.

Planned upgrades:

- Web portal for scheduling and canceling trips
- Real-time tracking of SPARC buses
- Call ahead service for passenger trips
- Interactive voice response system to allow riders to schedule or cancel trips.
- Operational improvement to improve productivity.

**BACKGROUND INFORMATION:** In 2015 ODOT was awarded \$6.839 million in federal dollars to improve the communications, scheduling and dispatching of more than 30 rural transit operators located in Ohio and to expand broadband into areas of Ohio with insufficient broadband access. These funds were awarded by U.S. Transportation Secretary Anthony Foxx through the 2015 Transportation Investment Generating Economic Recovery (TIGER) VII competitive grant program.

PROJECT HIGHLIGHTS:

Ohio Transit Systems are challenged with a wide array of scheduling and dispatching approaches and operating in areas with limited or no cellular service. This project will improve customer satisfaction by providing more efficient on-time demand-responsive and fixed route operations. Improved scheduling and dispatching will lead to more efficient operation of vehicles, lower costs for transportation providers and clients, and more economical use of transit vehicles. Reliable communications will permit rural transit operators to respond to emergency situations more rapidly and drivers to remain with their vehicles when involved in an emergency or an incident, thereby improving safety.

PROJECT GOALS:

The goals of the Transit Tech Ohio (T2O) project are to provide a minimum set of standards for scheduling and dispatching software by supplying capital funds for software and hardware to help align and streamline these systems and eliminate base to vehicle communication gaps by improving broadband access in areas of the state with limited or no broadband connectivity. Capital funds will be provided to broadband companies to improve broadband services in these designated areas.

**BUDGETARY INFORMATION:** The local match Required by this program is \$2,000 with a potential project cost of \$100,000-220,000 depending on available funding.

**ACTION REQUESTED:** It is requested that a Resolution be approved be authorizing the City manager to allow the city to participate in this project. It is also requested that the legislation be passed under the suspension of the rules in accordance with Section 14 of the City Charter, in order to submit the application for the FY 2015 TIGER Discretionary Grant program to the Ohio Department of Transportation by the requested deadline of March 31, 2017.

I concur with this recommendation:

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Eric Wobser  
City Manager

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Angela Byington  
Director of Planning

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Marvin Ranaldson  
Transit Administrator

cc: Kelly Kresser, Clerk of the City Commission  
Hank Solowiej, Finance Director

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE FILING OF A GRANT APPLICATION WITH THE OHIO DEPARTMENT OF TRANSPORTATION THROUGH THE US DOT FEDERAL TRANSIT ADMINISTRATION (FTA) FOR THE FY 2015 TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) DISCRETIONARY PROGRAM GRANT FOR THE SANDUSKY TRANSIT SYSTEM; AND DECLARING THAT THIS RESOLUTION SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the Ohio Department of Transportation was awarded \$6.839 million in federal dollars to improve the communications, scheduling and dispatching of more than 30 rural transit operators located in Ohio and to expand broadband into areas of Ohio with insufficient broadband access and these funds were awarded by U.S. Transportation Secretary Anthony Foxx through the 2015 Transportation Investment Generating Economic Recovery (TIGER) VII competitive grant program; and

**WHEREAS**, the City of Sandusky has the legal authority to submit a proposal to the Ohio Department of Transportation for a grant through the US DOT Federal Transit Administration (FTA), as authorized under the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235); and

**WHEREAS**, the Director of the Ohio Department of Transportation is authorized to make grants for the National Infrastructure Investments Discretionary Grant Program; and

**WHEREAS**, the contract for financial assistance will impose certain obligations upon the City of Sandusky, including the provision by it of the local share of the project costs in the program, the requirement to carry out the proposed project identified in the application, and to provide the required funds to assure operation and maintenance of items funded; and

**WHEREAS**, it is required by the U.S. Department of Transportation in accordance with the provisions of Title VI of the Civil Rights Act of 1964, 49 C.F.R. Part 21, and 28 C.F. R. section 50.3, herein after referred to as the "Acts" and "Regulations", that in connection with the filing of an application for assistance under the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) the applicant give an assurance that it will comply with the Acts and Regulations and the U.S. Department of Transportation requirements thereunder; and

**WHEREAS**, these funds will be used to improve service performance and quality and the project upgrades are as follows: web portal for scheduling and canceling trips, real-time tracking of SPARC buses, call ahead service for passenger trips, interactive voice response system to allow riders to schedule or cancel trips, and operational improvement to improve productivity; and

**WHEREAS**, the project cost is estimated to be between \$100,000.00 and \$220,000.00 and the required local match is \$2,000.00; and

**WHEREAS**, this Resolution should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to submit the application for the FY 2015 TIGER Discretionary Grant program to the Ohio Department of Transportation by the requested deadline of March 31, 2017; 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 Municipal Departments, including the Sandusky Transit System, 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 **Resolution** 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 RESOLVED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. The City Manager is hereby authorized to execute and submit an application on behalf of the City of Sandusky with the Ohio Department of Transportation through the US DOT Federal Transit Administration (FTA), for FY 2015 TIGER Discretionary Grant Program funds to aid in the financing of projects pursuant to the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and to execute any contracts or agreements on behalf of the City and lawfully expend funds consistent with the application should they be awarded.

Section 2. The City Manager is authorized to execute and file with the City's application all understanding, certifications and assurances or any other documentation required by the U.S. Department of Transportation with the Ohio Department of Transportation.

Section 3. The City Manager is authorized to furnish such additional information as the Ohio Department of Transportation may require in connection with the City's application.

Section 4. If any section, phrase, sentence, or portion of this Resolution 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 5. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Resolution were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 6. That for the reasons set forth in the preamble hereto, this Resolution 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.

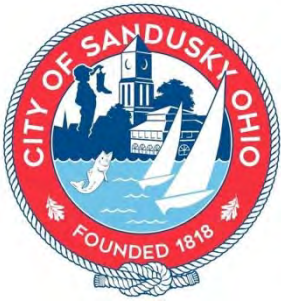


PAGE 3 - RESOLUTION NO. \_\_\_\_\_

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017



**DEPARTMENT OF FINANCE**  
**HANK S. SOLOWIEJ, CPA, FINANCE DIRECTOR**

222 Meigs Street  
Sandusky, Ohio 44870  
Phone (419) 627-5888  
Fax (419) 627-5892

TO: Eric Wobser, City Manager  
FROM: Hank S. Solowiej, CPA, Finance Director  
DATE: March 17, 2017  
RE: Commission Agenda Item

**ITEM FOR CONSIDERATION:**

It is requested that an ordinance be approved authorizing payment to Software Solutions Incorporated of Lebanon, Ohio, for the annual support fee for the period April 1, 2017 through March 31, 2018. The City uses this software for payroll, utility billing, asset management, and financial management. The City has used Software Solutions Incorporated since 1995.

**BUDGETARY INFORMATION:**

The total cost for the annual support fee is \$27,093. Of this amount, \$13,546.50 will be paid by the General Fund, \$6,773.25 by the Water Fund, and \$6,773.25 by the Sewer Fund.

**ACTION REQUESTED:**

It is requested that legislation be approved authorizing payment in the amount of \$27,093 to Software Solutions Incorporated, for the annual support fee for the period April 1, 2017 through March 31, 2018, in accordance with Section 14 of the City Charter under suspension of the rules. The need for immediate action is because the payment due date is April 1, 2017.

CC: Eric L. Wobser, City Manager  
Justin Harris, Law Director



# Software Solutions

Personal Attention. Public Solutions.  
420 East Main Street, Lebanon, OH 45036

Phone: 513-932-6667

Fax: 513-932-4058

## INVOICE

SOFTWARE SOLUTIONS, INC.  
420 East Main Street  
Lebanon, OH 45036  
5139326667

Invoice Number: 0067536-IN

Invoice Date: 2/28/2017

Salesperson: RF

Tax Code: EX

Sandusky, City of  
222 Meigs St  
Sandusky, OH 44870

Customer Number: SANDUSK  
PO Number: SW Support

Ship Via:  
Terms: Net 30 Days

DESCRIPTION		QTY	UNIT \$	AMOUNT
SWSUP Annual Support Services to include Software Assurance effective 04/01/17 - 03/31/18	Ea	1.000	27,093.000	27,093.00

RECEIVED  
SANDUSKY FINANCE DEPT  
2017 MAR 16 PM 2:04

Net Invoice:	27,093.00
Freight:	0.00
Sales Tax:	0.00
	<u>27,093.00</u>

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING AND DIRECTING PAYMENT TO SOFTWARE SOLUTIONS INCORPORATED OF LEBANON, OHIO FOR THE ANNUAL SOFTWARE SUPPORT FEE FOR THE PERIOD APRIL 1, 2017, THROUGH MARCH 31, 2018; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the City has used Software Solutions Incorporated since 1995 and currently uses this software for payroll, utility billing, asset management, and financial management; and

**WHEREAS**, the cost for the annual software support fee for the period April 1, 2017, through March 31, 2018, is \$27,093.00 of which \$13,546.50 will be paid with General Funds, \$6,773.25 will be paid with Water Funds and \$6,773.25 will be paid with Sewer Funds; 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 to allow payment to be made to Software Solutions Incorporated by the payment due date of April 1, 2017; 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 Finance Department, 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 hereby authorizes and directs the City Manager and/or Finance Director to make payment to Software Solutions Incorporated of Lebanon, Ohio in an amount **not to exceed** Twenty Seven Thousand Ninety Three and 00/100 Dollars (\$27,093.00) for the annual software support fee for the period April 1, 2017, through March 31, 2018.

Section 2. 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 3. 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 Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE MAKING GENERAL APPROPRIATIONS FOR THE FISCAL YEAR 2017; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, in accordance with Section 14 of the City Charter, an Ordinance appropriating money may be passed as an emergency; 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 comply with State Law, which requires that the 2017 Calendar Year Operating Budget be passed by the City Commission no later than March 31, 2017; 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 Finance Department, 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. There shall be and hereby are appropriated out of any funds now in the treasury and any accruing revenues of the City available for said purposes, the values set forth below for the payment of all expenses and obligations of the City during fiscal year 2017, for the various purposes hereinafter specified.

Section 2. The amounts appropriated for the various purposes hereinafter set forth shall, in no event, be exceeded unless the City Commission shall by Ordinance authorize a transfer from one appropriation account to another, or shall appropriate additional unappropriated funds:

unappropriated funds:

<b>DEPARTMENT</b>	<b>PERSONAL SERVICES</b>	<b>OTHER</b>	<b>TOTAL</b>
POLICE PATROL	4,690,145	327,625	5,017,770
POLICE RECORDS	156,747	188,622	345,369
POLICE RESERVES	142,531	3,500	146,031
FIRE	4,637,250	366,650	5,003,900
STREET LIGHTING	0	269,000	269,000
OAKLAND CEMETERY	298,770	60,440	359,210
COMMUNITY DEVELOPMENT	691,738	84,515	776,253
CITY WIDE ECON DEVELOPMENT	0	30,000	30,000
BUILDING DIVISION	220,566	47,025	267,591
HORTICULTURAL SERVICES	1,039,173	303,311	1,342,484
JACKSON ST PIER	0	1,000	1,000
CITY MANAGER	154,490	10,993	165,483
ADMINISTRATIVE SERVICES	82,900	24,125	107,025
FINANCE	127,412	22,155	149,567
INCOME TAX	70,314	391,650	461,964
DATA PROCESSING CENTER	155,687	211,885	367,572
LAW	298,087	41,219	339,306
CITY COMMISSION	32,477	15,852	48,329

**PAGE 2 - ORDINANCE NO. \_\_\_\_\_**

CITY COMMISSION CLERK	47,651	2,255	49,906
MUNICIPAL COURT	901,739	52,000	953,739
BUILDING MAINTENANCE	377,042	261,555	638,597
ENGINEERING	285,897	39,327	325,224
FLEET MAINTENANCE	247,808	89,490	337,298
ADMINISTRATIVE SUPPORT	0	879,200	879,200
TRANSFERS:			
STREET FUND	0	162,273	162,273
TRANSIT FUND	0	200,000	200,000
PARKS & RECREATION FUND	0	231,250	231,250
POLICE PENSION FUND	0	501,465	501,465
PAYROLL STAB FUND	0	75,000	75,000
CAPITAL ECONOMIC DEV FUND	0	500,000	500,000
CAPITAL COMMUNITY DEV FUND	0	300,000	300,000
CAPITAL PUBLIC WORKS FUND	0	1,500,000	1,500,000
FIRE PENSION FUND	0	685,085	685,085
BOND RETIREMENT FUND	0	417,092	417,092
SPECIAL ASMNT BOND RETIREMENT FUND	0	18,525	18,525
GENERAL FUND	<u>14,658,424</u>	<u>8,314,084</u>	<u>22,972,508</u>
STREETS	931,080	335,879	1,266,959
SNOW & ICE REMOVAL	0	50,000	50,000
TRAFFIC & ELECTRICAL MNTC	114,079	194,955	309,034
STREET FUND	<u>1,045,159</u>	<u>580,834</u>	<u>1,625,993</u>
ST HIGHWAY FUND	35,000	45,000	80,000
2016 PUBLIC TRANSIT FUND	5,960	600,097	606,057
2017 PUBLIC TRANSIT FUND	155,122	2,852,115	3,007,237
	<u>161,082</u>	<u>3,452,212</u>	<u>3,613,294</u>
PAPER DISTRICT MARINA PAVILION	17,000	19,000	36,000
MILLS CREEK GOLF COURSE RECREATION DEPARTMENT BOAT LAUNCH RAMP	0	2,300	2,300
PARKS & RECREATION FUND	116,000	110,200	226,200
	130,500	124,000	254,500
	16,000	22,250	38,250
	<u>279,500</u>	<u>277,750</u>	<u>557,250</u>
FIRE PENSION FUND	769,541	53,633	823,174
POLICE PENSION FUND	598,926	40,628	639,554
POLICE	0	2,000	2,000
LANDBANK	0	50,000	50,000
CHIP GRANT	0	200,000	200,000
REVOLVING LOAN-ECO DEV	0	50,000	50,000
DRC-PROBATION SERVICES	70,000	5,000	75,000
STATE GRANTS FUND	<u>70,000</u>	<u>307,000</u>	<u>377,000</u>
POLICE JAG	0	5,000	5,000
POLICE BULLETPROOF VESTS	0	5,000	5,000
EMS	0	250,000	250,000
HUD CDBG	190,000	750,000	940,000
REVOLVING LOAN-ECO DEV	0	100,000	100,000
FEDERAL GRANTS FUND	<u>190,000</u>	<u>1,110,000</u>	<u>1,300,000</u>
INDIGENT DRIVER ALCOHOL TRT FUND	0	51,000	51,000
COURT COMPUTER FUND	5,000	30,000	35,000
INDIGENT TELEPHONE FUND	0	1,000	1,000
COURT PROBATION FUND	80,000	10,000	90,000

**PAGE 3 - ORDINANCE NO. \_\_\_\_\_**

PAYROLL STAB FUND	145,000	0	145,000
REAL ESTATE DEV FUND	0	5,000	5,000
CAPITAL - SECURITY OF PERSONS & PROP	0	40,000	40,000
CAPITAL - HEALTH	0	5,000	5,000
CAPITAL - LEISURE	0	5,000	5,000
CAPITAL - COMMUNITY	0	150,000	150,000
CAPITAL - TRANSPORTATION	0	200,000	200,000
CAPITAL - GENERAL GOVERNMENT	0	125,000	125,000
TOTAL CAPITAL IMPROVEMENT FUND	0	525,000	525,000
POLICE PATROL	0	90,000	90,000
EMS	50,000	2,600,000	2,650,000
SCHADE/MYLANDER PLAZA	0	5,000	5,000
RECREATION IMPROVEMENTS	0	55,000	55,000
WATERFRONT CORRIDOR	0	25,000	25,000
COMMUNITY DEVELOPMENT	0	300,000	300,000
ECONOMIC DEVELOPMENT	0	500,000	500,000
LIONS PARK PARKING LOT	0	205,000	205,000
SANDUSKY BAY INITIATIVE	0	1,000,000	1,000,000
URBAN FOREST GRANT	0	37,000	37,000
HORTICULTURAL SERVICES - GLRI	0	20,000	20,000
COLUMBUS AVE UNDERPASS	0	10,000	10,000
WESTEND OVERPASS	0	400,000	400,000
WARREN ST	0	10,000	10,000
CAMP ST UNDERPASS	0	50,000	50,000
CAMP ST	0	274,713	274,713
CLEVELAND ROAD	0	200,000	200,000
HAYES AVE	0	30,000	30,000
FIFTH STREET	0	9,017	9,017
COLUMBUS AVE RESURFACING	0	10,000	10,000
CAMPBELL & SCOTT ST	0	175,000	175,000
PERKINS AVE SIGNALS	0	10,000	10,000
WATER ST REHAB	0	10,000	10,000
CURRAN ST	0	30,000	30,000
PUBLIC WORKS	0	1,500,000	1,500,000
VENICE HEIGHTS	0	192,326	192,326
TRANSIT CAPITAL	0	125,500	125,500
DATA PROCESSING	0	100,000	100,000
MUNI COURT	0	25,000	25,000
JACKSON ST PARKING LOT	0	50,000	50,000
JACKSON ST PIER PROJECT	0	175,000	175,000
SHORELINE DRIVE PROJECT	0	151,000	151,000
THE LANDING PROJECT	0	65,000	65,000
WAYFINDING PROJECT	0	140,360	140,360
BATTERY PARK & SBP	0	45,122	45,122
PAPER DISTRICT	0	1,600,962	1,600,962
ENGINEERING	0	25,000	25,000
FLEET MAINTENANCE	0	25,000	25,000
CAPITAL PROJECTS FUND	50,000	10,276,000	10,326,000
TAX INCREMENT FUND	0	20,000	20,000
PP REMOVAL UNSAFE BLDGS	0	60,000	60,000
NUISANCE REMOVAL	2,000	25,000	27,000
RENTAL REGISTRATION FEE	160,000	20,000	180,000
INSPECTION FEE	2,000	20,000	22,000
ADMIN FEE	2,000	10,000	12,000
SPECIAL ASSESSMENT FUND	166,000	135,000	301,000
FIRE STA. #1 RELOCATION	0	239,738	239,738
SCHADE/MYLANDER PLAZA	0	11,523	11,523
LIBRARY LEVY	0	430,734	430,734



**PAGE 4 - ORDINANCE NO. \_\_\_\_\_**

ERI-SANDUSKY STREETScape	0	72,214	72,214
COL AVE UNDERPASS IMP	0	4,363	4,363
LANE ST IMPR	0	14,516	14,516
ST-REMINGTON	0	5,503	5,503
BUTLER ST RAMP	0	9,429	9,429
ERI - AMTRAK STATION	0	16,265	16,265
POL/COURT/LAW RENOVATION	0	18,750	18,750
DEBT SERVICE-BONDS	0	774,355	774,355
BOND RETIREMENT FUND	0	1,597,390	1,597,390
URBAN RENEWAL TEMP REV BOND FUND	0	431,600	431,600
SPECIAL ASMNT BOND RETIREMENT FUND	0	303,025	303,025
CAO	162,914	42,295	205,209
BIWW FILTRATION PLANT	1,347,413	1,300,990	2,648,403
WATER DISTRIBUTION DEPT	911,459	443,846	1,355,305
ADMINISTRATIVE SUPPORT	680,000	247,500	927,500
EQUIPMENT REPLACEMENT	0	56,000	56,000
BIWW BUILDING IMPROVEMENTS	0	75,500	75,500
PAC & BAY INTAKE REPLACEMENT	0	1,490,616	1,490,616
CLEVELAND RD WATERLINE	0	25,000	25,000
CEDAR POINT WATERLINE	0	50,000	50,000
LINCOLN ST WATERLINE	0	100,000	100,000
CAMP ST WATERLINE	0	78,841	78,841
SHELDON'S MARSH INTAKE	0	2,000,000	2,000,000
WATER METER ACQUISITION	0	175,000	175,000
DEBT SERVICE-BASIC UTIL	0	1,675,730	1,675,730
WATER FUND	3,101,786	7,761,318	10,863,104
CAO	162,914	42,695	205,609
WATER POLLUTION CONTROL PLANT	1,747,408	1,442,238	3,189,646
SEWER MAINTENANCE DEPT	1,045,160	680,633	1,725,793
ADMINISTRATIVE SUPPORT	680,000	251,500	931,500
STORM WATER	0	148,200	148,200
WPC BUILDING IMPROVEMENTS	0	463,763	463,763
EQUIPMENT REPLACEMENT	0	696,177	696,177
STORM WATER ERU	0	349,014	349,014
MANHOLE & SLIP LINING	0	250,000	250,000
GREEN INFRASTRUCTURE EVAL	0	165,000	165,000
GRIT TANK IMPROVEMENTS	0	113,878	113,878
LIFT STATIONS	0	914,000	914,000
LINCOLN ST SEWER LINE	0	30,000	30,000
MARKET ST SEWER LINE	0	60,000	60,000
SEWER COLLECTIONS UPGRADE	0	444,619	444,619
DEBT SERVICE-BASIC UTIL	0	2,695,320	2,695,320
SEWER FUND	3,635,482	8,747,037	12,382,519
INTERNAL SERVICE FUND	0	4,500,000	4,500,000
POLICE	0	15,000	15,000
CONTRABAND TRUST FD	0	50,000	50,000
FIRE	0	5,000	5,000
GREEN TRUST	0	11,000	11,000
FRIENDS OF THE GREENHOUSE	0	2,000	2,000
SAILING CLUB SCHOLARSHIP	0	10,000	10,000
PARK TRUST	0	5,500	5,500
UNCLAIMED FUNDS	0	500	500
GENERAL TRUST FUND	0	99,000	99,000
SHORELINE PARK IMPR	0	500	500
WASHINGTON PARK & GREENHOUSE	0	500	500
RED WAGON TRUST	0	500	500

**PAGE 5 - ORDINANCE NO. \_\_\_\_\_**

FRED EPPLE TRUST	0	500	500
PARK ENDOWMENT FUND	0	2,000	2,000
OAKLAND CEMETERY DEPT	50,000	5,000	55,000
CHAPEL RESTORATION	0	600	600
GARDEN MAUSOLEUM	0	14,500	14,500
PERPETUAL CARE	0	1,000	1,000
SPECIAL CARE	0	1,000	1,000
MEMORIAL PLANTINGS	0	2,100	2,100
RIDGEVIEW COLUMBARIUM	0	10,000	10,000
CEMETERY ENDOW FUND	50,000	34,200	84,200
STATE PATROL TRANSFER FD	0	60,000	60,000
TOTAL ALL FUNDS	25,040,900	48,769,711	73,810,611

Section 3. The Finance Director is authorized to draw warrants upon the City treasury for funds appropriated in this Ordinance upon presentation of properly approved vouchers and when in conformity with the Charter and general laws of the State of Ohio. In addition, the Finance Director is authorized to make transfers between funds, to cover deficiencies in City funds provided said transfers are included in the general appropriations.

Section 4. 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 5. 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 Commission and any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 6. 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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DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

**PAGE 6 - ORDINANCE NO. \_\_\_\_\_**

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017



## Department of Community Development

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Maria Muratori  
mmuratori@ci.sandusky.oh.us

222 Meigs St.  
Sandusky, OH 44870  
Phone: 419.627.5891  
www.ci.sandusky.oh.us

**To:** Eric L. Wobser, City Manager  
**From:** Matt Lasko, Chief Development Officer  
**Date:** March 16, 2017  
**Subject:** Commission Agenda Item – Lease Agreement between City of Sandusky and SandCity, LLC

**Items for Consideration:** Legislation approving a Lease Agreement to be entered into between the City of Sandusky and SandCity, LLC (and/or its affiliated assigns, collectively the “Company”), an Ohio limited liability company, for the purposes of furthering economic development efforts in the City and relocating City administrative offices.

**Background Information:** In the Spring of 2016, City Commission undertook the task planning for and analyzing the long-term and necessary capital needs of the City Hall facility. The City Manager and staff were directed to undertake a thorough needs analysis of the existing facility, but to also explore options for moving administrative and justice center operations into either newly built facilities or undertaking renovations to existing facilities elsewhere in the City. The City subsequently contracted with DS Architecture out of Kent, Ohio who was tasked with completing a needs assessment of the current City Hall facility. Additionally, DS Architecture completed a space needs analysis and a series of cost estimates covering multiple scenarios for administrative and justice center facility locations.

Only July 11, 2016 – DS Architecture presented the results of their findings to the City Commission and community. After much research and analysis, the firm recommended the following as it relates to the City’s administrative facility:

- (1) Undertake a complete renovation of the Kingsbury Building and Calvary Temple (herein after the “Premises”) (at the intersection of Columbus Avenue and E. Washington Row) that would house only administrative functions.

In September of 2016, the City entered into a Letter of Intent (LOI) with Vintage Development Group (an affiliated entity of the Company) expressing the City’s intent to occupy approximately 21,500 square feet within the Calvary Temple and the Kingsbury Building – as tenants of a larger \$11.5+ million mixed-use project. There were several contingencies listed within the LOI related to financing that needed to be secured prior to

entering into a formal lease agreement – both of which are being considered under separate communications. The LOI also required a formal Lease Agreement to be entered into between the City and the Company by March 31, 2017 or the binding nature of the LOI would be terminated.

The attached Lease Agreement (specific only to the City Administrative facilities) to be entered into between the City and the Company calls for the City to lease 21,424 square feet. The City will initially lease the Premises for a term of thirty (30) years with the ability to extend the initial lease term for a second thirty (30) year term. On the annual anniversary date of occupancy, the rent will increase by 1.5%. Also, on the seventh (7<sup>th</sup>) anniversary date of occupancy through the end of the initial lease term, the City will have the right to purchase the leased Premises equal to the fair market value of the leased Premises – but not for less than \$4,757,000 (which is equal to the originally agreed upon \$2,990,000 plus the original balance of the loan being provided by the City to the Company with accrued interest over 8 years of \$1,767,000).

The annual and monthly rent is as follows:

- (a) \$241,020 annually (\$20,085/month or \$11.25/sq. ft.)

The annual operating reimbursements are as follows:

- (a) \$32,136 (\$1.50/sq. ft.)

The above is based on the assumption of the Company receiving a 10-year, 100% tax abatement. If the tax abatement granted is less, the rent and operating reimbursements will adjust accordingly. Further, with regard to the operating reimbursements, a reconciliation will be prepared within ninety (90) days after each calendar year to determine if actual operating charges were less or more than what was collected. The operating charges for the next calendar year will be adjusted accordingly.

Further, the City will be required to always maintain a security deposit balance of \$23,329.

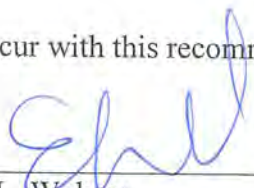
The Lease Agreement, after execution will have a contingency period until May 15, 2017 for either party to terminate the agreement. During that time, both parties will be expected to finalize the scope of finishes and floor plans.

**Budgetary Information:** Under the proposed Lease Agreement, the monthly rental payments will be split between general fund (1/3), water fund (1/3), sewer fund (1/3). The annual operating reimbursements will be split between general fund (1/3), water fund (1/3), sewer fund (1/3). The security deposit will be paid from capital funds.

**Action Requested:** It is requested that the proper legislation be prepared to allow the City to enter into a Lease Agreement with SandCity, LLC. It is further requested that this legislation be passed in accordance with Section 14 of the City Charter to expedite

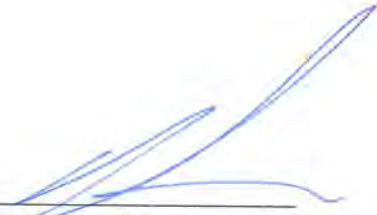
passage in order to commence construction of the project and for the City to remain in compliance with the terms of previously executed Letter of Intent.

I concur with this recommendation:



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Eric L. Wobser  
City Manager



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Matthew D. Lasko  
Chief Development Officer

cc: Kelly Kresser, Clerk of the City Commission  
Justin Harris, Law Director  
Hank Solowiej, Finance Director  
Aaron Klein, Public Works Director

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH SANDCITY LLC, FOR THE RELOCATION OF CITY HALL; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, SANDCITY, LLC currently owns three (3) properties located at 234-256 Columbus Avenue and 115 E. Washington Row and is planning to undertake an \$11.4+ million restoration to the properties that will completely renovate, restore and tenant approximately 51,000 square feet of currently vacant space; and

**WHEREAS**, upon completion of the restoration project, the properties will be comprised of eighteen (18) residential apartments, three (3) retail storefronts, and relocated City administrative offices, and to aid in the redevelopment of the Columbus Avenue Project, the Company has applied for Substantial Redevelopment assistance through the City; and

**WHEREAS**, this City Commission approved a Letter of Intent (LOI) with Vintage Development Group, LLC, related to the redevelopment of property by Ordinance No. 16-146, passed on September 12, 2016, to express the City's intent to occupy approximately 21,500 square feet within the property for the City's administrative offices, and included in the Letter of Intent were several contingencies related to financing that needed to be secured prior to entering into a formal lease agreement; and

**WHEREAS**, requests relating to this property are being made in companion legislation to approve a loan to SANDCITY, LLC, in the amount \$1.425 million and a grant to SANDCITY, LLC, in the amount of \$425,000; and

**WHEREAS**, the City now desires to enter into a Lease Agreement for the space consisting of 21,424 +/- square feet located at 115 E. Washington Row and 240 Columbus Avenue, owned by SANDCITY LLC, for the relocation of City Hall; 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 preserve the historical character and history of downtown, immediately stabilize and rehabilitate a documented blighted area, to take advantage of the State Historic Tax Credits and New Market Tax Credits to reduce the overall Lease costs, and to allow construction of the project to commence in accordance with the terms of the Letter of Intent, entered into by the City on September 15, 2016; 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 approves the Lease Agreement between the City and SANDCITY LLC, a copy of which is marked Exhibit "1" and is attached to this Ordinance and is specifically incorporated as if fully rewritten herein and the City Manager is hereby authorized to execute the Agreement on behalf of the City in substantially the form of the Agreement on file with the Clerk and attached to this

Ordinance together with such revisions or additions as are approved by the Law Director as being consistent with the objectives and requirements of this Ordinance and with carrying out the City's public purposes.

Section 2. 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 3. 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 Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017



# LEASE AGREEMENT

**THIS LEASE AGREEMENT (“Agreement”)** made and entered into at Sandusky, Ohio, this \_\_\_\_ day of \_\_\_\_ 2017, (the “Effective Date”) by and between **SANDCITY LLC**, an Ohio limited liability company, whose mailing address is 38025 Second St., Suite 102, Willoughby, Ohio 44094 which with its successors and assigns is herein called “Lessor” AND **THE CITY OF SANDUSKY, OHIO**, an Ohio municipal corporation, whose mailing address is 222 Meigs Street, Sandusky, Ohio 44870 which is herein called “Lessee”.

## **1. PREMISES**

In consideration of the payment of all rentals and the performance of the covenants as hereinafter set forth, the Lessor demises unto Lessee and Lessee leases from Lessor, for the term and upon the terms and conditions set forth in this Agreement, the Premises as follows:

Situated in the City of Sandusky, County of Erie and State of Ohio, and being a portion of the commercial buildings (the “Buildings”) located at 115 E. Washington Row (PPN# 56-68023.000) and 240 Columbus Ave. (PPN# 56-01068.000), Sandusky, Ohio 44870 owned by Lessor (the “Parcels”). The space specifically applicable under this Agreement consists of 21,424 +/- square feet with the following approximate areas: 115 E. Washington Row (15,646 SF), 240 Columbus Ave. (5,778 SF) as depicted on Exhibit “A” in green color as City Hall (herein called the “Premises” or the “Leased Premises”).

Lessor reserves to itself the roof, exterior walls, attics and basements of the Buildings, and further reserves the right to place, maintain, repair and replace utility lines, pipes, ducts, conduits, wires and tunneling and the like in, over, under, and through the Premises as may be reasonably necessary or advisable for the servicing of the Premises or of other portions of the Buildings in locations which will not materially interfere with Lessee’s use of its Premises. Lessor may enter and examine the Leased Premises upon reasonable notice or without notice in an emergency threatening life or property.

## **2. COMMON AREAS**

Common areas are not shared with other Lessees in the Buildings other than walks and landscaped areas on the site and common areas within the Buildings consisting of a common lobby, common stairwell, and common elevator located at the 115 E. Washington Row entrance (collectively the “Common Areas”). Note that the street parking in front of the Buildings is not part of the Common Areas and the stairwell labeled near the notation “EE” in Exhibit “A” is part of the Leased Premises and not part of the Common Areas, however such stairwell will serve as an emergency egress for other tenants in the Building only in the event of an emergency.

Lessor shall maintain and operate, or cause to be maintained and operated and shall have sole control over said Common Areas at all times, for the benefit and non-exclusive use of Lessee and the customers and patrons of Lessee and of other Lessees, owners and occupants of the Buildings and land constituting the Buildings of which the Premises are a part. Said maintenance and operations shall be done in such manner, as Lessor, in its sole discretion, shall determine and in a manner, consistent with a “first class” building.

No Lessee, organizations, individual, or any other entity shall use the Common Areas for any other purpose than herein designated or as designated at Lessor’s sole discretion, nor shall anyone have the right to authorize the use of any of the Common Areas except the Lessor herein. Lessor hereby grants to Lessee the privilege to use, in common with other Lessees that Lessor may designate, certain office amenities located in the Premises, the use of all of which are subject to such reasonable rules and regulations as Lessor currently has in place and may adopt from time to time.

Lessor reserves the right to modify, alter, redesign or to make changes, additions, deletions, closures, alterations, or improvement in or to the said Common Areas or any portion thereof including the parking areas, if any, providing that adequate Common Area facilities are made available for the Lessee and that no unreasonable obstruction of Lessee’s right of access to the Premises, or any unreasonable interference with Lessee’s use of the Premises under the circumstances, shall be caused by any of the above changes. Moreover, Lessor reserves the right, without incurring any liability to Lessee and without it constituting an eviction to change the appearance, size, composition, number, arrangement or location of the public entranceways, doors, doorways, landings and other public parts of the Buildings as Lessor, in its sole discretion, deems necessary or desirable to temporarily close the Common Areas or any part thereof for repairs, changes, installations, or construction. However, in undertaking the aforementioned actions the Lessor shall ensure that all ADA rules, regulations, and accessibility requirements are met.

## **3. CHANGES AND ADDITIONS TO FLOOR PLAN**

Lessor and Lessee agree that the floor plan attached hereto (Exhibit “A”) shows only the approximate shape, design, and location of the Leased Premises and changes, revisions, additions, reductions or modifications thereto shall be finalized and agreed upon between Lessor and Lessee pursuant to Section 8 hereof. Lessee’s consent shall not be required for Lessor to make changes, revisions, reductions or modifications, including the sale or leasing of, any other portions of the Buildings for the construction of and operation of common areas, apartments, offices and/or retail as part of the Buildings.

In addition, Lessor shall have the right, to alter the size, quality, and character of the Common Areas, leasable area, and lessee mix of the Buildings, as well as the uses to which the Buildings may be put. Lessee hereby specifically acknowledges and agrees that this Agreement does not and shall not be deemed to contain any representation by Lessor that any lessee or type of lessee shall occupy or continue to occupy premises in the Buildings during the term of this Agreement.



Notwithstanding the foregoing, Lessor acknowledges that such lessees or types of lessees shall abide by all lawful zoning and municipal regulations related to such permitted uses within the Buildings.

#### **4. CONDITION OF PREMISES**

Lessee acknowledges and agrees that it has examined the Premises and deems it would be suitable for the type of business to be conducted during the Agreement term upon completion of the Improvements work to be performed as described in Section 14 hereof. Lessee further acknowledges that neither Lessor, nor any of its employees, agents or any parties claiming to act on Lessor's behalf, has made any warranty of fitness, representation, estimation or promise concerning the suitability of the Leased Premises for Lessee's business.

Lessee acknowledges that prior to occupancy it will thoroughly examine the Leased Premises and acknowledge that the Leased Premises are in good order and repair. Upon occupancy, Lessee acknowledges that Lessor has made no representations or warranties concerning the condition of the Leased Premises, other than as provided herein, or concerning its fitness for Lessee's purposes.

#### **5. USE**

During the Agreement term, Lessee shall operate on the Premises its City Hall offices and public spaces for City Hall staff, commissioners and the public.

Lessee agrees not to use the Leased Premises (or permit the Leased Premises to be used) for any unlawful purpose and will conform to, comply with and obey all present and future federal, state and local laws, ordinances, rules and regulations, and all directions of the proper public officials applicable to the Leased Premises and Lessee's occupation and use thereof. Lessee agrees not to commit waste or create a condition, or conditions, either by act or failure to take appropriate action, which are detrimental to the safety and welfare of any person or property within the Building. Lessee agrees to conduct its business always in a first-class and reputable manner. No auction, liquidation, going out of business, fire or bankruptcy sales may be conducted in the Premises, except for occasional, incidental municipal personal property auctions conducted by Lessee as part of its regular course of business.

Lessee agrees to assume full responsibility and at its own cost to keep and maintain the Premises neat, clean, and in proper repair, except for repairs that are the Lessor's responsibility per Section 19 hereof, and decor and free from waste and offensive odors and in an orderly and sanitary condition free of vermin, rodents, bugs and other pests. Lessee shall not use, keep, or permit to be used or kept, any foul or noxious gas or substance in or on the Premises; or permit or allow the Premises to be used or occupied in a manner which due to any odor is offensive or objectionable to Lessor or to the other Lessees or occupants of the Buildings.

#### **6. BUILDINGS OPERATING HOURS**

Normal operating hours for the Buildings are Monday through Friday from 7:00 AM to 5:30 PM.

The operating hours shall not prevent the Lessee from operating in the Leased Premises beyond those hours and the Lessee shall have access to its Leased Premises 24 hours per day, 7 days per week.

#### **7. TERM**

The term of this Agreement shall commence at the end of the Contingency Period set forth in Section 8 hereof and continue for a period of Three Hundred Sixty (360) months after the Rent Commencement Date, hereinafter defined, with such end date of the term being defined as the "Termination Date". The date upon which Lessor delivers the Leased Premises to Lessee for occupancy after completion of the Improvements, as defined in Section 14 hereof, and as evidenced by a temporary Certificate of Occupancy shall be defined as the "Rent Commencement Date". In the event of issuance of a partial temporary Certificate of Occupancy for a portion of and not all of the Leased Premises, the Rent provided for pursuant to Section 10 hereof shall be prorated for the amount and term of such partial occupancy. The term of this Agreement is subject to early termination prior to the Termination Date only pursuant to Lessee's Purchase Options, if so elected by Lessee, as referenced in Section 9 hereof.

Upon completion of the Improvements, receipt of a temporary Certificate of Occupancy and Lessor's delivery of the Leased Premises to Lessee, Lessor and Lessee shall execute an amendment to this Agreement (the "Amendment") setting forth the actual Rent Commencement Date and Termination Date of this Agreement. At such time when the Amendment is executed, the Lessor and Lessee shall, upon the request of either party, execute a Supplemental Agreement in form for recording, setting forth the Rent Commencement Date and Termination Date of this Agreement.

In the event that Lessee's Purchase Option has not been exercised by Lessee pursuant to Section 9 hereof, then Lessee shall have a one-time option to extend only the lease term, by an additional Three Hundred Sixty (360) months (the "Extended Lease Term"), exercisable in writing no later than twelve (12) months prior to the Termination Date. The Purchase Option rights of Lessee pursuant to Section 9 hereof shall have expired and are not applicable during the Extended Lease Term. Nothing in this Agreement shall be construed to limit the ability of the Parties to enter into additional leases, extensions of leases, or sale during or at the end of the Extended Lease Term, the terms of which would be negotiated and a separate Agreement entered.

#### **8. LESSOR AND LESSEE CONTINGENCIES**

The Lessor or Lessee shall have the right to terminate this Agreement at any time prior to May 15, 2017 (the "Contingency Period"). During the Contingency Period, Lessor agrees not to offer the Premises for lease to other parties for terms which are better than those of this Agreement. If Lessor chooses to exercise such right to terminate this Agreement, it shall notify Lessee in writing prior to the end of the Contingency Period. The Contingency Period may be extended at Lessor's sole discretion to finalize Lessor's various financing structures related to historic tax credit financing, new markets tax credit financing, senior debt and other financing that is acceptable to Lessor and such financing parties. Lessee agrees to work collaboratively with Lessor with regards to such financing structures as needed or required, including but not limited to executing any amendments to the Agreement to extend the Contingency Period or for other reasons as required by Lessor or such financing parties. Notwithstanding the foregoing, the Contingency Period shall not be extended beyond June 30, 2017 unless mutually agreed between Lessor and Lessee.

Either the Lessor or Lessee shall have the right to terminate this Agreement before expiration of the Contingency Period if, in accordance with the Improvements work to be completed pursuant to Section 14 hereof; (i) after Lessor and Lessee have collectively agreed on and completed a detailed architectural design and final floor plan, scope of finishes and Lessor has completed its priced out cost analysis for the work, and; (ii) based on the results thereof, if the costs for such work exceed Lessor's estimates (the "Budget") in determining the rent terms contained herein, thereby requiring Lessee to fund additional costs toward the Improvements (the "Initial Extras"); and (iii) Lessee is unwilling or unable to fund the Initial Extras and Lessor and Lessee are otherwise unable to reach an agreement regarding revisions to the scope of work and finishes and/or Lessee funding of the Initial Extras; and (iv) Lessee and Lessor are otherwise unable to execute the Plans pursuant to Section 14 hereof; then if Lessor or Lessee chooses to exercise such right to terminate this Agreement, such terminating party shall notify the other party in writing prior to the end of the Contingency Period. In the event of such termination, Lessee agrees to reimburse Lessor for 100% of Lessor's costs for the architectural design and engineering and any other costs or fees incurred by Lessor of the Lessee's planned space, which shall be reimbursed by Lessee to Lessor within 30 days of the Lessor's invoice date.

## **9. PURCHASE OPTION**

Lessee shall have the option to purchase the Leased Premises beginning at the end of the seventh (7<sup>th</sup>) year anniversary of the Rent Commencement Date, through the initial Termination Date, at a purchase/sale price equal to the fair market value of the Leased Premises as determined by an independent appraisal, which selection of such appraiser shall be mutually agreed upon between Lessee and Lessor. In the event Lessee and Lessor cannot mutually agree on the selection of an appraiser, then each party shall engage their own appraiser and the average market value of the two appraisals shall determine the final purchase/sale price, unless the appraisals differ by more than 10%, in which event the two appraisers shall select a third appraiser and that appraisal shall be averaged with the appraisal that is closest to the third appraiser's appraisal to establish the fair market value. The fair market value of the Leased Premises shall be determined in accordance with the following generally accepted formula for computing such fair market value based on capitalization of the Fixed Rent derived from the Leased Premises in Year 8 of the Lease Term divided by the fair market capitalization rate of 5.62%.

The Lessor has the right to decline the Purchase Option offer made by Lessee if the fair market value determined by the respective appraisers' appraisals and Lessee's offer to purchase is less than Four Million Seven Hundred Fifty-Seven Thousand Dollars (\$4,757,000).

The Purchase Option shall be exercised by the Lessee's written notice to Lessor no later than twelve (12) months prior to such applicable seventh (7<sup>th</sup>) year anniversary or Termination Date, or shall otherwise provide twelve (12) months prior notice, pursuant to Section 32 Notices, contained herein, of Lessee's intention to close on the purchase of the Premises, but in no event shall the purchase pursuant to the option exercise be consummated prior to the exercise of all put options by all tax credit investors.

If the Lessee purchases the Leased Premises (the "Purchase Transaction"), then Lessee shall pay all costs associated with the Purchase Transaction including but not limited to (i) all survey, platting, legal descriptions and legal costs associated with the parcel split of the Leased Premises, including if such split requires a condominium-type legal structure for the Buildings, then Lessee shall prepare or engage its outside legal counsel to prepare such condominium-type legal documents at Lessee's expense, which shall be provided to and approved by Lessor prior to recording in the County records; (ii) the cost of the appraisal, unless two appraisals are engaged, then Lessee and Lessor shall each pay for their own appraisal; (iii) all governmental conveyance fees and/or transfer taxes; (iv) all deeds preparation cost; (v) all title insurance premiums; (vi) all escrow fees; (vii) all recording charges; and (viii) all other customary charges associated with the Purchase Transaction. Lessee Lessee's responsibility for paying Lessor's legal fees associated with the Purchase Transaction and condominium-type legal structure shall be capped at \$20,000. At the close of the Purchase Transaction, Lessor shall pay (i) all costs associated with releasing of any Lessor mortgages; (ii) any of Lessor's legal fees in excess of \$20,000; and (iii) customary tax proration.

## **10. FIXED RENT AND ADDITIONAL RENT**

Lessee hereby covenants and agrees to pay Lessor, without deduction or set off, and without demand, at its office or such other place as Lessor may, from time to time, designate, as Fixed Rent (herein called "Fixed Rent" or "Rent" for the Premises beginning on the Rent Commencement Date, the following:

Year 1: The sum of Two Hundred Forty-One Thousand Twenty Dollars (\$241,020) payable in equal monthly installments of Twenty Thousand Eighty-Five Dollars (\$20,085), based on an approved property tax abatement of 100% for ten (10) years granted to the Lessor after the Rent Commencement Date. In the

event of a property tax abatement granted to the Lessor over a ten (10) year period after the Rent Commencement Date that is less than 100%, then the Lessor and Lessee agree that they shall amend this Lease accordingly to increase the Rent hereunder.

Thereafter, on each anniversary of the Rent Commencement Date, the amount of Fixed Rent shall increase by one and one-half percent (1.5%).

After the seventh (7<sup>th</sup>) year anniversary of the Rent Commencement Date, in the event Lessee does not close on the Purchase Transaction of the Leased Premises pursuant to Section 9 hereof, then commencing at the beginning of the eighth (8<sup>th</sup>) year of the Lease Term, until the earlier of closing of the Purchase Transaction or the Termination Date, Lessee agrees to pay Lessor, without deduction or set off, and without demand, at its office or such other place as Lessor may, from time to time, designate, as Additional Rent (herein called "Additional Rent") the sum of One Hundred Six Thousand Four Hundred Fifty-Two Dollars (\$106,452) payable in equal monthly installments of Eight Thousand Eight Hundred Seventy-One Dollars (\$8,871).

In the event Lessee elects to extend the lease term pursuant to Section 7 hereof, then the Fixed Rent during the Extended Lease Term shall increase annually by one and one-half percent (1.5%).

Lessor and Lessee agree that the Rent and Additional Rent shall be earned by Lessor and expensed by Lessee and allocable to the year in which it is paid beginning at the Rent Commencement Date through the end of Lease Term. Rent and Additional Rent, if any, shall be due and payable in advance on or before the 1<sup>st</sup> day of each calendar month of the Agreement at the office of the Lessor located at 38025 Second St., Willoughby, OH 44094, or such other location designated by Lessor. Should Lessee's obligations to pay rent commence on a day other than the first day of a calendar month, the Lessee shall be liable for rent and all other charges due for said partial month on a per diem basis. Payment of any partial month's rent shall be due and payable on the first day of the following month, together with that month's payment due.

If Lessee shall fail to pay any installment of Fixed Rent, Additional Rent, reimbursement of NNN Operating Charges pursuant to Section 13 hereof or other charges after the same becomes due and payable, such unpaid amounts shall bear interest from the due date thereof to the date of payment at a rate which shall be the lesser of (i) twelve percent (12%) per annum, or (ii) the maximum rate permitted by law. In addition thereto, if Lessee shall fail to pay any installment of Fixed Rent, Additional Rent or other charges within five (5) business days after the date the same become due and payable, then Lessee shall also pay to Lessor a late payment service charge (herein referred to as "Late Charge") covering administrative and overhead expenses equal to the greater of (1) Fifty Dollars (\$50.00), or (2) Five Percent (5%) of each dollar so overdue. The provisions herein for the payment of interest or the Late Charge shall not be construed to represent interest income, but are intended to reimburse Lessor for its overhead and expense so incurred and shall not be construed to extend the date for payment of any sums required to be paid by Lessee hereunder or to relieve Lessee of its obligation to pay all such sums at the time or times herein stipulated. In the event Lessor is required to process a check from Lessee which has been returned by the bank due to any act or omission of Lessee, Lessor shall be entitled to immediate payment of a handling charge of \$50.00 in addition to any late payment charges and arrearages.

## **11. SECURITY DEPOSIT**

Upon signing of this Agreement, Lessee shall pay Lessor a security deposit (the "Security Deposit") in the amount of Twenty-Three Thousand Three Hundred Twenty-Nine Dollars (\$23,329), which shall be held by Lessor as security for Lessee's satisfactory performance of the terms, covenants and conditions of this Agreement, including the payment of Fixed Rent, Additional Rent and other charges, or for partial reimbursement of Lessor's costs upon termination of this Agreement pursuant to Sections 8 or 9 hereof. Lessor may use, apply or retain the whole or any part of the Security Deposit to the extent required for the payment of any Fixed Rent, Additional Rent or other charges or any sum as to which Lessee is in default or for any sum which Lessor may expend or may be required to expend by reason of Lessee's default in respect of any of the terms, covenants and conditions of this Agreement including any damages or deficiency in the re-letting or other reentry by Lessor. Lessee also agrees that there shall be deducted from any returnable portion of the aforesaid deposit reasonable attorney fees incurred by Lessor in the enforcement of any provision of this Agreement. Under no circumstances shall the Lessee be permitted to use the Security Deposit as a substitute for or in lieu of any rental payment due under this Agreement.

If Lessor uses, applies or retains the whole or any part of the Security Deposit, Lessee shall replenish the Security Deposit to its original sum as listed above within thirty (30) days after being notified by the Lessor of the amount due. Lessee shall be in default of this Agreement if the amount due is not paid within the required time period.

In the event that Lessee shall fully and faithfully comply with all the terms, covenants and conditions of this Agreement, any part of the Security Deposit not used or retained pursuant to this Agreement by Lessor shall be returned to Lessee after the Termination Date of the Agreement, or after the end of the Extended Lease Term, if applicable, and after delivery of exclusive possession of the Premises to Lessor. No interest shall be paid to Lessee on the Security Deposit.

## **12. PARCELS, BUILDINGS, LEASED PREMISES AND COMMON AREAS EXPENSES**

**Taxes.** Lessor shall be responsible for paying real estate taxes on the Parcels, Buildings and Leased Premises (unless tax exempt for municipal government offices). Lessee shall be responsible for all taxes related to its operations.

**Insurance.** During the term of this Agreement, Lessor shall keep in full force a policy or policies of casualty, liability and other insurance with such coverages, deductibles and other terms as Lessor may determine, covering the Parcels, Buildings and the Leased Premises.

Repairs & Maintenance. During the term of this Agreement, Lessor shall be responsible for the repairs and maintenance payable by Lessor pursuant to its obligations under Section 19 hereof for repairs, replacements and maintenance which are applicable to the Parcels, Buildings, Common Areas and the Leased Premises (the "Lessor R&M").

### **13. REIMBURSEMENT FOR OPERATING CHARGES**

This Agreement shall be a triple net lease ("NNN"). In addition to the Base Rent, Lessee shall pay to Lessor, in monthly installments, of (i) all costs incurred by Lessor in operating, maintaining, repairing, and replacing the Leased Premises and its pro-rata share of the Parcels, Buildings and Common Areas related to the Lessor R&M, except that Lessee shall not be responsible to reimburse Lessor for any Lessor R&M costs directly attributable to the leased premises' of other demised spaces within other portions of the Parcels or Buildings, but Lessee shall be responsible to reimburse Lessor for 100% of any Lessor R&M costs directly attributable to the Leased Premises. For example, any Lessor R&M for the elevator, stairwells or other interior spaces that serve solely for the future apartments and/or retail spaces shall not be an Operating Charge (hereinafter defined) to Lessee, but any Lessor R&M for the elevator, stairwells or interior spaces that serve the Leased Premises shall be charged 100% to Lessee as an Operating Charge to be reimbursed to Lessor; As another example, Lessor R&M related to roofs or facades of the Buildings shall be charged on a pro-rata basis; (ii) all real estate taxes and assessments, both general and special related to the Leased Premises and its pro-rata share of the Parcels, Buildings and Common Areas, and (iii) all costs incurred by Lessor in insuring the property related to the Leased Premises and its pro-rata share of the Parcels, Buildings and Common Areas (the above costs in (i), (ii) and (iii) collectively defined as the "Operating Charges"). Lessee shall pay its pro rata share of Operating Charges to Lessor in monthly installments, based upon Lessor's estimates, initially beginning on the Rent Commencement Date at \$1.50 per square foot of annual Operating Charges in the event of an approved property tax abatement of 100% for ten (10) years granted to the Lessor after the Rent Commencement Date. In the event of a property tax abatement granted to the Lessor over a ten (10) year period that is less than 100%, then the initial monthly installments for Operating Charges beginning on the Rent Commencement Date shall increase accordingly. Lessor will prepare a reconciliation of Operating Charges within 90 days after each calendar year end, whereby Lessee or Lessor, as the case may be, shall reimburse the other within thirty (30) days for under or overpaid Operating Charges for the previous year, and Lessor will adjust the next year's monthly Operating Charges to be paid by Lessee accordingly.

### **14. IMPROVEMENTS**

Lessor shall construct improvements with respect to the Leased Premises as set forth in Exhibit B attached hereto (the "Lessor Improvements"). Lessor shall provide Lessee with a one-year builders warranty from the date of completion of the Lessor Improvements.

During the Contingency Period, Lessor and Lessee shall work collectively with Lessor's architect, engineering and design team to design the real property improvements Lessee desires to be made to the Leased Premises (the "Lessee Improvements"). The Lessee Improvements shall be designed to the minimum specifications as set forth in Exhibit C attached hereto. Lessee Improvements may include, but are not limited to demolition, concrete & masonry, wall framing, doors and windows, electrical, plumbing, HVAC, mechanical building systems, drywall, millwork, flooring, painting, fixtures, exterior signage and the like. All aspects of the design of Lessee Improvements shall be subject to Lessor's budget and approval. Lessee will work with Lessor's architect to develop plans and specifications of the proposed Lessee Improvements (the "Plans"). Lessee shall be provided with two rounds of changes/revisions to the Plans at no expense to Lessee. Any additional revisions shall be billed to Lessee. The Plans must be approved by Lessor. Upon completion of the Plans to the satisfaction of all parties, which shall be prior to the expiration of the Contingency Period, the Plans will be signed by Lessee and Lessor and will govern the Lessee Improvements and build out of the Leased Premises. If a conflict arises between the minimum specifications as set forth in Exhibit C attached hereto and the Plans executed by Lessor and Lessee, the Plans will have priority and dictate what is to be provided and constructed. All additional items and costs in excess of or beyond the scope of the Plans, which may include any Initial Extras, as well as any additional architectural and/or interior design services and fees will be at the additional cost and responsibility of the Lessee (the "Additional Extras").

**Lessee Improvements shall not include the cost of any furniture, fixtures, signage, personal property, IT systems and/or infrastructure, telephone, internet, data, security and/or conduits, mounting boards, audio and visual equipment, or other related materials or labor or of any other costs or operating expenses of Lessee, all which shall be at the expense of Lessee, (collectively the "Lessee FF&E and IT").**

The Lessor Improvements and the Lessee Improvements shall collectively be referred to as the "Improvements". Lessor, or its affiliated entities, shall provide the construction services for the Improvements. For any additional proposed work by Lessee, including but not limited to the Lessee FF&E and IT, Lessor to provide prior written authorization to proceed before any work is commenced. In the event that Lessee elects to have Lessor undertake a specific scope of work beyond the scope of work identified in the executed Plans, then such work shall be considered Additional Extras and Lessee shall be responsible for all such additional costs, whereby Lessor and Lessee shall execute a change order to the executed Plans and Lessor shall have received receipt of funds from Lessee for the Additional Extras before any work is commenced.

**Lessee is aware and acknowledges that Lessor has received historic tax credits ("HTCs") and awards related to the Improvements to the Buildings and the Leased Premises and that such HTCs and awards contain strict federal National Park Service ("NPS") historic preservation guidelines to preserve such tax credits. Lessee shall (i) strictly adhere to the provisions contained within this Section 14 and elsewhere within this Agreement with regards to obtaining prior written approval from Lessor for any work, Lessee FF&E and IT, signage, improvements, alterations, remodeling, repairs and/or maintenance related to the Leased Premises to be performed by Lessee, and (ii) after such written approval has been obtained by Lessor, Lessee agrees to complete such work, Lessee FF&E and IT, signage, improvements, alterations, remodeling, repairs and/or maintenance in accordance with NPS historic preservation guidelines to not jeopardize Lessor's HTCs and awards.**

Upon completion of the Improvements, Lessor shall deliver the Leased Premises to Lessee for Lessee's occupancy, evidenced by a temporary Certificate of Occupancy for the Premises.

**15. RESERVED**

**16. SIGNS**

Lessee shall install at its sole cost and expense, a sign advertising Lessee's business in an area designated by Lessor for the placement of Lessee's signs. The size, number, design and location of all signs shall require Lessor's written approval prior to installation. Lessee shall also be responsible at its sole cost and expense to obtain any sign permits required by the City of Sandusky prior to installation, and after Lessor's written approval. Lessee shall maintain all signs in good condition and repair at all times. Upon vacating the Leased Premises, Lessee shall remove all signs and repair all damages caused by such installation and removal, except ordinary wear and tear. No signs shall be painted on the exterior of the Premises. The use of portable or freestanding signs is strictly prohibited without the prior written consent of Lessor.

**17. UTILITIES**

Commencing with the date of completion of Lessor Improvements, Lessee shall place in its name and shall directly pay all utilities relating to the Leased Premises, including but not limited to gas, electricity, water, sewer, telephone, internet, security, refuse, cable TV. Any utilities that must remain in the name of Lessor as required by the utility companies shall be paid by Lessor and reimbursed by Lessee to Lessor.

**18. REPAIRS BY LESSEE**

Lessee, as its sole responsibility and at its own expense, commencing with the Rent Commencement Date, will keep and maintain the interior of the Leased Premises in good condition (including regular cleaning) and repair all building systems such as plumbing and electrical; windows and doors (interior and exterior including frames and glass); heating, ventilation and air conditioning ("HVAC"); fire suppression systems (if any); elevators; hot water tanks; telephone and any intra-building telephone and network cabling installed exclusively to serve all or a portion of the Premises, whether or not fully contained within the Premises, including all distribution throughout the Premises from Lessee's telephone closet; and including all necessary painting and decorating, maintenance, repair and replacement of fixtures and equipment therein, including, but not limited to, fire extinguishers, interior wall, ceiling and floor surfaces and coverings.

Without limiting the provisions of the preceding paragraph, Lessee shall enter into a service contract with a reputable HVAC service company acceptable to Lessor as part of the Planned Preventative Maintenance Program: (1) filters cleaned or replaced when throw-away type are used; (2) belts checked (replace as necessary); (3) motors lubricated; (4) fan bearings lubricated; (5) electrical connections checked; (6) coils checked and cleaned when necessary (brush cleaning); (7) condensate drain lines cleaned; (8) operating pressure observed (summer); (9) refrigerant level checked (summer); (10) boiler combustion check and adjustment; (11) flame from burners observed; (12) electrical components examined for wear; (13) operating sequence checked; (14) thermostat checked; (15) hot and chilled water circulating pumps; (16) temperature control device adjustments. The HVAC system will be inspected and serviced at least two (2) times per year i.e. spring and fall seasons. The cost for the contract including all service calls, inspection and repairs, under the terms of the contract shall be the sole obligations of the Lessee. Copies of all service orders shall be delivered to the Lessor after completion of work.

Lessee shall enter into an annual service contract with a reputable elevator maintenance company acceptable to Lessor for the elevator servicing the Leased Premises. The elevator shall be inspected and serviced at least monthly. The cost for the contract including all service calls, inspection and repairs, under the terms of the contract shall be the sole obligation of the Lessee. Copies of all service orders must be delivered to the Lessor after completion of work. Lessee shall also comply with and obtain annual Certificate of Elevator operation from the State of Ohio.

If the Leased Premises is required by code ordinance to contain a fire suppression system then, without limiting the provisions contained elsewhere in this Agreement, Lessee shall enter into an annual sprinkler system service contract with a reputable sprinkler maintenance company acceptable to Lessor. The sprinkler system and all associated equipment, including monitoring, shall be inspected annually. The cost for the contract including all service calls, inspection and repairs, under the terms of the contract shall be the sole obligation of the Lessee. Copies of all service orders shall be delivered to the Lessor after completion of work.

**19. REPAIRS BY LESSOR**

Lessor shall keep the roof, structural portions, Common Areas (including plumbing, electrical & HVAC systems servicing the Common Areas), and exterior of the Buildings and Leased Premises in good and tenantable condition and repair during the term of the Agreement, and if necessary, Lessor shall be responsible for the replacement of building systems such as plumbing, windows and doors, HVAC and hot water tanks, provided, however that Lessor shall not be required to make repairs or replacements necessitated by reason of neglect, fault or default of Lessee or its agents, employees, contractors or customers; and provided further and notwithstanding anything in this Agreement to the contrary, Lessee, not Lessor, shall make all repairs, alterations and replacement to the Buildings and/or Leased Premises which Lessor is required to maintain which may be required as the result of repairs, alterations, other improvements or installations made by Lessee or any assignee, sub-lessee or concessionaire of Lessee or the agents of any of them. Lessor shall use good faith efforts when contracting such work to obtain reasonable value with regards to quality and cost of such work to be performed.

**20. ALTERATIONS AND REMODELING**

No remodeling of the interior, structural alterations to the Buildings or Leased Premises or changes in the HVAC systems, Buildings facades, signs, exterior walls or roofs (including any roof cut) shall be made without the Lessor's prior written consent. Lessee is prohibited from installing additional or different locks or gates or in any way altering locks installed on the doors or windows of the Leased Premises or the Buildings without the prior written consent of Lessor. If Lessor approves Lessee's request to install such locks, Lessee agrees to provide Lessor with a key for each lock. All keys must be returned to Lessor upon termination of the tenancy.

Lessee hereby agrees to make no additions, improvements or alterations, nor attach or affix any equipment or fixtures to the Buildings or Leased Premises without, in each instance, having obtained the prior written consent of Lessor to Lessee's plans and specifications. Lessee shall make said improvements or alterations in accordance with all applicable laws and building codes, as well as with all NPS historic preservation guidelines to preserve such tax credits, in a good and workmanlike manner and in quality equal to or better than the original construction of the Buildings and Leased Premises and shall comply with such requirements as Lessor considers reasonably necessary or desirable, including, without limitation, requirements as to the manner in which such work shall be done and the contractor or subcontractors to be selected to perform such work. No material modifications or additions to any previously approved plans and specifications shall be made without Lessor's prior written consent, which response shall not be unreasonably delayed or withheld.

## **21. RESERVED**

## **22. MECHANIC'S LIENS**

Lessee shall not cause or permit any mechanic's lien or any other lien to be filed against the Parcel, Buildings or Leased Premises as a result of acts or omissions of the Lessee or its agents and employees, and the Lessee shall within thirty (30) days of filing of any such lien remove, pay, bond or cancel said lien or secure the payment of any such lien or liens by bond or other acceptable security. In the event Lessee fails to remove, pay, bond or cancel said lien or secure the payment of any such lien or liens by bond or other acceptable security by the aforementioned time period, then Lessor shall have the sole right and at its sole discretion, to remove, pay, bond or cancel said lien or secure the payment of any such lien or liens by bond or other acceptable security, whereby Lessee shall reimburse Lessor for all costs for payment, bond, attorney's fees, damages, interest charges, other costs and/or loss within thirty (30) days of Lessor's invoice for reimbursement.

## **23. LESSEE AND LESSOR RESPONSIBILITY FOR DAMAGES**

Lessee shall assume full responsibility for any damage to Lessor's property or Lessee's fixtures and personal property thereon and shall assume full responsibility for all losses attributed to Lessee's use, occupancy or maintenance of the Parcels, Buildings or Leased Premises or Lessee's negligence in acts of commission or omissions of the Lessee in or about the Parcels, Buildings or Leased Premises, except for any acts, occasioned wholly or in part by any negligent act or omission of the Lessor its agents, contractors employees or persons claiming through them.

Lessor shall assume full responsibility for all losses arising directly or indirectly from Lessor's use or maintenance of the Parcels, Buildings or Leased Premises or Lessor's breach of or failure to perform any duty, covenant, responsibility or obligation of Lessor under this Agreement or from the activities of Lessor's employees, agents or invitees in on or about the Parcels, Buildings or Leased Premises.

## **24. QUIET ENJOYMENT**

During the Term of this Agreement, Lessee shall peaceably and quietly hold, occupy and enjoy the Leased Premises without let, hindrance or molestation by Lessor or any other person or persons lawfully claiming under Lessor.

Lessor reserves the right, at all reasonable times (upon reasonable notice or without notice in an emergency threatening life or property), by itself or its duly authorized agents, to go upon and inspect all or any part of the Premises and, at its option, to make repairs, alterations and additions to the Premises, and to show them to prospective purchasers, mortgagees, or appraisers of Lessor. In the event Lessee has not elected to extend the lease term pursuant to Section 7 hereof, then during the twelve (12) months prior to the expiration of the term of this Agreement, Lessor may exhibit the Premises to prospective tenants and place upon the Premises the usual notices "For Lease", which notices Lessee shall permit to remain thereon without molestation.

## **25. INSURANCE**

Lessee shall purchase, pay for and maintain public liability insurance upon the Leased Premises in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. Lessee shall also maintain an umbrella liability policy or excess liability policy in the amount of Two Million Dollars (\$2,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate which shall be as broad as the primary liability coverage and/or following form of same. Such policies shall show Lessor as an additional insured (with a company(ies) and face amounts satisfactory to Lessor) and insure against liability to third persons for personal injuries and property damage arising from injuries incurred or caused on the Parcels, Buildings or Leased Premises and arising from Lessee's agents', employees', invitees' and/or guests' acts or omissions occurring in or related to the Parcels, Buildings or Leased Premises; said policies shall specifically provide that Lessor must receive prior written notice from the insurance company(ies) at least thirty (30) days before said insurance is canceled, or materially altered, and Lessee shall deliver to Lessor Certificate(s) of Insurance evidencing compliance with this Section prior to occupancy of the Leased Premises, time being of the essence. Lessee shall maintain personal property and other customary tenant insurance on its business operations, in amounts and with deductibles acceptable to Lessor. Lessor shall be responsible for property insurance on the Buildings and Common Areas.

Lessor has the obligation to, at all times, keep the Buildings, the Premises and improvements on the property and Premises insured against loss or damage by fire (with extended coverage endorsement) in an amount equal to the full insurable value of such Buildings. A certified copy of said policy or a satisfactory Certificate of Insurance evidencing such insurance coverage with proof of payment of the premiums shall be provided to Lessee upon Lessee's request.

Lessee will not do or permit any act which might invalidate any insurance policy upon the Parcels, Buildings or Leased Premises or which will increase any such policy's premium.

## **26. GENERAL RULES AND REGULATIONS**

Lessee agrees that Lessor has the right at any time to impose reasonable Rules and Regulations governing the conduct desirable to produce the general welfare and safety of the person, property and business within the Buildings and Leased Premises. Lessee, as a covenant and condition of this Agreement, agrees to comply with and perform any and all such reasonable Rules and Regulations which may be amended or supplemented from time to time by Lessor, including but not limited to the following:

Lessee agrees:

- (a) To maintain, at its expense, the Premises, including any entranceways of the Premises, free and clear of all rubbish, garbage or trash. Lessee shall dispose of all said rubbish as quickly as possible, keeping same in rodent-proof containers within the interior of the Premises. Lessee may, after written notice of non-conformance, rectify the condition and charge Lessee.
- (b) Not to permit the Leased Premises to be used in any way which will be a nuisance, annoyance, do damage to or be offensive to the other lessees of the Buildings or Parcels.

## **27. ASSIGNMENT AND SUBLETTING**

No assignment of this Agreement, or subletting, or transfer of ownership of Lessee, or transfer of any controlling interest in Lessee is permitted without Lessee's prior written consent, which shall not be unreasonably withheld or delayed. Without limiting the previous sentence, Lessor may unreasonably withhold its consent in the case where Lessor reasonably believes that the proposed assignee, sub lessee, or new owner of Lessee or controlling interest in Lessee is of questionable business or moral character or reputation, purposes to (or will allow) a use of the Leased Premises which is inconsistent with or detrimental to Lessor's use, or the use of the neighboring properties, has been convicted of a felony, or has unacceptable credit history (including, but not limited to an Equifax, Experian or TransUnion credit score of less than 700). Prior to any request by Lessee, the Lessee shall by written notice offer the return of said Premises to the Lessor and the termination of this Agreement. The Lessor, within thirty (30) days of receipt of said written notice, shall have the option to a) reject said offer and/or b) accept said Premises and terminate this Agreement without further liability upon the Lessee as to the terms of this Agreement. No assignment or subletting or transfer of ownership of Lessee or transfer of any controlling interest in Lessee shall relieve the Lessee of the obligation of performing any of the terms, covenants and conditions of this Agreement.

## **28. DEFAULT BY LESSEE**

- (a) If, at any time:
  1. Lessee shall be in default in the payment of Fixed Rent, Additional Rent, reimbursement of NNN Operating Charges, or other charges, or in the performance of any of the covenants, terms, conditions, provisions, rules and regulations of this Agreement, and Lessee shall fail to remedy such default within thirty (30) days after receipt of written notice thereof (but Lessee shall not be deemed to be in default if Lessee commences to remedy said defaults other than related to payment of Rent or Additional Rent within said thirty (30) day period, and proceeds therewith with due diligence); or
  2. Lessee shall commit waste upon the Premises, which has not been cured within thirty (30) days of notice from Lessor; or
  3. Lessee fails to obtain Lessor's prior written approval before completing any work, Lessee FF&E and IT, signage, improvements, alterations, remodeling, repairs and/or maintenance; or
  4. After written approval has been obtained by Lessor for Lessee to complete any work, Lessee FF&E and IT, signage, improvements, repairs and/or maintenance, Lessee fails to complete such work, Lessee FF&E and IT, signage, improvements, repairs and/or maintenance in accordance with NPS historic preservation guidelines and jeopardizes Lessor's HTC's and awards; or
  5. Lessee causes or permits any mechanics liens or other liens to be filed against the Parcel, Buildings or Leased Premises as a result of acts or omissions of the Lessee or its agents and employees that have not been removed, paid, bonded or cancelled or secured the payment of any such lien or liens by bond or other acceptable security within thirty (30) days of filing of such lien; or
  6. Lessee shall no longer operate its business, vacate the Leased Premises or fail to continuously occupy and/or conduct Lessee's business in the Leased Premises; or
  7. Lessee shall have been given valid notice of uncured default two (2) or more times in any twelve (12) month period; or



8. Lessee assigns or sublets this Agreement without Lessor's prior written consent; or transfers ownership of Lessee, or transfers any controlling interest in Lessee without Lessor's prior written consent; or
9. Lessee shall become insolvent or make an assignment for the benefit of creditors, or if any guarantor of Lessee shall become insolvent or make an assignment for the benefit of creditors, or if a receiver or trustee of Lessee's property shall be appointed, or if proceedings under the Bankruptcy Code shall be instituted by or against Lessee or any guarantor of this Agreement and the same shall not be dismissed by the Court within ninety (90) days after being filed; or
10. Lessee shall at any time be in default in the performance or any of the covenants, terms, conditions, obligations or provisions of this Agreement and Lessee shall fail to remedy such default within thirty (30) days after receiving written notice of such default from Lessor; or
11. Any event shall happen which, aside from this provision, would cause any assignment or devolution of Lessee's interest or occupancy hereunder by operation of law;

then, Lessor, in addition to all other remedies given to Lessor in law or in equity, may, by written notice to Lessee, terminate this Agreement, or without terminating this Agreement re-enter the Premises by summary proceedings or otherwise, and, in any event, may dispossess the Lessee, it being the understanding and agreement of the parties that under no circumstances is this Agreement to be an asset for Lessee's creditors by operation of law or otherwise.

- (b) Should Lessor elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Agreement or it may, from time to time, without terminating this Agreement, make such alterations and repairs as may be necessary in order to relet the Premises, and relet the Premises, or any part thereof, for such term or terms (which may be for a term extending beyond the term of this Agreement) and at such rental or rentals and upon such other terms and conditions as Lessor, in its sole discretion, may deem advisable. Upon each such reletting, all rentals and other sums received by Lessor from such reletting shall be applied, first, to the payment of any indebtedness other than Rent or Additional Rent due hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such reletting, including reasonable brokerage fees and attorneys' fees and costs of such alterations and repairs; third, to the payment of reimbursement of NNN Operating Charges and/or other charges due and unpaid hereunder; fourth to the payment of Fixed Rent and/or Additional Rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future Rent, Additional Rent and other charges as the same may become due and payable hereunder. If such rentals and other sums received from such reletting during any month be less than that to be paid during that month by Lessee hereunder, Lessee shall pay such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said Premises by Lessor shall be construed as an election on its part to terminate this Agreement unless a written notice of such intention be given to Lessee, or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Lessor may, at any time hereafter, elect to terminate this Agreement for such previous breach. Should Lessor at any time terminate this Agreement for any breach, in addition to any other remedies it may have, it may recover from Lessee all damages it may incur by reason of such breach, including the cost of recovering the Premises, reasonable attorneys' fees, and including the worth at the time of such termination of the excess, if any, of the amount of Rent, Additional Rent and charges equivalent to Rent and/or Additional Rent reserved in this Agreement for the remainder of the stated term over the then reasonable rental value of the Premises for the remainder of the stated term (or, if less, the actual rental under any reletting), all of which amounts shall be immediately due and payable from Lessee to Lessor.
- (c) In the event of a default or threatened default by Lessee of any of the terms, provisions, covenants, conditions, rules and regulations of this Agreement, Lessor shall have the right to invoke any remedy permitted to Lessor in law or in equity. No termination of this Agreement, nor any taking or recovering of possession of the Premises, shall deprive Lessor of any of its remedies or actions against Lessee, and Lessee shall remain liable for all past or future Rent and Additional Rent payable by Lessee under this Agreement during the term hereof. In no event shall the bringing of any action for Rent and/or Additional Rent or other default be construed as a waiver of the right to obtain possession of the Premises.
- (d) Lessee shall forfeit immediately and forever all Purchase Option rights to the Leased Premises pursuant to Section 9 hereof;
- (e) If suit shall be brought for recovery of possession of the Premises, for the recovery of Rent and/or Additional Rent or because of the breach of any other covenant herein contained on the part of Lessee to be kept or performed, and a breach shall be established, Lessee shall pay to Lessor all expenses incurred therefor, including reasonable attorneys' fees and costs.
- (f) All rights and remedies provided herein or otherwise existing at law or in equity are cumulative, and the exercise of one or more rights or remedies by either party shall not preclude or waive its right to the exercise of any or all of the others.
- (g) Notwithstanding anything herein contained to the contrary, if Lessee shall be in default in the performance of any of the terms or provisions of this Agreement, and if Lessor shall give Lessee notice in writing of such default specifying the nature thereof, and if Lessee shall fail to cure such default within the time provided herein or immediately if such default requires emergency action, Lessor may, in addition to its other legal and equitable remedies, cure such default for the account of and at the cost and expense of Lessee, and the sums so expended by Lessor, including reasonable legal fees and costs, shall be deemed to be Additional Rent and shall be paid by Lessee on the day when Rent shall

next become due and payable. Any such amounts shall bear interest from the date so paid by Lessor at the rate of eighteen percent (18%) per annum or at the prime rate of interest then being charged by Key Bank, Cleveland, Ohio, whichever is higher, provided that in no event shall such rate to be charged Lessee exceed the rate otherwise permitted by law.

- (h) No waiver of any of the terms, covenants, provisions, conditions, rules and regulations imposed or required by this Agreement, and no waiver of any legal or equitable relief or remedy shall be implied by the failure to Lessor to assert any rights, declare any forfeiture, or for any other reason. No waiver of any of said terms, provisions, covenants, conditions, rules and regulations shall be valid unless it shall be in writing signed by Lessor. No waiver by Lessor or forgiveness of performance by Lessor in respect to one or more other tenants of the Buildings or Parcels shall constitute a waiver or forgiveness of performance in favor of Lessee herein, or any other tenant. No waiver of any pledge of this Agreement or the forgiveness of performance of any one or more of the terms, provisions, covenants, conditions, rules and regulations of this Agreement shall be claimed or pleaded by Lessee to excuse a subsequent pledge or failure of performance of any of the terms, provisions, conditions, covenants, rules and regulations of this Agreement.

### **29. DEFAULT BY LESSOR**

If Lessor shall fail to observe or perform any of the covenants, agreements, or conditions of this Agreement and said failure shall continue for a period of thirty (30) days after written notice of such default, (provided such default can be cured within thirty (30) days and if not, then within a reasonable time, provided Lessor commences such remedy within the thirty (30) days and pursues such remedy with due diligence), except that in the event of an emergency situation (which shall be defined herein as a situation which materially effects the Lessee's ability to use the Premises) Lessor shall fail to commence the remedy of such emergency situation within forty eight (48) hours and pursue such remedy with due diligence, then Lessee may, but shall not be obligated to, (i) cure such default at its expense and collect from Lessor the reasonable costs incurred in curing such default or (ii) pursue any and all remedies available to it under law or in equity.

### **30. VACATION OF PREMISES**

Lessee shall deliver up and surrender to Lessor possession of the Leased Premises (including all Lessee's permanent work upon and to the Premises, all replacements thereof, and all fixtures permanently attached to the Premises during the term hereof, except such fixtures as Lessor shall direct Lessee to remove) upon the expiration of this Agreement, or its termination in any way, or upon Lessee's vacation of the Premises, in as good condition and repair as the same shall be at the commencement of said term except ordinary wear and tear and loss by fire or other casualty beyond Lessee's control covered by the standard insurance policy. Upon said surrender of possession, the Lessee shall deliver the keys at the office of Lessor or Lessor's agent.

### **31. HOLDOVER**

If Lessee shall default in surrendering the Premises upon the expiration or earlier termination of the term of this Agreement the following shall occur:

If Lessee shall hold over after the initial term hereof, Lessee shall pay one and a half (1½) times the highest monthly amount payable under Section 10 hereof. During any other period in which Lessee holds over Lessee shall pay, one and a half (1½) times the monthly amount payable during the last year of the term or any extension thereof.

No renewal shall have been deemed to have occurred by Lessee's holdover.

To the extent allowed by Law, the Lessee shall be liable to Lessor for all reasonable costs, losses, claims or liabilities (including attorney's fees) which Lessor may incur as a result of Lessee's failure to surrender possession of the Premises to Lessor.

### **32. NOTICES**

Any notice or consent required to be given by or on behalf of either party upon the other shall be in writing and shall be personally delivered or sent by Certified Mail, Return Receipt Requested, or sent by overnight courier service, addressed to the Lessor at **38025 Second St., Suite 102, Willoughby, OH 44094, Attn: Chief Financial Officer** and to the Lessee:

- (a) Prior to the Rent Commencement Date at:

222 Meigs Street  
Sandusky, Ohio 44870  
Attn: Law Director

- (b) After the Rent Commencement Date at:

240 Columbus Avenue  
Sandusky, Ohio 44870  
Attn: Law Director.

### **33. DAMAGE TO THE LEASED PREMISES.**

If the Premises shall be destroyed or so injured by any cause covered by insurance policies maintained by Lessor as to be unfit, in whole or in part, for occupancy, and such destruction or injury could reasonably be repaired within nine (9) months

from receipt of insurance proceeds covering such destruction or injury, then Lessee shall not be entitled to surrender possession of the Premises, and a just and proportionate part of the Rent, Additional Rent, and reimbursement of NNN Operating Charges shall be abated until the Leased Premises have been put in complete repair. In case of any such destruction or injury, Lessor shall repair the same with all reasonable speed and shall complete such repairs within nine (9) months from receipt of such insurance proceeds; provided, however, that in no event shall Lessor be required to repair or replace Lessee's merchandise, trade fixtures, furniture, furnishings, leasehold improvements, equipment, Lessee FF&E and IT, or personal property, all of which shall be replaced by Lessee at its expense. If during such period Lessee shall be deprived of the use of all or any portion of the Premises, a proportionate adjustment in the Fixed Rent, Additional Rent, reimbursement of NNN Operating Charges, and other charges shall be made corresponding to the time during which and the portion of the Premises of which Lessee shall be so deprived.

If such destruction or injury to the Premises is not fully covered by insurance or cannot reasonably be repaired within nine (9) months from receipt of insurance proceeds covering such destruction or injury, Lessor shall notify Lessee within ninety (90) days after the happening of such destruction or injury whether or not Lessor will repair or rebuild. If Lessor elects not to repair or rebuild, this Agreement shall be terminated. If Lessor shall elect to repair or rebuild, Lessor shall notify Lessee of the time within which such repairs or reconstruction will be completed, and Lessee shall have the option, within thirty (30) days after the receipt of such notice, to elect either to terminate this Agreement and any further liability hereunder, or to extend the time of the Agreement by a period of time equivalent to the time from the happening of such destruction or injury until the Premises are restored to their former condition. In the event Lessee elects to extend the term of this Agreement, Lessor shall restore the Premises to their former condition within the time specified in said notice, and Lessee shall not be liable to pay rent for the period from the time of such destruction or injury until the Premises are so restored to their former condition.

In addition to all rights to cancel or terminate this Agreement given to the parties in the two (2) preceding paragraphs, if the Premises are destroyed or damaged during the last two (2) years of the term hereof to the extent of fifty percent (50%) or more of the then value of the Premises, then Lessor or Lessee shall have the right to cancel and terminate this Agreement as of the date of such damage or destruction by giving notice thereof within thirty (30) days after the date of said damage or destruction. However, if Lessee shall, within thirty (30) days following receipt of Lessor's notice of cancellation, give Lessor notice of its intention to extend the lease for any additional option periods then available to it under the terms of this Agreement, then the notice of Lessor to terminate the Agreement pursuant to this paragraph shall be of no force and effect and the provisions contained in the two (2) preceding paragraphs shall apply. If no additional option periods are then available to Lessee, this Agreement shall terminate on the date recited in such notice from Lessor.

#### **34. SUBORDINATION OF LESSEE**

This Agreement and Lessee's rights hereunder will remain subject and subordinate to any mortgage or mortgages, or tax credit investor encumbrances that may now or hereafter encumber the Parcels, Buildings and/or Premises. Lessee shall execute, within ten (10) days after Lessor's request for the same, any and all documents required by Lessor to evidence the subordination of this Agreement as provided above and Lessee's waiver of priority with respect to any mortgages or other tax credit investors encumbering the Leased Premises. Such documents shall be industry standard. Lessee hereby grants to Lessor Lessee's irrevocable power of attorney, which shall be deemed to be coupled with an interest, to execute on behalf of Lessee any of the documents described herein in the event Lessee fails or refuses to sign them. Lessor shall obtain for Lessee a non-disturbance letter from Lessor's lender and/or tax credit investors and any successors thereto.

#### **35. AUTHORIZATION TO SIGN**

Lessee represents and warrants that it is duly formed and in good standing and has full municipal, corporate or partnership power and authority, as the case may be to enter into this Agreement and has taken all corporate or partnership action as the case may be, necessary to carry out the transaction contemplated herein, so that when executed, this Agreement constitutes a valid and binding obligation enforceable in accordance with its terms. Lessee shall provide Lessor with corporate resolutions or other proof in a form acceptable to Lessor, authorizing the execution of the Agreement at the time of such execution.

#### **36. BROKER**

Neither Lessor nor Lessee have dealt with any real estate broker in connection with this transaction and each party shall assume responsibility to extinguish any claim resulting from their having dealt with any broker in connection with this transaction.

#### **37. ESTOPPEL CERTIFICATE**

Lessee shall furnish Lessor, upon request and at any time and from time to time after execution of this Agreement by Lessor and Lessee, a letter addressed to Lessor, Lessor's mortgagee, tax credit investor and/or other financial institution giving the following information or so much of the following information as is true on the date of such letter:

- (a) That the Premises have been satisfactorily completed as of the date of such letter, and that Lessee has accepted possession thereof subject to the terms of this Agreement;
- (b) The Effective Date, Rent Commencement Date and Termination Date of this Agreement, including extension periods, if any;
- (c) The monthly amount of Fixed Rent and Additional Rent due hereunder;

- (d) The date through which any advance rentals have been paid;
- (e) That this Agreement is in full force and effect and that no default in the terms and provisions hereof exists; if in fact no such default exists;
- (f) That this Agreement is unmodified, unamended and unaltered, except by amendments specifically recited in such letter;
- (g) That Lessee has opened for business within the Premises, if in fact Lessee has so opened; and
- (h) Any other matter reasonably requested by such mortgagee or other financial institution.

**38. OTHER**

- (a) This Agreement constitutes the only agreement and understanding of the Parties with regard to the Leased Premises and supersedes all prior agreements, promises, representations and understandings related to the subject matter hereof. Lessor and Lessee may amend this Agreement at any time or from time to time upon mutual, written agreement. Lessor and Lessee each acknowledge that other agreements between each other remain in full force and effect unrelated the Agreement, primarily pertaining to tax abatements and additional funding sources from Lessee to Lessor pertaining to the Parcels, Buildings and Leased Premises and to Lessor's adjacent property.
- (b) Lessor is not, in any way or for any purpose, a partner of, joint venturer with, or member of a joint enterprise with Lessee in the conduct of Lessee's business or otherwise.
- (c) The laws of the state of Ohio shall govern the validity, performance, interpretation and enforcement of this Agreement. The invalidity or unenforceability of any provision of this Agreement shall not affect or impair any other provision. The submission of this document for examination does not constitute an offer to lease or a reservation of or operation for the Premises and becomes effective only upon execution and delivery thereof by Lessor and Lessee. All negotiations, consideration, representations and understandings between the parties are incorporated herein. Lessee shall have no right to quit the Premises or cancel or rescind this Agreement, except as expressly granted herein. This Agreement has been negotiated by Lessor and Lessee, and the Agreement, together with all of the terms and provisions hereof, shall not be deemed to have been prepared by either Lessor or Lessee, but by both equally.
- (d) In the event that either party hereto shall be delayed, hindered in, or prevented from performing any act required hereunder by reason of strikes, lock outs, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or any other reason of a like nature not the fault of the party delayed in performing such act shall be excused for the period of the delay and the period allowed for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding anything contained herein to the contrary, Lessee shall not be excused from the payment of Rent or any other monetary obligation hereunder when due under the terms of this Agreement.
- (e) Any paragraph titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the context of this Agreement. All the terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any paragraph or clause herein may require, the same as if such terms and words had been fully and properly written in the appropriate number and gender.
- (f) Upon Lessor's written request, Lessee shall promptly furnish Lessor, from time to time, financial statements reflecting Lessee's and any guarantor's current financial condition.
- (g) No payment by Lessee or receipt by Lessor of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Lessor shall accept such check or payment without prejudice to Lessor's right to recover the balance of such Rent or pursue any other remedy in this Agreement provided.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK. THE FOLLOWING PAGE CONTAINS SIGNATURES]

IN WITNESS WHEREOF, the Parties have set their hands as of the day and year first above written.

**“Lessor”**: SandCity LLC, an Ohio limited liability company

\_\_\_\_\_  
By: John E. Spear  
Its: Authorized Agent

STATE OF OHIO }  
                          } SS  
COUNTY OF LAKE }

LESSOR ACKNOWLEDGEMENT

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named SandCity LLC by John E. Spear, its Authorized Agent, who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Willoughby, Ohio, this \_\_\_\_ day of \_\_\_\_\_, 2017.

(SEAL)

\_\_\_\_\_  
Notary Public

**“Lessee”**: City of Sandusky, Ohio, an Ohio municipal corporation

\_\_\_\_\_  
By: Eric Wobser  
Its: City Manager

STATE OF OHIO }  
                          } SS  
COUNTY OF ERIE }

LESSEE’S ACKNOWLEDGEMENT

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above- named City of Sandusky, Ohio by Eric Wobser, its City Manager, who acknowledged that he did sign the foregoing instrument and that the same is his/her free act and deed.

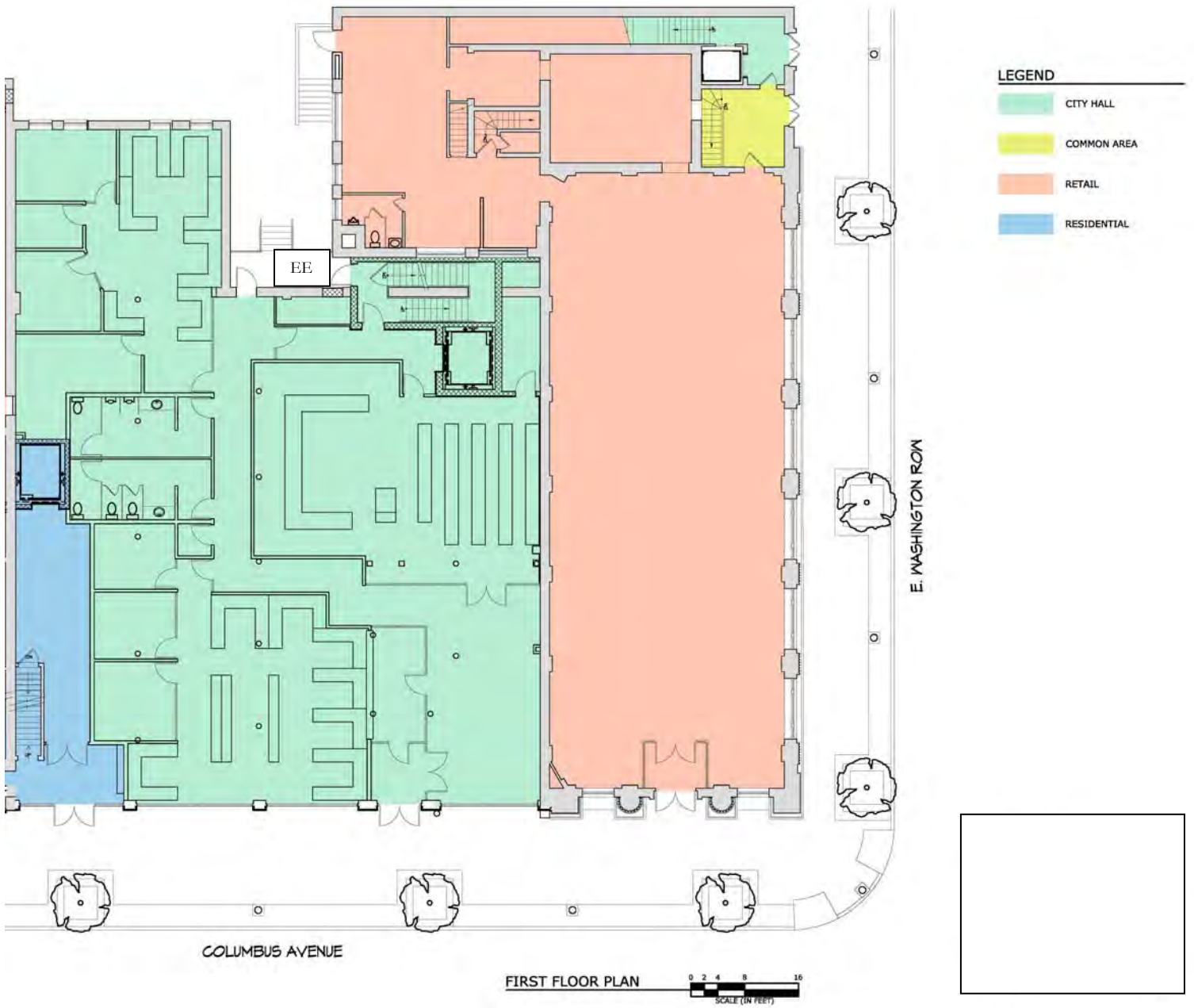
IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Sandusky, Ohio, this \_\_ day of \_\_\_\_\_, 2017.

(SEAL)

\_\_\_\_\_  
Notary Public

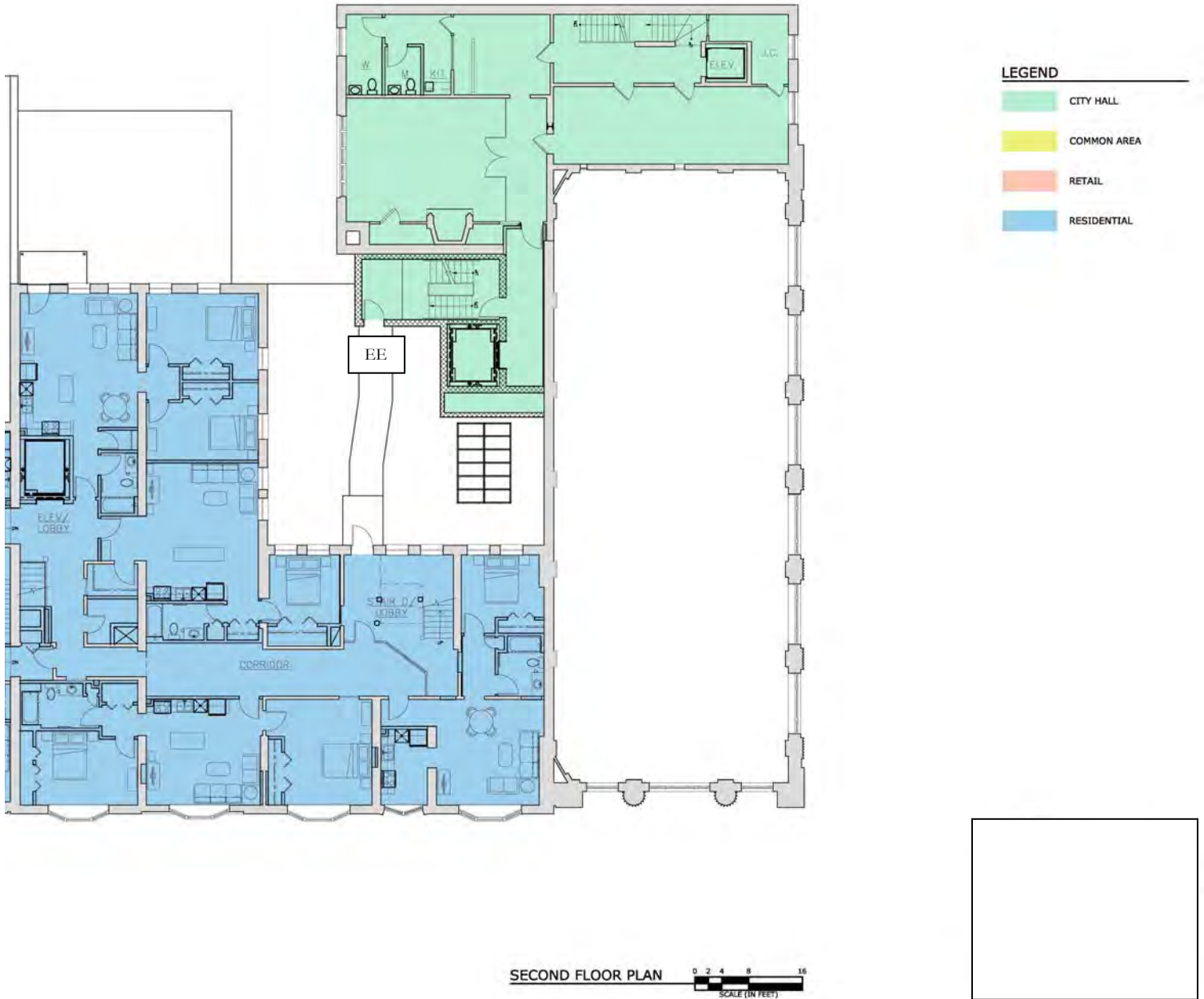
**EXHIBIT "A"**

**FIRST FLOOR PLAN OF THE LEASED PREMISES**



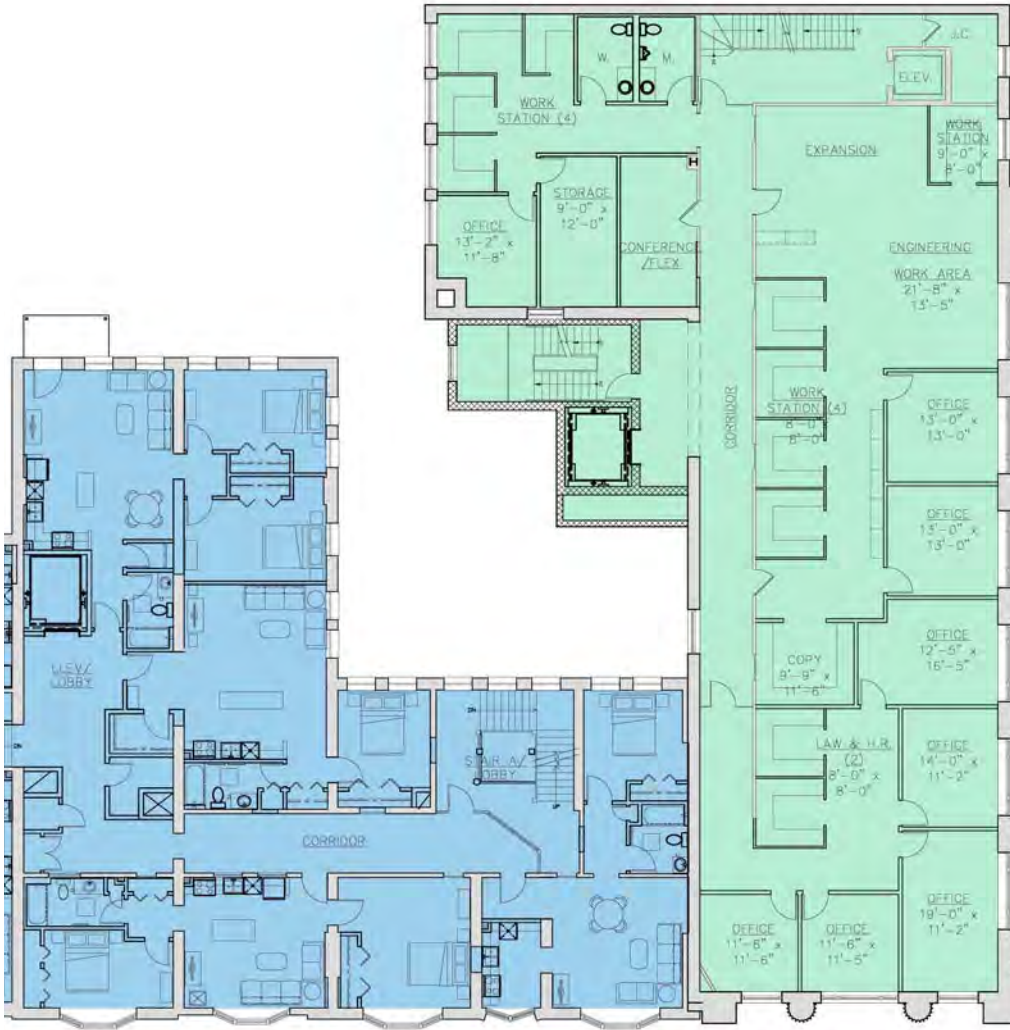
**EXHIBIT "A"**

**SECOND FLOOR PLAN OF THE LEASED PREMISES**



**EXHIBIT "A"**

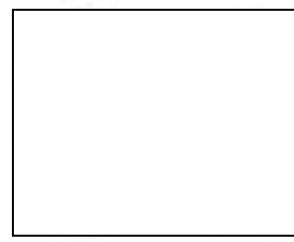
**THIRD FLOOR PLAN OF THE LEASED PREMISES**



**LEGEND**

	CITY HALL
	COMMON AREA
	RETAIL
	RESIDENTIAL

THIRD FLOOR PLAN SCALE (IN FEET)





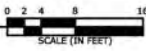
**EXHIBIT "A"**

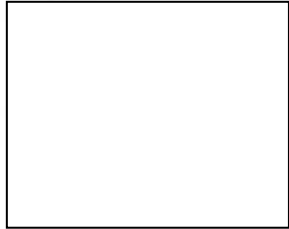
**FOURTH FLOOR PLAN OF THE LEASED PREMISES**



**LEGEND**

	CITY HALL
	COMMON AREA
	RETAIL
	RESIDENTIAL

**FOURTH FLOOR PLAN**  SCALE (IN FEET)



## EXHIBIT "B"

### LESSOR IMPROVEMENTS

Lessor will provide the following ("Lessor Improvements"). Lessor Improvements shall be completed in accordance with all applicable governing codes, in a good and workmanlike manner utilizing quality, new materials, or refinishing existing materials to maintain the historic integrity as required by National Park Service (NPS) standards.

1. Lessor will construct all exterior improvements, other than signage, as indicated on the base building plans.
2. Restore existing metal sash windows and ornamental metal spandrel panels on primary elevations. Replace existing single pane glazing with insulated glazing within the same frame depth. Replace existing steel sash windows with insulated aluminum windows on non-primary elevations. Provide new, code compliant aluminum storefront entrance doors and internal vestibule in the banking hall.
3. Install code required egress stair and handicapped accessible elevator on the non-primary, rear elevation of the building.
4. Tuckpoint the existing exterior masonry per NPS standards.
5. Retain the existing clay tile mansard roof. Inspect and repair as necessary.
6. Inspect, repair and/or replace as required the existing perimeter box gutter system.
7. Inspect, repair and/or replace the existing membrane roof as required.
8. Install discreet exterior lighting to enhance the exterior architectural detail.
9. Complete structural system; Lessor's registered engineer or architect shall certify that the Leased Premises are structurally sound and suitable for the intended use and all structural systems are fireproofed as required by the building code and the Lessor's plans and specifications.
10. A smooth and level concrete floor slab ready for Lessee's floor coverings. The concrete slab will be placed to industry standards with a moisture content that is considered acceptable for most common floor coverings.
11. Domestic water (cold only) and sanitary (waste and vent) will be roughed in to the location shown on the Lessor's base building plans. Water and sewer will be sized to service the number of fixtures required by code but at a minimum, a 1" water and 6" sewer connection will be provided.
12. A separate 2" diameter gas supply line will be provided and stubbed into the Leased Premises and capped. In addition to extending this gas line to the desired location in the Leased Premises, it will be the Lessee's responsibility to apply for gas service with the local utility which is a prerequisite for the installation of the permanent gas meter.
13. A central HVAC system will be provided by the Lessor based upon tonnage per sq. ft. and cfm per square foot as designed by the mechanical engineer (see base building plans-Lessor will furnish and install roof-top units and risers). One supply air duct and one return air duct sized to accommodate the referenced air flow will provide conditioned air to the space. Lessee will be responsible for distribution of the ductwork within the space, VAV boxes and any necessary environmental controls and/or energy management controls desired by Lessee. Any supplemental and/or special exhaust or HVAC system beyond what is shown on the base building plans will be the Lessee's responsibility (e.g. additional kitchenette, toilet exhaust, etc.).
14. An automatic fire suppression system will be provided as a part of the Lessor Improvements as follows: a sprinkler main with upright heads installed at a spacing defined by the building code will be provided within the Leased Premises. The Lessee will be responsible for any adjustments to the distribution grid necessitated by the wall and ceiling layout within the Leased Premises. The overall fire suppression system is the Lessor's responsibility and obligation to all

of the buildings occupants and as such, any work required on the sprinkler system must be done by the Lessor's sprinkler contractor.

15. Overall building power supply will be evaluated by the electrical engineer based on the base building plans, space planning and the intended use of the Leased Premises. Separately metered electric service will be provided for the Leased Premises within the building electrical closet. A conduit will be provided by the Lessor from the building electric closet to the Leased Premises. The Lessee will be responsible for the installation of the wire from their meter to the panel in their space. The Lessee will also be responsible for the installation of their power and lighting panels servicing the Leased Premises along with all distribution related to the power and lighting needs of the space.
16. A conduit with a pull string will also be provided from the building's telephone entry point into the Leased Premises. Wiring and in-suite distribution along with connection to a provider for telephone, internet, data and security is the Lessee's responsibility.
17. The Lessor will deliver the Leased Premises to the Lessee in a 'broom clean' condition.
18. Lessor will construct the Common Areas as shown on the base building plans. The Lessor will be responsible for the furnish and installation of wall, floor, ceiling finishes and fixtures within the Common Areas. Any damage to these finishes, or any other building system, attributable to the activity of the Lessee's contractors, if any, will be charged to the Lessee.

## EXHIBIT "C"

### LESSEE IMPROVEMENTS

Lessee shall fund to the Lessor the Improvements Funding Amount, which shall be used by the Lessor to cover a portion of the Lessor Improvements and all or a portion of the cost of the Lessee Improvements to the Leased Premises. Although not intended to be an all-inclusive listing, the items shown below provide an outline of the Lessee Improvements items that will be required to complete the design and construction of the Leased Premises.

#### **115 E. Washington Row (Calvary Temple) Building –**

Secondary Entrance, Stair, and Elevator:

1. Elevator shaft to remain and reused for new elevator cab, doors, and equipment to meet code for automated operation.
2. Door to be relocated on first floor and basement to eliminate perpendicular door cab configuration. Existing elevator door surround on first floor to remain with shaftwall installed for fire safety.
3. New elevator equipment room to be located in the basement.
4. Retain the finishes, patch repair and paint.
5. Retain concrete stair, handrail and guardrail in current configuration. Treads and risers will be painted or covered with a rubber stair tread. Highly visible nosing marking will be installed at the winders for safety. Existing steel guardrail/handrail balustrade and metal stringer will be painted. Wood handrail will be stripped and clear coated.
6. Existing terrazzo floor will be cleaned and sealed and repaired / patched as needed.
7. Dropped ceilings will be removed and the existing plaster ceilings will be patched, repaired and painted. New pendent light fixtures will be installed at their historic locations. Supplementary lighting that is required by code will be provided via wall sconces.
8. Fire protection will be provided with wall mounted heads where possible. Soffit installation may be required to conceal ductwork, wiring, and piping. Soffit installation will be minimized to the extent possible.
9. A glass smoke barrier will be installed to isolate the egress stair from the adjacent corridors.
10. New heating and air-conditioning will be installed. Ductwork will be limited to secondary spaces off of the existing stair.

Mezzanine:

1. Restore the board room, including the ornamental woodwork, wood floor, plaster ceiling and gothic windows. New corridor will be installed at the south end of the Board Room to allow access to the new stair and elevator core. A glass wall will separate the corridor and Board Room. New lighting, mechanical, fire protection and electrical will be installed. New historically sympathetic lighting will be installed at the existing linear fixture mounting locations between the wood beams. The existing monumental fireplace will be restored, and remain inactive.
2. Fire protection will be provided with wall mounted heads where possible. Soffit installation may be required to conceal ductwork, wiring, and piping. Soffit installation will be minimized to the extent possible and will not be installed in the Board Room.
3. Retain the finishes, patch repair and paint.
4. Dropped ceilings will be removed and the existing plaster ceilings will be patched, repaired and painted.

5. A new exterior opening will be created to allow access to the new stair and elevator.
6. New bathrooms and kitchenette will be installed to service the Board Room. New, appropriate, flooring will be installed in these areas.

#### Second and Third Floor Offices:

1. Historic circulation pattern will be retained along the north wall. Existing doors and transoms will be retained, although may be fixed-in place due to office configurations. Although doors may be inactive, transoms will remain active to allow light into the corridor. The existing finishes will be restored and any mechanical, electrical, plumbing and fire protection will be located on the office side of the corridor. Lighting will be provided by pendants and/or wall sconces.
2. New exterior wall opening for the stair and elevator core will occur at the existing fire escape door and adjacent window. Opening will be treated effectively with exposed brick and steel lintel so that it does not appear to be original to the building.
3. New code compliant, handicapped accessible toilet rooms will be installed off of the existing corridor.
4. The exterior wall, window trim, etc. will remain. Patching and repair will be provided as necessary.
5. Office area finishes will include carpet flooring, new gypsum board partitions (existing plaster partitions will be retained where possible), suspended acoustical ceilings, recessed troffer style lighting, fire protection and HVAC ductwork. Suspended ceilings will be installed as high as possible and stop several feet inboard of the exterior walls so that the exterior wall can extend to the original ceiling plane. Hall corridors will be finished with vinyl plank flooring.
6. New solid core doors and hardware will be installed. The doors will be flush which will differentiate them from the original doors to remain. Additionally, there will be no transoms installed over the new doors.
7. The new office walls will be a painted gypsum wallboard finish with carpet base. Existing walls will be repaired plaster with either original painted wood base or new painted wood base to match.

#### **240 Columbus (Kingsbury) Building –**

1. The buildout of the 240 Columbus Building will generally consist of new construction buildout, as may be limited by NPS standards to restore existing materials.
2. Office and public space area finishes will include carpet and vinyl plank flooring, respectively, new painted gypsum wallboard with carpet and/or vinyl base, suspended acoustical ceilings and lighting, fire protection and HVAC ductwork.
3. New solid core flush doors and hardware will be installed.
4. New code compliant, handicapped accessible restrooms will be installed off of the entrance lobby.

#### **Other General Specifications for Both Buildings -**

1. Although the lighting layout is yet to be designed, it must comply with code requirements with respect to lighting levels in office areas.
2. Restrooms will be sufficient to comply with code requirements with regard to number of occupants per fixture.
3. An automatic fire suppression system and accompanying fire alarm system conforming to NFPA 13 and local requirements must be installed with heads turned down and installed in the ceiling system with proper trim rings where ceilings do occur; the sprinkler head locations must be coordinated with lighting and diffuser layout for the Leased Premises.

### **Other Items Specifically Excluded from Lessee Improvements -**

Other items that will be required to complete the design, construction and tenancy of the Leased Premises, but which are specifically excluded from the Lessee Improvements and the Improvements Funding Amount are as follows:

1. Install new blade sign on corner of Columbus Ave and E. Washington Row and new signage on secondary entrance canopy off of E. Washington Row.
2. Any and all interior signage.
3. All furniture, fixtures and other personal property.
4. All IT systems and/or infrastructure, telephone, internet, data, security and/or conduits, mounting boards, audio and visual equipment, or other related materials or labor.

All costs related to the above items shall at the sole additional expense of the Lessee. For any additional proposed work by Lessee, including but not limited to the items above, Lessor to provide prior written authorization to proceed before any work is commenced.



## Department of Community Development

Maria Muratori  
mmuratori@ci.sandusky.oh.us

222 Meigs St.  
Sandusky, OH 44870  
Phone: 419.627.5891  
www.ci.sandusky.oh.us

**To:** Eric L. Wobser, City Manager  
**From:** Matt Lasko, Chief Development Officer  
**Date:** March 16, 2017  
**Subject:** Commission Agenda Item – Loan Agreement between City of Sandusky and SandCity, LLC

**Items for Consideration:** Legislation approving a Loan Agreement to be entered into between the City of Sandusky and SandCity, LLC (and/or its affiliated assigns, collectively the “Company”), an Ohio limited liability company, for the purposes of furthering economic development efforts in the City.

**Background Information:** In the Spring of 2016, City Commission undertook the task of planning for and analyzing the long-term and necessary capital needs of the City Hall facility. The City Manager and staff were directed to undertake a thorough needs analysis of the existing facility, but to also explore options for moving administrative and justice center operations into either newly built facilities or undertaking renovations to existing facilities elsewhere in the City. The City subsequently contracted with DS Architecture out of Kent, Ohio who was tasked with completing a needs assessment of the current City Hall facility. Additionally, DS Architecture completed a space needs analysis and a series of cost estimates covering multiple scenarios for administrative and justice center facility locations.

Only July 11, 2016 – DS Architecture presented the results of their findings to the City Commission and community. After much research and analysis, the firm recommended the following as it relates to the City’s administrative facility:

- (1) Undertake a complete renovation of the Kingsbury Building and Calvary Temple (at the intersection of Columbus Avenue and E. Washington Row) that would house only administrative functions.

In September of 2016, the City entered into a Letter of Intent (LOI) with Vintage Development Group (an affiliated entity of the Company) expressing the City’s intent to occupy approximately 21,500 square feet within the Calvary Temple and the Kingsbury Building – as tenants of a larger \$11.4+ million mixed-use project. There were several contingencies listed within the LOI related to financing that needed to be secured prior to entering into a formal lease agreement – two (2) of which were financing commitments

needing to be provided by the City to the project: (1) grant proceeds to assist the approximate \$5.0 million apartment and retail portion of the project and (2) grant/loan proceeds to offset a portion of the construction expenses related to the build-out of the City administrative offices.

The proposed \$1.425 million loan commitment, referenced in the preceding paragraph, will be provided to the Company in the form of a loan. The 31-year loan will bear interest at a rate of 3%. Interest will accrue, with no payments of principal or interest due from the Company to the City for eight (8) years from the effective date of the Loan Agreement – which is anticipated to cover a one-year construction period and the first seven (7) years of operations of the Project. The loan will become fully amortizing for the final twenty-three (23) years of the loan with monthly principal and interest (including accrued interest) payments due to the City from the Company monthly.

The loan will be secured via a promissory note provided by the Company to the City.

**Budgetary Information:** The City will be responsible for providing \$1,425,000 in loan proceeds, the majority coming from recycled Urban Development Action Grant funds and the balance from Chesapeake TIF and capital funds, at the closing of financing and tax credit equity.

**Action Requested:** It is requested that the proper legislation be prepared to allow the City to enter into a Loan Agreement with SandCity, LLC. It is further requested that this legislation be passed in accordance with Section 14 of the City Charter in order to preserve the historical character and history of downtown, immediately stabilize and rehabilitate a documented blighted area, and to take advantage of the State Historic Tax Credits and New Market Tax Credits to reduce the overall Lease costs.

I concur with this recommendation:

  
\_\_\_\_\_  
Eric L. Wobser  
City Manager

  
\_\_\_\_\_  
Matthew D. Lasko  
Chief Development Officer

cc: Kelly Kresser, Clerk of the City Commission  
Justin Harris, Law Director  
Hank Solowiej, Finance Director



**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING AND APPROVING A LOAN AGREEMENT IN THE AMOUNT OF \$1,425,000.00 TO SANDCITY, LLC, IN RELATION TO THE PROPERTY LOCATED AT 234-256 COLUMBUS AVENUE AND 115 E. WASHINGTON ROW; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, SANDCITY, LLC currently owns three (3) properties located at 234-256 Columbus Avenue and 115 E. Washington Row and is planning to undertake an \$11.4+ million restoration to the properties that will completely renovate, restore and tenant approximately 51,000 square feet of currently vacant space; and

**WHEREAS**, upon completion of the restoration project, the properties will be comprised of eighteen (18) residential apartments, three (3) retail storefronts, and relocated City administrative offices, and to aid in the redevelopment of the Columbus Avenue Project, the Company has applied for Substantial Redevelopment assistance through the City; and

**WHEREAS**, this City Commission approved a Letter of Intent (LOI) with Vintage Development Group, LLC, related to the redevelopment of property by Ordinance No. 16-146, passed on September 12, 2016, to express the City's intent to occupy approximately 21,500 square feet within the property for the City's administrative offices, and included in the Letter of Intent were several contingencies related to financing that needed to be secured prior to entering into a formal lease agreement; and

**WHEREAS**, it is recommended to provide a 30-year loan in the amount of \$1,425,000.00 to SANDCITY, LLC, at a rate of 3% interest which will accrue, with no payments of principal or interest due from SANDCITY, LLC, for eight (8) years from the effective date of the Loan Agreement, which is anticipated to cover a one-year construction period and the first seven (7) years of operations of the Project and the loan will be collateralized via a mortgage placed by the City against the Kingsbury Building (Permanent Parcel Number 56-01068.000) and Calvary Temple (Permanent Parcel Number 56-68023.000), as contained in the terms of the Promissory Note and Security Agreement, a copy of which is attached to this Ordinance and marked Exhibit "A" and specifically incorporated herein; and

**WHEREAS**, the City has determined that the development of the Property within 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; and

**WHEREAS**, requests relating to this property are being made in companion legislation to approve a grant to SANDCITY, LLC, in the amount \$450,000 and to approve of a Lease Agreement with SANDCITY, LLC; 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 preserve the historical character and history of downtown, immediately stabilize and rehabilitate a documented blighted area, to take advantage of the State Historic Tax Credits and New Market Tax Credits to reduce the overall Lease costs, and to allow construction of the project to commence in accordance with the terms of the Letter of Intent, entered into by the City on September 15, 2016; 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 Loan Agreement with SANDCITY, LLC, for the purposes of furthering economic development within the City, substantially in the same form as Exhibit "1", 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 being consistent with the objectives and requirements of this Ordinance and with carrying out the City's public purposes.

Section 2. The Finance Director is authorized and directed to deliver to SANDCITY, LLC, a draft in the sum of One Million Four Hundred Twenty Five Thousand and 00/100 Dollars (\$1,425,000.00) from recycled Urban Development Action Grant (UDAG) funds pursuant to and in accordance with the terms of the Loan 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017

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**LOAN AGREEMENT**

between

**CITY OF SANDUSKY, OHIO**

and

**SANDCITY LLC**

Dated

as of

\_\_\_\_\_, 2017

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## LOAN AGREEMENT

THIS LOAN AGREEMENT made and entered into as of \_\_\_\_\_, 2017, between the CITY OF SANDUSKY, OHIO, a municipal corporation duly organized and validly existing under the Constitution and laws of the State and a duly adopted Charter (the "City" or the "Lender"), and SANDCITY LLC, an Ohio limited liability company duly organized and validly existing under the laws of the State, or its assignee under Section 8.4 hereof (the "Borrower"), under the circumstances summarized in the following recitals:

A. In furtherance of the City's public purpose of developing sites in support of historic building preservation and rehabilitation and providing commerce and creating and preserving jobs and enhancing employment opportunities, the City has determined to loan the Borrower \$1,425,000.00 (the "Loan") to provide additional financial assistance to enable the Borrower to renovate portions of the properties located in Sandusky, Ohio 44870 at 115 East Washington Row (PPN: 56-68023.00) and 240 Columbus Avenue (PPN: 56-01068.000), which will consist of City Hall administrative offices (both portions of the properties for the City Hall administrative offices collectively known as the "Project Site").

B. The Borrower and the Lender each has full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on its respective part to be performed and observed.

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the Lender and the Borrower agree as follows:

(Balance of page intentionally left blank)

## ARTICLE I

### DEFINITIONS

Section 1.1. Use of Defined Terms. In addition to the words and terms defined elsewhere in this Agreement or by reference to another document, the words and terms set forth in Section 1.2 hereof shall have the meanings set forth therein unless the context or use clearly indicates another meaning or intent. Such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms defined therein.

Section 1.2. Definitions. As used herein:

“Additional Payments” means the amounts required to be paid by the Borrower pursuant to the provisions of Section 4.2 hereof.

“Agreement” means this Loan Agreement as amended or supplemented from time to time as provided herein.

“Authorized Borrower Representative” means Adelbert P. Marous, Jr., Manager

“Default Interest Rate” means the rate of twelve percent (12.0%) per year.

“Eligible Costs” means the costs of the Project specified in Section 3.3 hereof.

“Event of Default” means any of the events described as an Event of Default in Section 7.1 hereof.

“Lease Agreement” means that certain lease agreement executed by and between Lender and Borrower, or its assigns, dated \_\_\_\_\_, 2017.

“Legislative Authority” means the City Commission of the Lender.

“Loan” means the loan by the Lender to the Borrower to be disbursed as provided in Section 3.3.

“Loan Payment Date” means on the 15<sup>th</sup> day of each month commencing eighty-five (85) months after the Rent Commencement Date set forth in the Lease Agreement or any other date on which the principal of or interest on the Loan shall be due and payable, whether at maturity, upon acceleration or otherwise.

“Loan Payments” means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to Section 4.1 hereof in the amounts as provided herein and set forth in the Amortization Schedule hereto.

“Maturity Date” means the date that is three hundred sixty (360) months after the Rent Commencement Date set forth in the Lease Agreement.

“Maximum Loan Amount” means One Million Four Hundred Twenty-Five Thousand Dollars (\$1,425,000).

“Note” means the promissory note of the Borrower, substantially in the form attached as Exhibit A hereto.

“Notice Address” means:

(a) As to the Lender: City Manager  
City of Sandusky, Ohio  
City Building  
222 Meigs Street  
Sandusky, OH 44870

with a copy to the Law Director at the same address

(b) As to the Borrower: SandCity LLC  
38025 Second Street, Suite 102  
Willoughby, Ohio 4094  
Attention: Chief Financial Officer

or such additional or different address, notice of which is given under Section 8.2 hereof.

“Person” or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), societies, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“Project” or “The Project” means renovations, which may include demolition and or construction on 115 East Washington Row (PPN: 56-68023.00) and 240 Columbus Avenue (PPN: 56-01068.000), Sandusky, Ohio 44870 related to the City Hall administrative offices.

“Project Site” means portions of the properties located at 115 East Washington Row (PPN: 56-68023.00) and 240 Columbus Avenue (PPN: 56-01068.000), Sandusky, Ohio 44870 related to the City Hall administrative offices.

“State” means the State of Ohio.

Section 1.3. Interpretation. Any reference herein to the Lender, to the Legislative Authority or to any member or officer of either includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

Any reference to a section or provision of the Constitution of the State, or to a section, provision or chapter of the Ohio Revised Code or any other legislation or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this provision, if it constitutes in any way an impairment of the rights or obligations of the Lender or the Borrower under this Agreement.

Unless the context indicates otherwise, words importing the singular number include the plural number and vice versa; the terms “hereof”, “hereby”, “herein”, “hereto”, “hereunder” and similar terms refer to this Agreement; and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.4. Captions and Headings. The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

(End of Article I)



## ARTICLE II

### REPRESENTATIONS

Section 2.1. Representations of the Lender. The Lender represents that: (a) it is duly organized and validly existing under the Constitution and laws of the State; (b) it has duly accomplished all conditions necessary to be accomplished by it prior to and for the execution and delivery of this Agreement; (c) it is not in violation of or in conflict with any provisions of the laws of the State or the United States of America applicable to the Lender which would impair its ability to carry out its obligations contained in this Agreement; (d) it is empowered to enter into the transactions contemplated by this Agreement; (e) it has duly authorized the execution, delivery and performance of this Agreement; and (f) it will do all things in its power in order to maintain its existence or assure the assumption of its obligations under this Agreement by any successor public body.

Section 2.2. Representations and Covenants of the Borrower. The Borrower represents and covenants that:

(a) It is a limited liability company duly organized and validly existing under the laws of the State.

(b) It has full power and authority to execute, deliver and perform this Agreement and to enter into and carry out the transactions contemplated by this Agreement.

(c) Execution, delivery and performance of this Agreement by the Borrower do not, and will not, violate any provision of law applicable to the Borrower and do not, and will not, conflict with or result in any material default by the Borrower under any material agreement or instrument to which the Borrower is a party or by which it is bound.

(d) This Agreement has, by proper action, been duly authorized, executed and delivered by the Borrower and all steps necessary have been taken to constitute this Agreement as a valid and binding obligation of the Borrower.

(e) The offer and the provision of financial assistance to be made available to it under this Agreement and the commitments therefor made by the Lender have induced the Borrower to undertake the Project as contemplated by this Agreement, and to thereby provide for the development of sites and facilities in support of industry and commerce and creating and preserving jobs and enhancing employment within the corporate boundaries of the Lender.

(f) The Project will be constructed, operated and maintained in such manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other applicable governmental regulations.

(End of Article II)

## ARTICLE III

### COMPLETION OF THE PROJECT

Section 3.1. Construction of the Project. The Borrower will renovate the Project Site and the buildings thereon for City Hall administrative offices for the City of Sandusky on the Project Site, estimated to be complete within twelve months after closing of Borrower's financing and commencement of construction. The Borrower will pay when due all fees, costs and expenses incurred in connection with that construction. It is understood that the Project is that of the Borrower and any contracts made by the Borrower with respect thereto, or any work to be done by the Borrower on the Project, were and are made or done by the Borrower in its own behalf and not as agent or contractor for the Lender.

The Borrower agrees that to the extent within the reasonable control of the Borrower, the Project will be operated in conformance with all applicable federal and state laws and regulations.

Section 3.2. The Loan. For purposes of assisting the Borrower in paying costs of renovating the Project Site and to induce the Project, the Lender will make the Loan to the Borrower. The Lender shall have no obligation to make loans in any amount in excess of the \$1,425,000.00 to be loaned by this Agreement.

Section 3.3. Disbursement of Loan. Subject to satisfying the conditions specified in Section 3.4 hereof, disbursement of the Loan shall be made in one disbursement totaling \$1,425,000.00. Proceeds of the Loan shall be used to pay costs of renovating the Project Site (the "Eligible Costs"). Said disbursement shall be made on the date of closing of Borrower's other financing for the Project.

Section 3.4. Conditions to Disbursement. The obligation of the Lender to make a disbursement pursuant to this Agreement is subject to the conditions precedent that: (i) the Lender has received satisfactory evidence that the Borrower has obtained the necessary commitments to finance the acquisition of the Project Site and the construction of the Project and; (ii) no event of default exists under this Agreement.

(End of Article III)

## ARTICLE IV

### LOAN BY LENDER; REPAYMENT OF THE LOAN; LOAN PAYMENTS AND ADDITIONAL PAYMENTS

Section 4.1. Loan Repayment; Delivery of Note. Upon the terms and conditions of this Agreement, the Lender will make the Loan to the Borrower at an interest rate of three percent (3.0%) per year, final payment due on the three hundred sixtieth (360<sup>th</sup>) month after the Rent Commencement Date set forth in the Lease Agreement calculated on a 360/360-day basis year consisting of twelve 30-day months per year with interest being due and accruing each month, but no payments are due until the 85<sup>th</sup> month after the Rent Commencement Date set forth in the Lease Agreement. To evidence the obligations of the Borrower to make the Loan Payments and repay the Loan, the Borrower shall, concurrently with the delivery of this Agreement, execute and deliver the Note, in substantially the form of Exhibit A hereto. In consideration of and in repayment of the Loan, the Borrower shall make on or before each Loan Payment Date a Loan Payment in the amount reflected on the Amortization Schedule attached to the Note as Exhibit A.

The Loan Payment required to be made by this Agreement next following a failure of the Borrower to pay in full one or more of its Loan Payments, shall be increased in an amount equal to the amount not paid in full plus interest as provided in Section 4.2 of this Agreement.

The Borrower acknowledges that the Borrower has no interest in the Loan Payments made to the Lender.

Section 4.2. Additional Payments. The Borrower shall pay to the Lender, as Additional Payments hereunder, any and all reasonable costs and expenses incurred or to be paid by the Lender in connection with actions taken by the Lender to enforce this Agreement pursuant to Section 7.4.

Section 4.3. Place of Payments. The Borrower shall make all Loan Payments directly to the Lender at the office of its Director of Finance, City Building, 222 Meigs Street, Sandusky, OH 44870, or other such address as may be provided by the Lender at a later date, or by electronic transfer to an account of the Lender identified to Borrower. Additional Payments shall be made directly to the person or entity specified by Lender. The Lender reserves the right from time to time to direct that Loan Payments be made to another address designated in a notice to the Borrower and from time to time to revoke or amend that direction.

Section 4.4. Obligations Unconditional; Exception. The obligations of the Borrower to make Loan Payments and Additional Payments shall be absolute and unconditional, and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Lender or any other Person. Notwithstanding the foregoing, Borrower shall have no obligation to continue making payments due under this Loan Agreement and the Note if the Lender defaults in its obligations to pay Lessor under the Lease Agreement any Rent, Additional Rent and/or other charges.

(End of Article IV)

## ARTICLE V

### ADDITIONAL AGREEMENTS AND COVENANTS

Section 5.1. Prohibition Against Transfer of Agreement or Interest. The Borrower agrees that this Agreement is not transferable or assignable without the express, written approval of the City, except that the Borrower may assign this Agreement without any further written approval of the Lender to an affiliated entity of the Borrower in conjunction with its financing and tax credit structuring related to the Project. The Borrower agrees that any unauthorized assignment or transfer of its interest in this Agreement will trigger mandatory prepayment of the Loan in accordance with Section 6.2 herein.

Section 5.2. Intentionally deleted.

Section 5.3. Subordination. Lender acknowledges that this Agreement and the Note shall at all times be subordinate to any third-party debt and/or tax credit financing or refinancing related to the Project and Lender agrees to enter into an inter-creditor agreement with all other lenders satisfactory in form and substance to such other lenders.

Section 5.4 Account Records. The Borrower shall maintain adequate books and records in accordance with generally accepted accounting principles consistently applied, and permit any representative of Lender, at any reasonable time, and upon reasonable notice, to inspect, audit, and examine such books and furnish Lender upon Lender's request all information regarding the Borrower's business and its finances at any reasonable time and upon reasonable notice.

Section 5.5 Proceeds. Borrower will use the proceeds of the Loan only for the purpose described in Section 3.3 and will furnish Lender such evidence as Lender may reasonably require with respect to such use.

Section 5.6 Filing. Borrower shall from time to time record, register, and file all such notices, statements, and other such documents and take such other steps, as may be necessary or advisable to render fully valid and enforceable under all applicable laws the rights of Lender under this Agreement or intended to be so furnished, in each case in such and at such times as shall be satisfactory to Lender.

(End of Article V)

## ARTICLE VI

### PREPAYMENT OF LOAN PAYMENTS

Section 6.1. Optional Prepayment. The Borrower may prepay all of the principal amount of the Loan at any time without penalty. Such prepayments shall be accompanied by the payment of accrued interest, if any, on the Loan to the date thereof.

Section 6.2. Mandatory Prepayment. The Borrower shall prepay the Loan in full on the date the Borrower makes any total sale, sublease, assignment, or otherwise transfers its interest in this Agreement (other than as permitted herein) or upon the sale of all of the Project Site. Notwithstanding the foregoing, no mandatory prepayment shall be due in connection with any tax credit lease, sublease or similar assignment or transfer.

Section 6.3. Loan Payment Abatement. If at any time all of the portions of the Loan Payments set forth in the Amortization Schedule shall have been paid or prepaid in accordance with Section 6.1 and provision satisfactory to the Lender shall have been made for paying all Additional Payments due hereunder, if any, and if the Borrower shall have fully and timely performed all other obligations of the Borrower under this Agreement and no default shall exist under this Agreement, the Borrower shall be entitled to terminate this Agreement, whereby Lender shall provide Borrower with the Note marked as cancelled. Except as specifically provided in this Agreement to the contrary, no other action pursuant to any provision of this Agreement shall abate in any way payment of Loan Payments.

(End of Article VI)

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default. Each of the following shall be an Event of Default:

(a) The Borrower shall fail to pay in full any Loan Payment on or prior to the date on which that Loan Payment is due and payable and such Loan Payment remains unpaid for five (5) Business Days after receipt by Borrower of notice of such overdue payment;

(b) The Borrower shall materially fail to observe and perform any other agreement, term or condition contained in this Agreement and the continuation of such failure for a period of thirty (30) days after notice thereof shall have been received by the Borrower from the Lender, or for such longer period as the Lender may agree to in writing; provided, that if such failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion;

(c) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety (90) days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property;

(d) Any representation or warranty made by the Borrower herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement shall at any time prove to have been false or misleading in any material respect when made or given and Borrower shall fail to take corrective actions reasonably satisfactory to Lender within thirty (30) days after notice thereof to Borrower from Lender.

The declaration of an Event of Default and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 7.2. Remedies on Default. Whenever an Event of Default shall have happened and be subsisting, any one or more of the following remedial steps may be taken:

(a) The Lender, in the case of an Event of Default described in Section 7.1(c) hereof, shall and, in the case of an Event of Default under any other paragraph of Section 7.1 hereof may, declare the outstanding principal amount of the Loan and all accrued and unpaid interest to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) The Lender may refuse to honor requests and orders from the Borrower for the disbursement of funds pursuant to Section 3.3 hereof;

(c) The Lender shall have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Borrower pertaining to the Project; or

(d) The Lender may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Agreement, or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments.

Section 7.3. No Remedy Exclusive. No remedy conferred upon or reserved to the Lender by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made herein.

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses. If an Event of Default should occur and the Lender should incur expenses, including attorneys' fees, in connection with the enforcement of this Agreement or the collection of sums due hereunder, the Borrower shall reimburse the Lender for the reasonable expenses so incurred upon demand. If any such expenses are not so reimbursed, the amount thereof, together with interest thereon from the date of demand for payment at the Default Interest Rate, to the extent permitted by law, shall constitute indebtedness and in any action brought to collect that indebtedness, the Lender shall be entitled to seek the recovery of those expenses in such action except as limited by law or by judicial order or decision entered in such proceedings.

Section 7.5. No Waiver. No failure by the Lender to insist upon the strict performance by the Borrower of any provision hereof shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the Borrower to observe or comply with any provision hereof.

(End of Article VII)

## ARTICLE VIII

### MISCELLANEOUS

Section 8.1. Term of Agreement. This Agreement shall be and remain in full force and effect from the date of its delivery until such time as all sums payable by the Borrower under this Agreement shall have been paid, except for obligations of the Borrower under Sections 5.2 and 7.4 hereof which shall survive any termination of this Agreement. This Agreement shall terminate as provided in Section 4.1 hereof.

Section 8.2. Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, or forwarded by courier service, delivery fees prepaid, and addressed to the appropriate Notice Address. The Borrower and the Lender, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent or to which Loan Payments shall be made. If, because of the suspension of delivery of certified or registered mail or courier services, or for any other reason, notice, certificates or requests or other communications are unable to be given as herein required, any notice required by the provisions of this Agreement shall be given in such manner as in the reasonable judgment of the party giving the notice shall most effectively approximate the methods herein provided for the giving of notice thereof, and the giving of that notice in that manner for all purposes of this Agreement shall be deemed to be in compliance with the requirement hereof. Except as otherwise provided herein, the giving of any notice hereunder shall be deemed complete upon deposit of that notice in the mail or the delivery of the notice to a courier service and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the addressee.

Section 8.3. Extent of Covenants; No Personal Liability of Lender. All covenants, obligations and agreements of the Lender contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the Lender or the Legislative Authority in other than his official capacity, and neither the members of the Legislative Authority shall be subject to any personal liability or accountability by reason of the covenants, obligations or agreements of the Lender contained in this Agreement.

Section 8.4. Binding Effect and Assignment. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Lender, the Borrower and their respective permitted successors and assigns. This Agreement may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 8.5. Amendments and Supplements. Except as otherwise expressly provided in this Agreement, this Agreement may not be effectively amended, changed, modified, altered or terminated except by mutual agreement of the parties hereto.

Section 8.6. Execution In Counterparts. This Agreement may be executed in counterpart and in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 8.7. Severability. If any provision of this Agreement, or any covenant, obligation or agreement contained herein is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application



thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 8.8. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State of Ohio and for all purposes shall be governed by and construed in accordance with the laws of the State of Ohio.

(End of Article VIII)

IN WITNESS WHEREOF, the Lender and the Borrower have caused this Agreement to be duly executed in their respective names, all as of the date first hereinbefore written.

**CITY OF SANDUSKY, OHIO**

The legal form of the within instrument is hereby approved.

By: \_\_\_\_\_  
Eric Wobser, City Manager

\_\_\_\_\_  
Justin Harris, Director of Law

**SANDCITY LLC**  
an Ohio limited liability company

By: \_\_\_\_\_  
Adelbert P. Marous, Jr.  
Its: Manager

**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 during the year 2017 under the foregoing Agreement has been lawfully appropriated by the 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.

Dated: \_\_\_\_\_, 2017

\_\_\_\_\_  
Hank Solowiej, Director of Finance  
City of Sandusky, Ohio

**EXHIBIT A**

**PROMISSORY NOTE**

**CITY OF SANDUSKY, OHIO**

**\$1,425,000.00**

\_\_\_\_\_, 2017

**FOR VALUE RECEIVED**, SANDCITY LLC, an Ohio limited liability company, or its assigns, whose mailing address is 38025 Second Street, Suite 102, Willoughby, Ohio 44094 (hereinafter called "Borrower") promises to pay to the order of the City of Sandusky, Ohio, a Commission-Manager form of government with its main offices at 222 Meigs Street, Sandusky, Ohio 44870 (hereinafter called "Lender"), the principal sum of One Million Four Hundred and Twenty-Five Thousand Dollars (\$1,425,000.00) or such sum as may be owed to Lender pursuant to the terms of a certain Loan Agreement dated \_\_\_\_\_, 2017 between Borrowers and Lender, to which reference is made for additional terms of the loan evidenced by this Promissory Note, together with interest as hereinafter provided.

**SECTION I – DISBURSEMENT**

This Promissory Note does not of itself constitute a commitment by the Lender to make any disbursement of the Loan (as defined in the Loan Agreement) to the Borrowers. The conditions for making such a disbursement are set forth in the Loan Agreement. The disbursements made by the Lender to the Borrowers shall not exceed the face amount of this Note and the total amount of such disbursement is limited by and subject to the conditions for making disbursement of the Loan as set forth in the Loan Agreement.

**SECTION II – INTEREST**

**Interest Rate:** Interest shall accrue on the unpaid principal balance at the rate of three percent (3.0%) per annum calculated on a 360/360 day basis from the initial disbursement date through and including the 84<sup>th</sup> month after the Rent Commencement Date set forth in the Lease Agreement. Thereafter, interest and principal shall be paid in accordance with the Amortization Schedule set forth in Exhibit "A" attached hereto.

**Default Rate:** If the Borrower is declared in default as defined below, interest shall accrue at the rate of twelve (12%) per annum calculated on the unpaid principal balance on a 360/360 day basis until, at the sole discretion of Lender, Borrower is declared in compliance with the terms and conditions of the terms of this Note.

**SECTION III – REPAYMENT**

**Repayment.** No payments of principal or interest are required until the 85<sup>th</sup> month after the Rent Commencement Date set forth in the Lease Agreement.

**Repayment. Amortization:** Commencing on the 15<sup>th</sup> day of the month of the 85<sup>th</sup> month after the Rent Commencement Date set forth in the Lease Agreement and continuing on the 15<sup>th</sup> day of each month thereafter through the three hundred sixtieth (360<sup>th</sup>) month after the Rent Commencement Date set forth in the Lease Agreement, Borrower shall pay Lender an estimated amount of Eight Thousand Eight Hundred Seventy-One Dollars (\$8,871) in principal and interest per month, in accordance with the Amortization Schedule set forth in Exhibit "A" attached hereto, which Amortization Schedule is an estimate based on a twelve month construction schedule. The parties shall prepare a revised Amortization Schedule to reflect

the actual construction schedule upon completion of the Project. All payments shall be made to the City of Sandusky, Ohio.

#### **SECTION IV - LATE PAYMENT FEE**

A late payment fee of twenty-five dollars (\$25.00) shall be due and payable for each and every installment of interest or principal and interest when such installments remain unpaid for a period of ten (10) days after any such installment may have become due and payable.

#### **SECTION V – PREPAYMENT**

Prepayment of any principal sum of this loan may occur in whole, or in part, at any time, or times, without penalty. All such prepayments shall be applied to the payment of principal installments due hereon in the inverse order of their maturity.

#### **SECTION VI - DEFAULT/REMEDIES**

The Borrower shall be in default as described in Section 7.1 of the Loan Agreement. The Borrower waives presentment, protest and demand, notice of protest, notice of demand and dishonor and nonpayment of this Note, and expressly agrees that this Note or any payment thereunder may be extended from time to time without in any way affecting the liability of the Borrower.

The rights and remedies of the Lender, as provided herein, shall be cumulative and concurrent and may be pursued singly, successively or together at the sole discretion of the Lender and may be exercised as often as the occasion shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

Any notice may be delivered personally or sent Certified Mail to Borrowers at the following address: 38025 Second Street, Suite 102, Willoughby, Ohio 44094.

#### **SECTION VII – MISCELLANEOUS**

(a) **Severability** - If any provision of this Promissory Note or the application of any provision to any party or circumstance shall, to any extent, be adjudged invalid or unenforceable, the application of such provision to other parties or circumstances and the application of the remainder of this Agreement shall not be affected thereby. Each provision in this Agreement shall be valid and enforceable to the fullest extent of the law.

(b) **Headings** - The headings contained in this Promissory Note have been inserted for convenience and reference only and are not to be used for interpretive purposes.

(c) **Governing Law**-The parties agree that this Promissory Note shall be governed by and interpreted in accordance with the laws of the state of Ohio, and the parties submit to its jurisdiction for such purposes.

(d) **Non-Waiver**-The failure of either party to insist or enforce in any instance strict performance of any of the terms of this Promissory Note or to exercise any rights hereunder conferred, shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

(e) **Amendments**-This Promissory Note shall be amended only in a writing duly executed by the properly authorized representatives of both parties.

(f) **Assignment**-Neither party may assign this Promissory Note or any part hereof without prior written consent of the other party hereto, except that the Borrower may assign this Agreement without any further written approval of the Lender to an affiliated entity of the Borrower in conjunction with its financing and tax credit structuring related to the Project.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first above written.

WITNESS OR ATTEST: **SANDCITY LLC**

\_\_\_\_\_ By: \_\_\_\_\_  
Adelbert P. Marous, Jr., Manager

WITNESS OR ATTEST: **The City of Sandusky, Ohio**

\_\_\_\_\_ By: \_\_\_\_\_  
Eric Wobser, City Manager

Approved as to form and correctness:

\_\_\_\_\_  
Justin Harris, Law Director

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name by its duly authorized officers all as of the date first above written.

**SANDCITY LLC,**  
an Ohio limited liability company

By: \_\_\_\_\_  
Adelbert P. Marous, Jr.  
Its: Manager

Exhibit "A"

Amortization Schedule (see separate document)





## Department of Community Development

Maria Muratori  
mmuratori@ci.sandusky.oh.us

222 Meigs St.  
Sandusky, OH 44870  
Phone: 419.627.5891  
www.ci.sandusky.oh.us

**To:** Eric L. Wobser, City Manager  
**From:** Matt Lasko, Chief Development Officer  
**Date:** March 16, 2017  
**Subject:** Commission Agenda Item – Grant Agreement between City of Sandusky and SandCity, LLC

**Items for Consideration:** Legislation approving a Grant Agreement to be entered into between the City of Sandusky and SandCity, LLC (“SandCity”), an Ohio Limited Liability Company, for the purposes of furthering economic development efforts in the City.

**Background Information:** In the Spring of 2016, City Commission undertook the task of planning for and analyzing the long-term and necessary capital needs of the City Hall facility. The City Manager and staff were directed to undertake a thorough needs analysis of the existing facility, but to also explore options for moving administrative and justice center operations into either newly built facilities or undertaking renovations to existing facilities elsewhere in the City. The City subsequently contracted with DS Architecture out of Kent, Ohio who was tasked with completing a needs assessment of the current City Hall facility. Additionally, DS Architecture completed a space needs analysis and a series of cost estimates covering multiple scenarios for administrative and justice center facility locations.

Only July 11, 2016 – DS Architecture presented the results of their findings to the City Commission and community. After much research and analysis, the firm recommended the following as it relates to the City’s administrative facility:

- (1) Undertake a complete renovation of the Kingsbury Building and Calvary Temple (at the intersection of Columbus Avenue and E. Washington Row) that would house only administrative functions.

In September of 2016, the City entered into a Letter of Intent (LOI) with Vintage Development Group expressing the City’s intent to occupy approximately 21,500 square feet within the Calvary Temple and the Kingsbury Building – as tenants of a larger \$11.4+ million mixed-use project. There were several contingencies listed within the LOI related to financing that needed to be secured prior to entering into a formal lease agreement – two (2) of which were financing commitments needing to be provided by the


City to the project: (1) grant proceeds to assist the approximate \$5.0 million apartment and retail portion of the project and (2) grant/loan proceeds to offset a portion of the construction expenses related to the build-out of the City administrative offices.

The Economic Development Review Committee (EDRC) met on March 14, 2017, to consider a \$450,000 grant request from SandCity for the project. The EDRC unanimously approved the grant request as submitted.

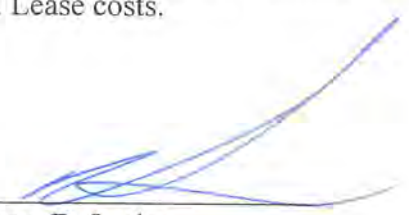
**Budgetary Information:** The City will be responsible for providing \$450,000 in grant proceeds from the Economic Development Capital Projects Fund. \$325,000 will be disbursed at the closing of financing in 2017 with the remaining \$125,000 to be disbursed on or before January 19, 2018.

**Action Requested:** It is requested that the proper legislation be prepared to allow the City to enter into a Grant Agreement with SandCity, LLC. It is further requested that this legislation be passed in accordance with Section 14 of the City Charter in order to preserve the historical character and history of downtown, immediately stabilize and rehabilitate a documented blighted area, and to take advantage of the State Historic Tax Credits and New Market Tax Credits to reduce the overall Lease costs.

I concur with this recommendation:



Eric L. Wobser  
City Manager



Matthew D. Lasko  
Chief Development Officer

cc: Kelly Kresser, Clerk of the City Commission  
Justin Harris, Law Director  
Hank Solowiej, Finance Director

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING AND APPROVING A GRANT IN THE AMOUNT OF \$450,000.00 TO SANDCITY, LLC, IN RELATION TO THE PROPERTY LOCATED AT 234-256 COLUMBUS AVENUE AND 115 E. WASHINGTON ROW; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, SANDCITY, LLC currently owns three (3) properties located at 234-256 Columbus Avenue and 115 E. Washington Row and is planning to undertake an \$11.4+ million restoration to the properties that will completely renovate, restore and tenant approximately 51,000 square feet of currently vacant space; and

**WHEREAS**, upon completion of the restoration project, the properties will be comprised of eighteen (18) residential apartments, three (3) retail storefronts, and relocated City administrative offices, and to aid in the redevelopment of the Columbus Avenue Project, the Company has applied for Substantial Redevelopment assistance through the City; and

**WHEREAS**, this City Commission approved a Letter of Intent (LOI) with Vintage Development Group, LLC, related to the redevelopment of property by Ordinance No. 16-146, passed on September 12, 2016, to express the City's intent to occupy approximately 21,500 square feet within the property for the City's administrative offices, and included in the Letter of Intent were several contingencies related to financing that needed to be secured prior to entering into a formal lease agreement; and

**WHEREAS**, the Economic Development Review Committee met on March 14, 2017, to review the project and financing request and unanimously voted to recommend a \$450,000.00 grant to SANDCITY, LLC for the purposes of furthering economic development efforts in the City; and

**WHEREAS**, the City has determined that the development of the Property within 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; and

**WHEREAS**, requests relating to this property are being made in companion legislation to approve a loan to SANDCITY, LLC, in the amount \$1.425 million and to approve of a Lease Agreement with SANDCITY, LLC; 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 preserve the historical character and history of downtown, immediately stabilize and rehabilitate a documented blighted area, to take advantage of the State Historic Tax Credits and New Market Tax Credits to reduce the overall Lease costs, and to allow construction of the project to commence in accordance with the terms of the Letter of Intent, entered into by the City on September 15, 2016; 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 SANDCITY, LLC, for the purposes of furthering economic development, 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 being consistent with the objectives and requirements of this Ordinance and with carrying out the City's public purposes.

Section 2. This City Commission authorizes and approves the grant funding to SANDCITY, LLC, and the Finance Director is directed to deliver to SANDCITY, LLC, a draft in the sum of Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) from the Community 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017

## GRANT AGREEMENT

This Grant Agreement (the "Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2017 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 SANDCITY LLC, and/or its affiliated assigns (collectively, "the Company"), an Ohio limited liability company.

### WITNESSETH:

WHEREAS, the Company currently owns three (3) properties located at 234-256 Columbus Avenue and 115 E. Washington Row also referred to as the Whitworth Building, the Kingsbury Building and the Commercial Banking and Trust Co. Building (aka Calvary Temple Building). The Company is planning to undertake an \$11.4+ million restoration to the properties that will completely renovate, restore and tenant approximately 51,000 square feet of currently vacant space. Upon completion, the properties will be comprised of eighteen (18) residential apartments, three (3) retail storefronts, and relocated City administrative offices. The City administrative offices will be located at 240 Columbus Avenue and 115 E. Washington Row and it, together with the other improvements in these properties, will be referred to herein as the "City Project"; and the remaining residential and retail project located at 234-238 Columbus Avenue will be referred to herein as the "Columbus Avenue Project." The City Project and the Columbus Avenue Project are hereinafter referred to as the "Projects". To aid in the redevelopment of the Columbus Avenue Project, the Company has applied for Substantial Redevelopment assistance through the City; and

WHEREAS, to induce the Columbus Avenue 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 Columbus Avenue Project as further described in Section 1 hereof; and

WHEREAS, the City has determined that the development of the properties within the Columbus Avenue 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 Four Hundred Fifty Thousand Dollars (\$450,000) to the Company (the "City Grant") toward the costs of the Columbus Avenue Project, payable in two (2) disbursements: (1) \$325,000 will be disbursed by the City upon the closing of all other financing sources outlined in the original Letter of Intent entered into between Vintage Development Group LLC, an affiliated entity of the Company, and the City dated August 17, 2016 and executed on September 15, 2016 and (2) \$125,000 will be disbursed on or before January 19, 2018. The City Grant will be expensed from the Economic Development Capital Projects account (#431-4070-53000). Construction must be done in accordance with and to the



reasonable satisfaction of the City, which would include, but not limited to, compliance with all Planning and Zoning matters and other applicable codes and regulations of the City. Furthermore, the Company agrees to display a sign during construction and for at least one year upon completion of the Projects noting the City's support; and

The City shall pay the City Grant by check in the name of the Company, or its affiliated assigns, on the dates of the events listed in the preceding paragraph.

**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, except that the Company may assign this Agreement without any further written approval of the City to an affiliated entity of the Company in conjunction with its financing and tax credit structuring related to the Projects.

**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 Chief Development Officer  
City of Sandusky, Ohio  
City Building  
222 Meigs Street  
Sandusky, OH 44870

(ii) TO THE COMPANY: SANDCITY LLC  
38025 Second Street, Suite 102

Willoughby, Ohio 44094  
Attention: Chief Financial Officer

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.

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.

**SANDCITY LLC**  
an Ohio limited liability company

By: \_\_\_\_\_  
Adelbert P. Marous, Jr.  
Its: Manager

**CITY OF SANDUSKY, OHIO**

By: \_\_\_\_\_  
City Manager

The legal form of the within instrument  
Is hereby approved.

\_\_\_\_\_  
Director of Law  
City of Sandusky





## Department of Community Development

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Angela Byington, AICP  
Abyington@ci.sandusky.oh.us

222 Meigs St.  
Sandusky, OH 44870  
Phone: 419.627.5873  
Fax: 419.627.5933  
www.ci.sandusky.oh.us

**To:** Eric Wobser, City Manager  
**From:** Angela Byington, AICP, Planning Director  
**Date:** March 14, 2017  
**Subject:** Commission Agenda Item – Community Housing Impact and Preservation Program

**Item for Consideration:** Legislation authorizing the City Manager to enter into a Joint Cooperation Agreement with Erie County, the City of Vermilion and the City of Huron and approving the filing of an application for financial assistance for Program Year 2017 Community Housing Impact and Preservation Program (CHIP) funding from the Ohio Development Services Agency.

Erie County will apply for and implement the program and administer any funds awarded through this application on behalf of the City of Sandusky and additional partners and that funds shall be used in all eligible areas throughout Erie County.

The Partners acknowledge that the total request for CHIP funds is based on maximum budget contributions (including partnership incentives) as follows:

- Erie County: \$ \$450,000
- The City of Sandusky: \$250,000\*
- The City of Huron and: \$350,000
- The City of Vermilion: \$350,000

\*The City of Sandusky is only eligible to apply for \$250,000 because the City is an entitlement community and receives Community Development Block Grant (CDBG) Funds separately. The other communities must apply for CDBG Funds separately and therefore are eligible to apply for \$350,000 of CHIP Funds. The County is eligible to apply for \$450,000.

**Background Information:** The Community Housing Impact and Preservation Program provides grants to eligible communities interested in undertaking housing-related activities, including necessary infrastructure improvements. The grants are awarded competitively and encourage a flexible, community-wide approach to the improvement and provision of affordable housing for low- and moderate-income persons, and help to develop local administrative capacity.

**Budgetary Information:** There is no impact on the City's General Fund. All projects in the program will be paid for through CHIP grant funds.

**Action Requested:** Legislation authorizing the City Manager to enter into a Joint Cooperation Agreement with Erie County, the City of Vermilion and the City of Huron and approving the filing of an application for financial assistance for Program Year 2017 Community Housing Impact and Preservation Program (CHIP) funding from the Ohio Development Services Agency and declaring that this legislation shall take immediate effect in accordance with Section 14 of the City charter in order immediately execute the Joint

Cooperating Agreement and allow Erie County to make application for the 2017 CHIP Program funds on behalf of the partners by the submission deadline of May 5, 2017

.

I concur with this recommendation:

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Eric Wobser  
City Manager

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Angela Byington, AICP  
Planning Director

cc: Eric Wobser, City Manager  
Justin Harris, Law Director  
Hank Solowiej, Finance Director  
Kelly Kresser, Clerk of City Commission  
Matt Lasko, Chief Development Officer

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A JOINT COOPERATING AGREEMENT BETWEEN THE CITY OF SANDUSKY, THE BOARD OF ERIE COUNTY COMMISSIONERS, THE CITY OF HURON, AND THE CITY OF VERMILLION RELATING TO THE COMMUNITY HOUSING IMPACT AND PRESERVATION (CHIP) PROGRAM; APPROVING THE SUBMISSION OF A GRANT APPLICATION BY THE BOARD OF ERIE COUNTY COMMISSIONERS ON BEHALF OF THE CITY OF SANDUSKY, ERIE COUNTY, THE CITY OF HURON, AND THE CITY OF VERMILION FOR FINANCIAL ASSISTANCE FROM THE PROGRAM YEAR 2017 COMMUNITY HOUSING IMPACT AND PRESERVATION (CHIP) PROGRAM THROUGH THE OHIO DEVELOPMENT SERVICES AGENCY'S OFFICE OF COMMUNITY DEVELOPMENT; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the Community Housing Impact and Preservation (CHIP) Program provides funding to local governments to improve and provide affordable housing for low- and moderate-income citizens and provides grants to eligible communities interested in undertaking housing-related activities, including necessary infrastructure improvements and the grants are awarded competitively and encourage a flexible, community-wide approach to improving and providing affordable housing for low- and moderate-income persons, and strengthening neighborhoods through community collaboration; and

**WHEREAS**, the City of Sandusky (the "City") is eligible to apply for funding under the Program Year 2017 Community Housing Impact and Preservation Program (the "CHIP") administered by the Ohio Development Services Agency, Office of Community Development; and

**WHEREAS**, Erie County, the City of Vermilion, and the City of Huron are eligible to apply for funding under the Program Year 2017 CHIP administered by the Ohio Development Services Agency, Office of Community Development; and

**WHEREAS**, the Ohio Development Services Agency, Office of Community Development encourages applicants for CHIP funding to partner with other eligible parties to request funding for their CHIP programs; and

**WHEREAS**, the City of Sandusky, Erie County, the City of Vermilion, and the City of Huron ("the partners") have agreed to partner for purposes of obtaining 2017 CHIP funding in order to serve eligible households within the City and throughout jurisdiction of the County; 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 Joint Cooperating Agreement and allow Erie County to make application for the 2017 CHIP Program funds on behalf of the partners by the submission deadline of May 5, 2017; 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. The City Manager is authorized and directed to enter into a Joint

Cooperating Agreement in partnership between the City of Sandusky, the Board of Erie County Commissioners, the City of Huron, and the City of Vermilion, relating to the 2017 Community Housing Impact and Preservation (CHIP) Program, substantially in the same form as reflected in Exhibit "A" which is attached to this Ordinance and 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 being consistent with the objectives and requirements of this Ordinance and with carrying out the City's public purposes, a copy of which shall be filed in the Office of the Planning Director.

Section 2. The City Commission understands that the Joint Cooperating Agreement shall apply only to the 2017 CHIP Program and for the duration of the Program Year 2017 CHIP Grant agreement, which is in effect for the period of September 1, 2017, through December 31, 2019.

Section 3. This City Commission hereby approves and authorizes the submission of the grant application by the Board of Erie County Commissions on behalf of Erie County, the City of Sandusky, the City of Huron, and the City of Vermilion for the Program Year 2017 Community Housing Impact and Preservation (CHIP) Program through the Ohio Development Services Agency's Office of Community Development, a copy of which shall be filed in the Office of the Planning Director, and authorizes Erie County to implement the program and administer any funds awarded through the application on behalf of the City and additional partners and that funds shall be used in all eligible areas throughout Erie County.

Section 4. 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 5. 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 Commission and of any of its committees that resulted in those formal actions were in

meetings open to the public in compliance with the law.

Section 6. 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017

# **CHIP Joint Cooperating Agreement**

**between**

**Erie County, the City of Sandusky, the City of Huron  
and the City of Vermilion**

(The “Partners”)

**WHEREAS**, the State of Ohio, Development Services Agency, Office of Community Development (OCD) provides financial assistance to local governments under its Program Year 2017 Community Housing Impact & Preservation (CHIP) program for the purpose of addressing local housing needs; and

**WHEREAS**, each of the partners is eligible to apply for funding under the CHIP Program Year 2017 program, and

**WHEREAS**, OCD encourages local CHIP eligible grantees to request funds as partners in one application, and

**WHEREAS**, each of the Partners desires to file a combined application under the CHIP Program to receive financial assistance to address the needs as identified by the local Housing Advisory Committee, and

**NOW, THEREFORE, the Partners hereby agree** to the following terms of this Cooperating Agreement:

1. Erie County has agreed to serve as the single Applicant for funds and subsequent Grantee responsible for administering the CHIP grant, if funded;
2. Erie County is responsible for submitting the CHIP grant application in cooperation with the City of Sandusky, the City of Huron and the City of Vermilion, including procuring an administrator(s) who shall also conduct the detailed tasks of the planning process.
3. Erie County agrees to implement the PY’2017 CHIP, if funded, in compliance with Community Development Block Grant, HOME and Ohio Housing Trust Fund requirements, the State of Ohio Consolidated Plan, the CHIP program guidelines, and this agreement.
4. This Cooperating Agreement applies to any funds awarded from the State of Ohio PY’2017 CHIP program. This Cooperating Agreement remains in effect until the CHIP funds are expended and the funded activities completed and closed out. The Partners cannot terminate or withdraw from this Cooperating Agreement while it remains in effect.
5. The Partners have a mutual understanding that they are in compliance with Program Policy Notice: OCD 15-02, Procurement of Grant Administration Services.
6. The Partners acknowledge that the total request for CHIP funds is based on **maximum** budget contributions (including partnership incentives) as follows:

- Erie County: \$ \$450,000

- The City of Sandusky: \$250,000\*
- The City of Huron and: \$350,000
- The City of Vermilion: \$350,000

\*Sandusky funds are limited to HOME. Not eligible for CDBG.

7. The Partners understand that funds may be awarded to any or all jurisdictions that are less than the maximum.
8. The partners will arrive at a decision prior to submission of the 2017 CHIP application on commitments of program income or other resources as leveraged funds to the request.
9. The Partners expect that the grantee will direct the administrator to commit activity funds, as much as is practical, proportional to the jurisdictional totals in # 6 and 8 above, adjusted proportional to the relative shares of any grant award.
10. This Cooperating Agreement does not contain a provision for veto or other restriction that would allow any party to obstruct the implementation of the CHIP Program during the PY'2017 CHIP grant period.
11. Information will be provided to the grantee by the Partners as necessary for reporting purposes.
12. All program and financial records will be retained by the grantee after financial closeout.
13. The Erie County CHIP Policy and Procedures Manual will be adopted for the partnership and shall apply to any activities conducted under the 2017 CHIP.
14. Any mortgages expected to generate program income will be prepared by the county and administrator. The county shall be the lien-holder for any property assisted. The county shall receive subsequent program income for all other properties and the reporting and expenditure of any Program Income from these properties shall become the responsibility of the county.
15. The county will commit program income funds to future eligible outcomes, as much as is practical, proportional to jurisdictional totals received.
16. The Partners agree to the following selection criteria, as applicable to funded activities
  - a) Owner Home Repair applications will be first-come first-serve within each Partner's jurisdiction first and then, if funding remains on June 30, 2019, within the grant service area. However, no CDBG funds may be expended within the city limits of Sandusky.
  - b) Private Owner Rehabilitation applications will be ranked according to Erie County's Policy and Procedure Manual within each Partner's jurisdiction first and then, if funds remain uncommitted on October 31, 2018, within the grant service area.
  - c) New Construction Habitat participants will be those selected through the Habitat application process and who additionally satisfy all applicable CHIP program requirements, including those rules and regulations of HOME.
  - d) TBRA applications will comply with the local housing authority selection process.

17. The Partners agree to elect to choose the following finance mechanism, as applicable, for funded activities:

- a) Owner-occupied Home Repair will be provided as a grant.
- b) Tenant-Based Rental Assistance will be provided as a grant.
- c) Private-Owner Rehabilitation will be provided as a five-year declining partially forgivable loan with twenty percent (20%) remaining due and owing whenever the home is sold, rented or transferred.
- d) New Construction Habitat will be provided as a ten-year fully forgivable loan.
- e) Rental Rehabilitation will be provided as a loan, 100% forgivable after 10 years, with private owners providing 50% match on “hard costs”.
- f) Rental Repair will be provided as a loan, 100% forgivable after 2 years, with private owners providing 50% match on “hard costs”.

18. The Partners agree that the following table represents the responsibilities for tasks to be undertaken by one or more partners directly, through cooperation, or by contract:

Task X= primary role Y = support/cooperate	Erie County	City of Sandusky	City of Huron	City of Vermilion	Administrator
Procure Administrator	X	Y	Y	Y	
Convene HAC	X	Y	Y	Y	X
Designate OCEAN program roles	X				
Sign/authorize application submission	X				
Manage grant fund administration and implementation	X				X
Provide on-going oversight of administrator as detailed in administrative contract	X				
Receive and manage program income	X				Y
Pay contractors/vendors	X				Y
Prepare/File reports	X				X
Retain all grant records for auditing/monitoring	X				Y



**Legal Form and Sufficiency**

This Cooperating Agreement has been reviewed by legal counsels of each Party, and it has been determined that the terms and conditions of said agreement are fully authorized under State and local law and that said agreement provides legal authority for Erie County.

**For Erie County:**

\_\_\_\_\_

\_\_\_\_\_

**Date**

**For the City of Sandusky:**

\_\_\_\_\_

\_\_\_\_\_

**Date**

**For the City of Huron:**

\_\_\_\_\_

\_\_\_\_\_

**Date**

**For the City of Vermilion:**

\_\_\_\_\_

\_\_\_\_\_

**Date**

**Approval by governing Bodies:**

This agreement has been approved by the governing bodies as follows. Documentation is attached to demonstrate appropriate actions by:

Approved by Sandusky City Commission : Ordinance # \_\_\_\_\_, Date: \_\_\_\_\_

Approved by Huron City Council: Resolution # \_\_\_\_\_, Date: \_\_\_\_\_

Approved by Vermilion City Council: Resolution # \_\_\_\_\_, Date: \_\_\_\_\_

Approved by Erie County Commissioners: Resolution # \_\_\_\_\_, Date: \_\_\_\_\_

**THE UNDERSIGNED REPRESENTATIVES OF THIS COOPERATING AGREEMENT HEREBY AGREE TO THE ABOVE STATED TERMS AND CONDITIONS ON THIS**

\_\_\_\_\_ DAY OF \_\_\_\_\_, 2017.

**For Erie County:**

\_\_\_\_\_  
President, Erie County Commissioners

**For the City of Sandusky:**

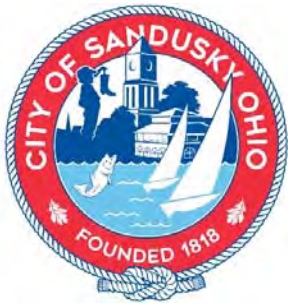
\_\_\_\_\_  
City Manager

**For the City of Huron:**

\_\_\_\_\_  
City Manager

**For the City of Vermilion:**

\_\_\_\_\_  
Mayor



## ADMINISTRATIVE SERVICES

222 Meigs Street  
Sandusky, Ohio 44870  
Phone: 419-627-5969  
shamilton@ci.sandusky.oh.us

To: Eric Wobser, City Manager  
From: Stuart Hamilton  
Date: March 14, 2017  
Subject: **Commission Agenda Item – Website Redesign and Rebuild**

**ITEM FOR CONSIDERATION:** Requesting legislation authorizing the City Manager to enter into an agreement with Revize LLC of Troy, Michigan to carry out a redesign and new build of the City of Sandusky website.

**BACKGROUND INFORMATION:** Our current website is outdated, cumbersome to navigate and has very limited functionality. When we collect website statistics against our current website we see that over 85% of visitors promptly leave the site again in under 30 seconds. This shows us that we do not have a website that engages visitors or makes them want to learn more about our City.

We issued an RFP for this project on January 18, 2017, after gaining public input for usability and needed functionality, and internal input for functionality, process efficiency and marketing. This is the City's chance to totally re-imagine how we interact with the public and our communication philosophy. The website selection committee consisted of Eva Olcott, Kelly Kresser, Leslie Mesenburg, McKenzie Spriggs, Trevor Hayberger, Victoria Kurt and Stuart Hamilton.

We received four proposals and carried out live presentations with each for design and functionality. The responses ranged in cost from \$20,000 to \$39,690. The website selection committee evaluated and analyzed the proposals and presentations and as a result selected Revize LLC, of Troy, Michigan, as the lowest and best proposal which provides the City the best value and best end-result for the City in the long term. Revize negotiated to a cost of \$26,200 for the redesign and build, plus a yearly ongoing maintenance cost of \$3,500 (one-year minimum). The budgeted cost for this project was \$45,000. Revize offered a strong functionality package, flexible design and ease of maintenance. The agreement which is attached to the legislation includes a full list of functional areas inside our new application.

**BUDGETARY INFORMATION:** The cost of this agreement will be \$29,700 which will be split between departmental operating budgets.

**ACTION REQUESTED:** It is requested the proper legislation be prepared to enter into an agreement with Revize, LLC to work with staff and members of the public to re-imagine, redesign and build a new website for the City of Sandusky.

I concur with this recommendation:

---

Eric Wobser  
City Manager

cc: K. Kresser, Commission Clerk; H. Solowiej, Finance Director; J. Harris, Law Director

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH REVIZE LLC, OF TROY, MICHIGAN FOR SERVICES TO REDESIGN AND REBUILD THE CITY'S WEBSITE.**

**WHEREAS**, the City's website is outdated, cumbersome to navigate and has very limited functionality; and

**WHEREAS**, a Request for Proposals (RFP) was issued on January 18, 2017, for the redesign and rebuild of the City's website in which four (4) proposals were received that were evaluated and analyzed by a selection committee along with presentations given by each proposer and as a result Revize LLC, of Troy, Michigan, was selected as the lowest and best proposal which provided the City the best value and end-result long term; and

**WHEREAS**, the cost for the website services is \$29,700.00, which includes an annual support and maintenance fee of \$3,500.00, and payment will be divided between departmental operating budgets; 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 Municipal Departments, including the Department of Information Technology, of the City of Sandusky, Ohio and, NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This City Commission hereby authorizes and directs the City Manager to execute the agreement with Revize LLC, of Troy, Michigan for services to redesign and rebuild the City's website, substantially in the same form as attached to this Ordinance, marked Exhibit "1", and specifically incorporated as if fully rewritten herein, together with such revisions or additions as are approved by the Law Director as being consistent with the proposal submitted by Revize LLC and with carrying out the terms of this Ordinance, at an amount **not to exceed** Twenty Nine Thousand Seven Hundred and 00/100 Dollars (\$29,700.00).

Section 2. 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 3. 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 Commission and of any of its committees that resulted in those formal actions were in

meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance shall take effect at the earliest time allowed by Law.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed:



The Government Website Experts

## Revize Web Services Sales Agreement

This Sales Agreement is between The City of Sandusky, Ohio ("CLIENT") and Revize LLC, aka Revize Software Systems, ("Revize"). Federal Tax ID# 20-5000179 Date: 3-2-17

<b>CLIENT INFORMATION:</b>		<b>REVIZE LLC:</b>
Company Name:	<u>City of Sandusky</u>	Revize Software Systems
Company Address:	<u>222 Meigs Street</u>	1890 Crooks, Suite 340
Company Address 2:	<u></u>	Troy, MI 48084
Company City/State/Zip:	<u>Sandusky, OH 44870</u>	248-269-9263
Contact Name:	<u>Stuart Hamilton</u>	
Phone:	<u>419.627.5969</u>	
Email:	<u>shamilton@ci.sandusky.oh.us</u>	
Billing Dept. Contact:	<u></u>	

The CLIENT agrees to purchase the following products and services provided by REVIZE:

Quantity	Description	Price
1	Phase 1 – Project Planning and Analysis, onetime fee:	\$4,500.00
1	Phase 2 – Website Design, 1 concept, 3 rounds of changes, onetime fee:	\$6,100.00
1	Phase 3 & 4 – Revize Template Development, CMS module Integration, onetime fee:	\$11,200.00
1	Phase 5 – Quality Assurance Testing, onetime fee:	\$1,200.00
1	Phase 6 – Site Map Development and Content Migration up to 275 pages and documents:	\$2,000.00
1	Phase 7 – Content Editing/Administrator Training, one-day session, onetime fee:	\$900.00
1	Phase 8 – Go Live, onetime fee:	\$300.00
1	Revize Annual Software Subscription, Tech Support, CMS Updates, and Website Hosting, pre-paid annual fee, Unlimited Users, Unlimited GB website storage:	\$3,500.00
	<b>Grand Total</b>	<b>\$29,700.00</b>

First year of Revize annual services start the day of the Kick-Off Meeting. After year one client can opt out of annual services at any time. If the client uses Revize annual services for five years, Revize will provide a full redesign of the website in year 5. Website warranty included for the life of the annual services agreement

**Payment: All invoices are due upon receipt**

- Revize requires a check for \$ 14,850 to start this Initiative. *Work begins upon receiving initial payment.*
- \$7,425 will be due upon completion of phase 4, or 90 days after the date of the Kick-Off Meeting, whichever comes first.
- The final payment of \$7,425 will be due on the go live date of the website, or the one-year anniversary of the date of the Kick-off Meeting, whichever comes first.

**Terms:**

- Additional content migration, if requested, is available for \$3 per web page or document.*
- This Sales Agreement is the only legal document governing this sale.*
- Both parties must agree in writing to any changes or additions to this Sales Agreement.*
- This Sales Agreement is subject to the laws of the State of Ohio.*
- Pricing expires in 30 days.*

**AGREED TO BY:**

Signature of Authorized Person:

Name of Authorized Person:

Title of Authorized Person

Date:

**CLIENT**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**REVIZE**

\_\_\_\_\_

Thomas Jean

Project Manager

\_\_\_\_\_

Please sign and return to:

Thomas@revize.com

Fax 1-866-346-8880

## The Following Applications & Features will be integrated into Your Website Project

In addition to the Government Content Management System that enables non-technical staff to easily and quickly create/update content in the new web site, Revize provides a suite of applications and features specifically designed for municipalities. All of those apps and features are fully described in the following section. The applications and features are grouped into five categories:

- **Citizen's Communication Center Apps**
- **Citizen's Engagement Center Apps**
- **Staff Productivity Apps**
- **Site Administration and Security Features**
- **Mobile Device and Accessibility Features**

### CITIZEN'S COMMUNICATION CENTER APPS:

- ✓ Bid Posting
- ✓ Document Center
- ✓ Email Notify
- ✓ FAQs
- ✓ Job Posting
- ✓ News Center with Facebook/Twitter Integration
- ✓ Online Forms
- ✓ Photo Gallery
- ✓ Quick Link Buttons
- ✓ Revize Web Calendar
- ✓ "Share This" Social Media Flyout App
- ✓ Sliding Feature Bar
- ✓ Language Translator
- ✓ Citizen Request Center with Captcha
- ✓ Online Bill Pay
- ✓ RSS Feed

### STAFF PRODUCTIVITY APPS:

- ✓ Agenda Posting Center
- ✓ Image Manager
- ✓ iCal Integration
- ✓ Link Checker
- ✓ Menu Manager
- ✓ Online Form Builder
- ✓ Staff Directory
- ✓ Website Content Archiving

**SITE ADMINISTRATION AND SECURITY Features:**

- ✓ Audit Trail
- ✓ Auto Site Map Generator
- ✓ History Log
- ✓ URL Redirect Setup
- ✓ Roles and Permission-based Security Mode
- ✓ Secure Site Gateway
- ✓ Unique Login/Password for each Content Editor
- ✓ Web Statistics and Analytics
- ✓ Workflows by Department

**MOBILE DEVICE and ACCESSIBILITY FEATURES**

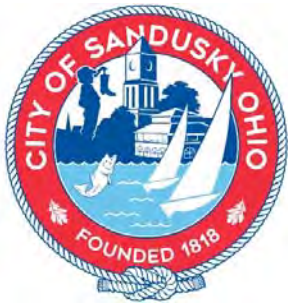
- ✓ Font Size Adjustment
- ✓ Alt-Tags
- ✓ Responsive Website Design (RWD)

## **The Basic Essentials + Engagement Features Includes:**

**Citizen's Engagement Features:**

- ✓ All Basic Essentials Features
- ✓ On-Site Discovery
- ✓ Website Style Guide
- ✓ Notification Center with Text/Email Alerts
- ✓ Intranet
- ✓ Job Posting App
- ✓ Public Service Request
- ✓ Public Records Request App
- ✓ Citizen Connect (Community Blog)
- ✓ Parks Reservation App
- ✓ Multi use Business Directory
- ✓ Website Content Scheduling
- ✓ Newsletter App
- ✓ Dreamweaver Extension (Revize API)
- ✓ Free Website Redesign after 4<sup>th</sup> Year!





## ADMINISTRATIVE SERVICES

222 Meigs Street  
Sandusky, Ohio 44870  
Phone: 419-627-5969  
shamilton@ci.sandusky.oh.us

To: Eric Wobser, City Manager  
From: Stuart Hamilton  
Date: March 15, 2017  
Subject: **Commission Agenda Item – In-car cruiser video and audio system (amendment)**

**ITEM FOR CONSIDERATION:** Requesting legislation to amend Ordinance 17-026 expending funds to L3 Mobile-Vision, Inc., of Rockaway, New Jersey, for the IN-CAR CRUISER VIDEO AND AUDIO SYSTEM UPGRADE Project.

**BACKGROUND INFORMATION:** Ordinance 17-026 awarded \$97,469.75 total funds for the upgrade of our in-car cruiser and audio system to be paid from a combination of the Enforcement and Education fund (\$82,431.23), Edward Byrne Memorial Justice Assistance Grant approximately (\$4,977.21) and the remaining balance to be paid from the Capital Improvements Fund.

Due to a sizing calculation error in the project discovery phase of this project, the total storage needs for the server was under estimated and quoted. On finding this error we asked our vendor to requote the project with the correct sizing needs and re-quote. The total cost increase of \$5,996.75 will be paid for out of the Capital Improvements Fund, and takes the server from 17TB of storage to 34TB of storage, making to total expenditure \$103,466.50. This is the only change in the renewed quote.

**BUDGETARY INFORMATION:** The cost for the fifteen (15) Cruiser Mobile Video Systems from L3 Mobile-Vision, Inc is \$103,466.50 which will be paid \$82,431.23 from the Enforcement and Education Fund, approximately \$4,977.21 (75% federal share) from the Edward Byrne Memorial Justice Assistance Grant and the remaining balance will be paid with Capital Improvement Funds.

**ACTION REQUESTED:** It is requested legislation amending Ordinance No. 17-026 expending funds to L3 Mobile-Vision, Inc. for the in-car Cruiser video and audio system project be approved and that the necessary legislation be passed under suspension of the rules and in accordance with Section 14 of the City Charter in order to expedite the purchase of the video systems as the warranty on the existing video systems expired in June of 2016.

I concur with this recommendation:

---

Eric Wobser  
City Manager

cc: K. Kresser, Commission Clerk; H. Solowiej, Finance Director; J. Harris, Law Director



400 Commons Way, Rockaway, NJ 07866  
T. 973-453-8562 F. 973-257-3024

**Number** 206733129

**Date** March 13, 2017

**Sold To**

**Sandusky Police Department**

Shawn Patton  
222 Meigs Street  
Sandusky, OH 44870-2835

**Phone** 419-627-5901

**Fax** 419-334-6445

**Ship To**

**Sandusky Police Department**

Shawn Patton  
222 Meigs Street  
Sandusky, OH 44870-2835

**Phone** 419-627-5901

**Fax** 419-334-6445

Salesperson	P.O. Number	Ship Via	Terms
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Ryan Phillips	Signed quote	None	
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Line	Qty	SKU	Description	Unit Price	Ext.Price	Comments
1	15	FBHKS16ZNN1K2	FlashbackHD Syst, 16GBSD, OZ Cam, VLX, No-Mon, Blk-thru-hole-wifi/wifi/GPS Ant, Center Console/OH	\$4,200.00	\$63,000.00	
2	15	MVD-IR-CAM4	Camera, rear seat, IR kit. No integrated microphone.	\$250.75	\$3,761.25	
3	15	MVD-CRASH-BAT2	Collision Sensor: Triggers Flashback DVR into Record Mode in the event of a collision.	\$168.30	\$2,524.50	
4	15	MVD-FB-EMA-1Y	Flashback, In-Car Video System, 1 Year Warranty	\$299.00	\$0.00	
5	15	MVD-FB-EMA-1Y	Flashback, In-Car Video System, 1 Year Warranty	\$299.00	\$0.00	
6	15	MVD-EMA-SWR	PER DVR 1 year EMA. Applies to FB and Body worn devices (BodyVISION and VieVu)	\$70.00	\$0.00	
7	15	MVD-EMA-SWR	PER DVR 1 year EMA. Applies to FB and Body worn devices (BodyVISION and VieVu)	\$70.00	\$0.00	
8	1	MVD-DES-BTO-EOL	OS/DES SWR Installation on EOL Servers & Data Migration	\$750.00	\$0.00	
9	15	LPSSWFB3PGVVL	PatrolScout Live Package for FB3	\$137.50	\$2,062.50	
10	1	LPSSWRPKGPSSO S	Patrol Scout Server OS Package, Window OS and VMware	\$743.75	\$743.75	
11	1	LPSSWR20SVRSW R	Software License, PatrolScout 20 Seat Server	\$2,124.15	\$2,124.15	
12	1	RIM6KN-1YEW	Rimage 6000N (Catalyst) 2 Blu Ray, with Everest 600 Printer (Windows 7). Includes a starter kit with 300 CDs, 200 DVD , CMY ribbon and Retransfer ribbon. Includes 1 year Rapid exchange warranty.	\$7,841.25	\$7,841.25	
13	4	MVD-AP-AN-IN	Kit, Indoor AP-802.11n over a or g. Includes antenna, POE injector, POE converter	\$636.65	\$2,546.60	
14	2	MVD-TRAN-OPS	On site professional services	\$1,806.25	\$3,612.50	

Quotation is valid for 60 days from date issued. The technology described herein is controlled under the Export Administration Regulation (EAR) and may not be exported without proper authorization by the U.S. Department of Commerce. State/Local Fees and Taxes are not included.



**Mobile-Vision, Inc.**

400 Commons Way, Rockaway, NJ 07866  
T. 973-453-8562 F. 973-257-3024

# QUOTE

**Number** 206733129

**Date** March 13, 2017

15	1	DESR734	Kit, includes: Dell Power Edge T630 rack-mountable with dual Intel Xeon E5-2609-V3 Six Core Processors, dual power supplies, 4 Ethernet ports, with 34TB storage. Also includes: monitor, keyboard, mouse, USB Card reader, Dell PowerConnect 2808, and 2 Ethernet patch cables.	\$14,875.00	\$14,875.00
16	1	MVD-TRAN-OPS	On site professional services	\$2,125.00	\$0.00
17	1	LSCMPD2540KIT	Rimage 6000n / 5410n Accessory Kit, contains DVD and BR media, patch cable, ribbons, and Blu-Ray Reader	\$300.00	\$0.00

Pricing in compliance with OH STS845 Index 800312  
Additional 2 years of Hardware & Software EMA included at no charge

Signing below is in lieu of a formal Purchase Order.  
Your signature will authorize acceptance of both pricing and product:

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

<b>SubTotal</b>	<b>103,091.50</b>
<b>Tax</b>	TBD
<b>S&amp;H</b>	375.00
<b>Total</b>	<b>103,466.50</b>

L-3 Shipping Terms are FOB Rockaway, NJ. By signing below you agree to waive your shipping terms and ship this order FOB Rockaway, NJ.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Quotation is valid for 60 days from date issued. The technology described herein is controlled under the Export Administration Regulation (EAR) and may not be exported without proper authorization by the U.S. Department of Commerce. State/Local Fees and Taxes are not included.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING ORDINANCE NO. 17-026, PASSED ON FEBRUARY 13, 2017, FOR THE PURCHASE OF FIFTEEN (15) CRUISER MOBILE VIDEO SYSTEMS AND ACCESSORIES THROUGH THE STATE OF OHIO COOPERATIVE PURCHASING PROGRAM FROM L3 MOBILE-VISION, INC, OF ROCKAWAY, NEW JERSEY FOR THE POLICE DEPARTMENT; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, this City Commission authorized and directed the City Manager to purchase fifteen (15) cruiser mobile video systems and accessories through the State of Ohio Cooperative Purchasing Program from L3 Mobile-Vision, Inc., of Rockaway, New Jersey, at a total cost of \$97,469.75, by Ordinance No. 17-026, passed on February 13, 2017; and

**WHEREAS**, Ordinance No. 17-026 stated the total cost for the fifteen (15) Cruiser Mobile Video Systems was \$97,469.75, but it was discovered the total storage required for the server was underestimated and needed to be increased thereby increasing the total cost of the fifteen (15) Cruiser Mobile Video System by \$5,996.75 for a total cost of \$103,466.50; and

**WHEREAS**, it is necessary to amend Ordinance No. 17-026 to reflect the revised total cost of \$103,466.50 of which \$82,431.23 will be paid with Enforcement and Education Funds, approximately \$4,977.21 (75% federal share) will be paid with awarded funds through the Edward Byrne Memorial Justice Assistance Grant (JAG) Program and the remaining balance will be paid with Capital Improvement Funds: 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 amend Ordinance No. 17-029, passed February 13, 2017, and to expedite the purchase of the video systems as the warranty on the existing video systems expired in June of 2016; 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 Police Department, 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 hereby amends Ordinance No. 17-026, passed on February 13, 2017, and approves the expenditure of additional funds in the amount of \$5,996.75 for the purchase of fifteen (15) Cruiser Mobile Video Systems through the State of Ohio Cooperative Purchasing Program, from L3 Mobile-Vision, Inc., of Rockaway, New Jersey, at a revised amount **not to exceed** One Hundred Three Thousand Four Hundred Sixty Six and 50/100 Dollars (\$103,466.50).

Section 2. 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 3. 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 Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017



## Department of Community Development

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Maria Muratori  
mmuratori@ci.sandusky.oh.us

222 Meigs St.  
Sandusky, OH 44870  
Phone: 419.627.5891  
www.ci.sandusky.oh.us

**To:** Eric L. Wobser, City Manager

**From:** Maria Muratori, Development Specialist

**Date:** March 15, 2017

**Subject:** Commission Agenda Item – Review of recommendations of the Tax Incentive Review Council (TIRC) and Community Reinvestment Area Housing Council (CRAHC).

**Items for Consideration:** Legislation approving the recommendations of the TIRC and CRAHC related to certain Enterprise Zone, Community Reinvestment Area and Tax Increment Financing agreements.

**Background Information:** The City of Sandusky, designated as a full authority zone by the State of Ohio, has the ability to directly enter into both Enterprise Zone and Community Reinvestment Area agreements with certain property owners for the purposes of offering real estate tax abatement benefits for properties that undergo substantial physical rehabilitation and that may also lead to job creation and increased local payroll. Further, the City of Sandusky has the ability to create Tax Increment Financing districts around major private investment projects that utilize the increased real estate tax revenues to fund public facility and infrastructure investments within a defined district.

The City of Sandusky, in 2016, entered into four (4) Enterprise Zone agreements, five (5) Community Reinvestment Area agreements and two (2) Tax Increment Financing agreements. The City of Sandusky TIRC and CRAHC met on March 1, 2017 to both review performance reports for all eleven (11) combined agreements for calendar year 2016 and to make a recommendation to the Sandusky City Commission whether to continue, modify, or terminate each agreement. Under Ohio Revised, the Sandusky City Commission is required to meet and vote to accept, reject or modify all or any portion of the TIRC and CRAHC recommendations.

At the March 1, 2017 meeting of the TIRC and CRAHC, it was recommended to continue three (3) Enterprise Zone agreements, four (4) Community Reinvestment Area agreements and one (1) Tax Increment Financing agreement (a copy of the complete meeting minutes and recommendations are attached). Two (2) agreements, an Enterprise Zone agreement for K&K Home Division, LLC and a Community Reinvestment Agreement for Bob Hare's residential property located at 212 East Water Street expired as of 12/31/16 and required no formal continuation, modification or termination.

Furthermore, one (1) Tax Increment Financing agreement for Battery Park expired on 3/16/16.

**Budgetary Information:** Some of the agreements require both or either annual monitoring fee payments and City compensation payments. For 2016 agreements, the City is to receive a combined \$3,938.44 in monitoring fee payments and a combined \$2,968.59 in City compensation payments. All funds are to be deposited into the General Fund.

**Action Requested:** It is requested that the proper legislation be prepared approving the recommendations of the TIRC and CRAHC related to certain Enterprise Zone, Community Reinvestment Area and Tax Increment Financing agreements. It is further requested that this legislation be passed in accordance with Section 14 of the City Charter to expedite passage in order to remain in compliance with the Ohio Revised Code.

I concur with this recommendation:

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Eric L. Wobser  
City Manager

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Maria Muratori  
Development Specialist

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Matthew D. Lasko, MUPDD, MSSA  
Chief Development Officer

cc: Kelly Kresser, Clerk of the City Commission  
Hank Solowiej, Finance Director  
Justin Harris, Law Director

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION ACCEPTING AND APPROVING THE CITY OF SANDUSKY TAX INCENTIVE REVIEW COUNCIL'S (T.I.R.C.) RECOMMENDATIONS REGARDING CURRENT TAXATION AGREEMENTS; AND DECLARING THAT THIS RESOLUTION SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the City of Sandusky's Tax Incentive Review Council met on March 1, 2017, to review the City's tax increment financing agreements, enterprise zone agreements and community reinvestment area abatements and the Chairman of the T.I.R.C., the County Auditor, has submitted the T.I.R.C.'s recommendations to this City Commission on March 10, 2017, a copy of which is marked Exhibit "A" attached to this Resolution and specifically incorporated as if fully rewritten herein; and

**WHEREAS**, pursuant to O.R.C. Section 5709.85(E), this City Commission is required to hold a meeting within sixty (60) days of receipt of the T.I.R.C.'s recommendations and vote to accept, reject, or modify all or any portion of the T.I.R.C.'s recommendations and to forward a copy of this Resolution together with the Commission's recommendations to the Erie County Auditor's Office; and

**WHEREAS**, this Resolution should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter to ensure compliance with the statutory timeline in the O.R.C. Section 5709.85(E); 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 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 **Resolution** 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 RESOLVED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This City Commission accepts and approves the City of Sandusky Tax Incentive Review Council's recommendations as set forth in Exhibit "A" which is attached to this Resolution and is specifically incorporated as if fully rewritten herein.

Section 2. The Clerk of the City Commission be and is hereby directed to certify a copy of this Resolution together with any modifications, if any, to the Erie County Auditor.

Section 3. If any section, phrase, sentence, or portion of this Resolution 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 Resolution were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in



meetings open to the public in compliance with the law.

Section 5. That for the reasons set forth in the preamble hereto, this Resolution 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.

\_\_\_\_\_  
DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017

**RICHARD H. JEFFREY**  
**ERIE COUNTY AUDITOR**

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247 Columbus Avenue, Suite 210 Sandusky, Ohio 44870-2635  
(419) 627-7746 [ecao@eriecounty.oh.gov](mailto:ecao@eriecounty.oh.gov)

March 10, 2017

Sandusky City Commission  
City of Sandusky, Ohio  
222 Meigs Street  
Sandusky, Ohio 44870

**Re: Recommendations of the Tax Incentive Review Council and Community Reinvestment Area Housing Council to the Sandusky City Commission**

The City of Sandusky's Tax Incentive Review Council (TIRC) and Community Reinvestment Area Housing Council (CRAHC) met on March 1, 2017 to review Battery Park and Chesapeake Tax Increment Financing Agreements and City of Sandusky Enterprise Zone and Community Reinvestment Area abatements that are currently in effect or have recently expired but still need monitored between the City of Sandusky and various Sandusky business and residential property owners.

This annual review is required by Ohio Revised Code Section 5709.85(C)(1) with the TIRC required by law to make recommendations to the Sandusky City Commission concerning the disposition of agreements in effect for the prior year. Reviews conducted in 2017 judge a company's performance for the prior year and therefore recommendations regarding these agreements apply to calendar year ending December 31, 2016.

Under Section 5709.85(E) of the Ohio Revised Code, the Sandusky City Commission must hold a meeting within sixty (60) days of receipt of the recommendations and may vote to accept, reject or modify all or any portion of these recommendations. While the minutes of the March 1, 2017 TIRC meeting are attached, a summary of the recommendations of the TIRC is as follows:

**ENTERPRISE ZONE AGREEMENTS**

**(1) CEDAR FAIR L.P. (ADMINISTRATION BUILDING)**

**Recommendation:** Continuation of the agreement as currently constituted.

**Comments:** The Company has exceeded payroll and employment projections and now employs 76 people at this location. The company is also required to make an annual scholarship payment to the City of Sandusky Schools of \$10,000 which has been met.

**(2) K + K HOME DIVISION, LLC**

**Recommendation:** Abatement expired as of December 31, 2016 (no motion necessary).

**Comments:** The Company has exceeded payroll and employment projections and now employs 82 full-time, 1 part-time and 33 full-time seasonal people at this location.

**(3) S + S REALTY, LTD (COMFORT INN "RAIN" PROJECT)**

**Recommendation:** Continue the agreement as currently constituted.

**Comments:** The Company is modestly below payroll projections but shares its employees with its other hotels, which may impact the figure. The Company now employs 81 full-time and part-time employees at the project. All fees and payments have been received as agreed.

**(4) S + S REALTY, LTD (HOLIDAY INN)**

**Recommendation:** Continue the agreement as currently constituted.

**Comments:** This is a 10-year, 75% real estate tax abatement on the cost of improvements. The Company employs 35 employees. Actual payroll was slightly below projections, but the Company was only open eight (8) months of the year (opened in May). If the payroll figure is annualized, it would exceed the figure in the agreement. All fees have been paid.

**COMMUNITY REINVESTMENT AREA AGREEMENTS**

**(1) BUCKEYE COMMUNITY TWENTY-TWO, L.P. (RIEGER HOTEL)**

**Recommendation:** Continue the agreement as currently constituted.

**Comments:** This is a 10 year, 75% abatement for the costs associated with the renovation of the formerly vacant property commonly called the Rieger or the Sanduskian. As of 12/31/16, the project has created two (2) full-time permanent positions and one (1) part-time permanent position. The fees have been paid per the agreement and they have binding leases for all of the commercial spaces.

**(2) ROBERT AND CYNTHIA HARE – RESIDENTIAL**

**Recommendation:** Residential CRA agreements continue automatically provided the property remains in sound physical condition.

**Comments:** Residential CRA projects are subject only to an exterior inspection to ensure continued maintenance and compliance with applicable City building and housing codes. The City of Sandusky completed an exterior inspection of the property on January 21, 2017 and found the property to be in exceptional physical condition and compliant with City building and housing codes. 2016 is the last year for this tax abatement.

**(3) K + T PROPERTY MANAGEMENT AND DEVELOPMENT, LLC**

**Recommendation:** Continue the agreement as currently amended.

**Comments:** The project has met payroll projections and made all fee payments. One unit is expected to begin tax abatement this year.

**(4) SANDUSKY RENAISSANCE PROPERTIES, INC.**

**Recommendation:** Continue the agreement as currently constituted.

**Comments:** As of 12/31/16, there were 10.5 new full-time equivalent jobs created. Payroll exceeded expectations with tips included. Furthermore, the third bay of the project, which houses Boom Town Coffee opened in late 2016. Annual fees have been met.

**(5) TIER 3, LLC**

**Recommendation:** Continue the agreement as currently constituted.

**Comments:** This is a 10-year 75% abatement to offset a portion of the property tax costs associated with the renovation and occupancy of the building located at 223 W Water Street. The hotel opened in August of 2016. Total project investment as of 12/31/16 was \$1,400,000. As of 12/31/16, the project has created eighteen (18) new employees with a total payroll of \$44,452.89. While no compensation agreement exists, the annual monitoring fee was paid as agreed.

**TAX INCREMENT FINANCING AGREEMENTS**

**(1) BATTERY PARK TIF**

**Recommendation:** This TIF expired on 3/16/16. No motion is necessary.

**Comments:** Everything about this TIF agreement was found to be in order. The existing TIF balance as of 12/31/2016 was \$15,647.29.

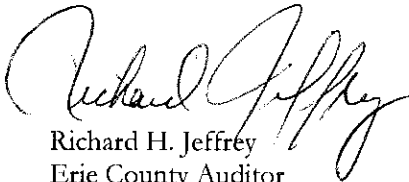
**(2) CHESAPEAKE TIF**

**Recommendation:** Continue the agreement as currently constituted.

**Comments:** Everything about this TIF agreement was found to be in order.

Please feel free to contact the undersigned with any questions regarding these recommendations.

Sincerely,



Richard H. Jeffrey  
Erie County Auditor  
Chairman of the Tax Incentive Review Council

Attachment: Minutes of the 3/01/17 TIRC Meeting

cc: Steve Poggiali, Enterprise Zone Manager

**THE CITY OF SANDUSKY, OHIO  
TAX INCENTIVE REVIEW COUNCIL  
MINUTES OF THE MARCH 1, 2017 MEETING**

The Tax Incentive Review Council for the City of Sandusky, Ohio met on Wednesday March 1, 2017 in the Erie County Commission Chambers, 2900 Columbus Avenue, Sandusky Ohio. The following Council members were in attendance:

- Richard Jeffrey, Erie County Auditor (Chair)
- Eric Wobser, City Manager, City of Sandusky
- Tony Bonner, Citizen Delegate, City of Sandusky
- Hank Solowiej, Finance Director, City of Sandusky
- Richard Brady, City Commissioner, City of Sandusky
- Gina Deppert, CFO/Treasurer, Sandusky City Schools
- Peter McGory, Attorney, Tone, Grubbe, McGory and Vermeeren, Ltd.
- Michael Will, Citizen Delegate, City of Sandusky

Absent Council members were:

- George Steinmann

Also in attendance were:

- Maria Muratori, Development Specialist, City of Sandusky
- Debi Eversole, Administrative Assistant, City of Sandusky
- Abby Bemis, Erie County Economic Development Corporation
- Sharon Johnson, member of the general public
- Zach Rospert, Erie Regional Planning Commission
- Steve Poggiali, Erie Regional Planning Commission
- John Rogers, Erie County Auditor's Office
- Toni Fritz, Erie County Auditor's Office

Chairman R. Jeffrey called the meeting to order at 3:00 P.M. with the following items reported on or discussed:

**1. MINUTES OF THE MARCH 2, 2016 MEETING:**

The minutes of the March 2, 2016 meeting were reviewed. On a motion by T. Bonner and second by E. Wobser, the minutes were unanimously approved as presented.

**2. APPOINTMENT OF COUNCIL MEMBERS:**

M. Muratori requested the appointment of T. Bonner and M. Will to the CRA. H. Solowiej moved to appoint T. Bonner and M. Will to the vacant seats of the CRA. E. Wobser seconded the motion. The Council unanimously voted to appoint T. Bonner and M. Will as members of the CRA.

**ENTERPRISE ZONE AGREEMENTS**

**3. CEDAR FAIR, L.P. (NEW ADMINISTRATION BUILDING):**

M. Muratori noted that this is a 10 year, 100% abatement. As of 12/31/16 the company had 76 full-time administrative employees with 18 new administrative employees and \$1,788,232 of new annual administrative payroll. An analysis by employee address indicates that 54 of 76 (71%) of all administrative employees are Erie County residents. All scholarship payments and monitoring fees have been paid on time. Ms. Muratori recommended the continuance of the abatement. The abatement expires in 2018.

On a motion by T. Bonner and second by H. Soloweij, the Council voted unanimously on continuation of this agreement.

**4. K+K HOME DIVISION, LLC**

M. Muratori informed the Council that this is also a 10 year, 100% abatement. This abatement expired at the end of 2016. As of 12/31/16 the company reports a total head count of 82 full-time and 1 part-time, in addition to 33 full-time seasonal at the project site. The company attributes 51 new full-time jobs, 1 part-time job, its seasonal employees and \$3,403,173.09 in additional payrolls to additional hires since inception of the agreement. An Analysis of all employees by address indicates approximately 60% are Erie County Residents. Compensation agreement payments have been made as well as monitoring fees. Since this abatement has expired, Chairman Jeffrey stated that no action is needed.

**5. S+S REALTY, LTD COMFORT INN “RAIN” PROJECT**

M. Muratori informed the Council that this is a 10 year, 100% abatement. As of 12/31/16 the company has 63 full-time employees (81 including part-time) with \$330,633.04 in payrolls, which is slightly lower than the agreement. The company stated that this is due to job sharing between multiple projects. 57 of the 63 employees (90.5%) are Erie County residents. All compensation agreements and monitoring fees have been paid. Ms. Muratori recommended the continuance of the abatement. 2017 is the last year for this abatement.

On a motion by E. Wobser and second by T. Bonner the Council voted unanimously to recommend continuation of the agreement.

**6. S+S REALTY, LTD HOLIDAY INN EXPRESS**

M. Muratori informed the Council that this is a 10-year 75% abatement. The project is complete and the business opened in May, 2016. As of 12/31/2016, the company has a total of 35 employees with \$204,405.68 in payroll attributable to the new employees. All of the fees have been paid. Ms. Muratori recommended the continuance of the agreement. It expires in 2025.

On a motion by E. Wobser and second by T. Bonner the Council voted unanimously to recommend continuation of the agreement.

**7. ADJOURNMENT OF TIRC/OPENING OF THE HOUSING COUNCIL/REVIEW OF COMMUNITY REINVESTMENT AREA TAX ABATEMENT 3:07 P.M.**

**8. REIGER PLACE/BUCKEYE COMMUNITY TWENTY-TWO, LP**

M. Muratori informed the Council that this is a 10 year, 75% abatement for the costs associated with the renovation of the formerly vacant property commonly called the Rieger or the Sanduskian. As of 12/31/16, the project has created two (2) full-time permanent positions and one (1) part-time permanent position. The payroll associated with the new employment is \$43,158, slightly shy of the \$50,000 contained in the agreement. The company promised to work to bring the payroll up to the agreement in 2017. The fees have been paid per the agreement and they have binding leases for all of the commercial spaces. Ms. Muratori recommended the continuance of the abatement. It expires in 2024.

T. Bonner moved to continue the agreement and H. Solowiej seconded the motion. Chairman Jeffrey offered his concern regarding the initiation of tax abatements, especially with senior living or subsidized housing projects. Specifically, Chairman Jeffrey is concerned that applicants initially accept the abatements but subsequently file an appeal on the base value of what the property is worth. This way, the applicant will not pay taxes on the improvements (or will pay a reduced amount of taxes) and then also ask for the original basis to be reduced. Chairman Jeffrey recommended that in future agreements, please add that “the value of the base will never go below this level during the agreement”. This will protect the schools and the City during the agreement. The motion carried with a 7/1 vote in favor.

**9. ROBERT HARE-RESIDENTIAL CRA:**

M. Muratori explained that this abatement is covered by the residential portion of the city’s CRA legislation which grants a 5 year-50% abatement for significant improvements to residential property. The City completed an annual exterior inspection of the property on January 21, 2017. The property is in exceptional physical condition and compliant with all applicable City building and housing codes. 2016 is the last year for the tax abatement.

Since this property remains in sound physical condition, the abatement is continued automatically.

**10. K+T PROPERTY MANAGEMENT AND DEVELOPMENT, LLC:**

M. Muratori informed the Council that this is a 10-year 100% abatement for the costs associated with the renovation of property at 300–310 East Water Street, (Southeast corner of Water and Hancock Streets). The project consists of conversion of the building into one (1) unit of retail space and ten (10) condominiums. Investment eligible for abatement is approximately \$2,400,000 with another \$620,000 of projected investment in the acquisition which is not eligible for abatement. Under City of Sandusky’s Downtown CRA legislation, residential condominium units receive 5 years and 50% abatement. The company reports spending \$3,249,000 to date with abatement started on five (5) residential units (three have since expired and one additional is expected to begin in 2017) and the commercial unit rented but remaining in the Phyllis F. Krabill Trustee name. All residential units will only be eligible for a 5YR/50% abatement and the single commercial unit receives a 10YR/100% abatement (subject to the School Compensation Agreement). Abatement on units 2C, 2D and 3A ended as of 12/31/2012 (taxes payable 2013). Ms. Muratori recommended the continuance of the abatement.

On a motion by T. Bonner and second by P. McGory, the Council voted unanimously to recommend continuation of this agreement.

**11. SANDUSKY RENAISSANCE PROPERTIES, LLC:**

M. Muratori informed the Council that this is a 5-year, 75% abatement. Early in 2014 the project was completed and rented to Cesare Avallone who has opened his Hearth Brickoven Restaurant in part of the space and subsequently has moved his restaurant Zinc Brasserie into the building. Total project investment as of 12/31/16 was \$325,112 (not including acquisition and equipment). As of 12/31/16, there were 10.5 new full time equivalent jobs created. While reported payrolls are somewhat less than expectations excluding tips (at \$170,311), they exceed expectations when tips are included. Furthermore, the third bay of the project, which houses Boom Town Coffee, opened in late 2016. While no compensation agreement exists, the annual monitoring fee was paid as agreed. Ms. Muratori recommended the continuance of the abatement, which expires in 2018.

On a motion by H. Solowiej and second by T. Bonner, the Council voted unanimously to recommend continuation of this agreement.

**12. TIER III, LLC:**

M. Muratori informed the Council that this is a 10-year 75% abatement to offset a portion of the property tax costs associated with the renovation and occupancy of the building located at 223 W Water Street (Erie County, Ohio permanent parcel number 56-00079.000). The first phase of the hotel is now open and operating. The hotel opened in August, 2016. Total project investment as of 12/31/16 was \$1,400,000. As of 12/31/16, the project has created eighteen (18) new employees with a total payroll of \$44,452.80. While no compensation agreement exists, the annual monitoring fee was paid as agreed. Ms. Muratori recommended the continuance of the abatement which expires in 2026.

On a motion by T. Bonner and second by H. Solowiej, the Council voted unanimously to recommend continuation of this agreement.

**Tax Increment Financing Areas**

**13. BATTERY PARK TAX INCREMENT FINANCING:**

M. Muratori informed the Council that the Tax Increment Financing (TIF) was created in 1986, requiring that all deposits into the TIF account be expensed on certain municipal improvements including, but not limited to, land acquisition, relocation, demolition, parks, streets, utilities, public buildings - all intended to promote further development. In 2016, there was \$30,467.92 in receipts resulting in a cumulative receipt total of \$639,381.22 since the TIF's inception. With regard to expenses, there were \$110,483.89 in expenses (used to demolish the Surf's Up structure) resulting in a cumulative expense total of \$623,733.82 since the TIF's inception. The existing TIF balance therefore, as of 12/31/2016 was \$15,647.29. This TIF expired on 3/16/16.



**14. CHESAPEAKE TAX INCREMENT FINANCING:**

M. Muratori informed the Council that this TIF was created in 2004, requiring that all deposits into the TIF account be expensed on certain municipal improvements including, but not limited to, land acquisition, relocation, demolition, parks, streets, utilities, public buildings - all intended to promote further development within the TIF district. In 2016, there were \$583,026.73 in receipts. In the same time, there was \$429,597.01 in expenses. As such, at 12/31/16, the balance was \$620,726.74. Ms. Muratori recommended the continuance of the existing agreement as currently constituted.

On a motion by T. Bonner and second by G. Deppert, the Council voted unanimously to recommend continuation of this agreement.

**15. AJOURNMENT:**

On a motion by T. Bonner and second by H. Solowiej, Chairman R. Jeffrey adjourned the meeting at 3:20 P.M.

dle 3/9/17



## DEPARTMENT OF PUBLIC WORKS

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AARON M. KLEIN, P.E.  
Director

222 Meigs Street  
Sandusky, Ohio 44870  
Phone 419/627-5829  
Fax 419/627-5933  
aklein@ci.sandusky.oh.us

To: Eric Wobser, City Manager  
From: Aaron M. Klein, P.E.  
Date: March 14, 2017  
Subject: **Commission Agenda Item – Change Order No. 1, WWTP Grit Tank Expansion Project**

**ITEM FOR CONSIDERATION:** Requesting legislation for approval of Change Order No. 1, for the WWTP Grit Tank Expansion Project.

**BACKGROUND INFORMATION:** The Revised General Plan (Plan) was submitted for review and approval to Ohio EPA in November 2013. The Plan detailed several capital projects with a corresponding time frame for completion. Via a letter dated June 12, 2014, OEPA supported five proposed projects; this was the first. The “bottleneck” in the plant was within the capacity of the three existing grit tanks that have a total design capacity of 36 MGD and an operating capacity of 42 MGD. This project expands the plant’s capacity to 48 MGD through construction of a fourth tank.

Several issues arose during construction that require a change to the contract. Below are the extra work (E/W) change order items for the project, including a time extension. Other additional costs were covered by the small contingency on the project.

T/E 1 Time extension required to obtain equipment listed below	ADD: 198 days
E/W 1 54” Grit effluent tap	ADD: \$ 8,033.00
E/W 2 54” Grit effluent tap	DED: \$ 815.66
E/W 3 Structural Steel Crane modifications, REV 1	ADD: \$ 6,228.00
E/W 4 UG electrical re-route existing	ADD: \$ 2,133.00
E/W 5 Re-route 6” scum line	ADD: \$ 9,915.00
E/W 6 Replace exterior lighting for compatible fixtures	ADD: \$ 6,995.35
E/W 7 Modify hydrogate to go from upward acting to downward acting	ADD: \$11,792.73
E/W 8 Modify mud valve screen for removable installation	ADD: \$ 1,072.78
E/W 9 Modify canopy housing with structural steel, REV 2	ADD: \$31,106.83
E/W 10 Increase breaker to 30 amps per requirements of the hoist manufacturer	ADD: \$ 910.00
E/W 11 Diffuser modifications for drainage	ADD: \$ 1,671.13
E/W 12 Paint existing structural steel for hoists at Tanks 1, 2 and 3	ADD: \$17,452.71
	<b>TOTAL ADDITION: \$96,495.05</b>
	<b>AVAILABLE CONTINGENCY: \$25,000.00</b>
	<b>TOTAL CHANGE ORDER: \$71,495.05</b>

E/W 1 was needed because the existing pipe material that was to be tapped for the effluent connection from the grit tank did not reflect with record drawings. (Contingency)

E/W 2 was a credit for improper pricing when originally quoted and billed. (Contingency)

E/W 3 was for improper steel design related to structural steel for the crane housing. (Contingency)  
E/W 4 was needed because a conflict with underground electrical was noticed along the west edge of Grit Tanks #1 and #2 when excavating for new foundations and concrete work. (Contingency)  
E/W 5 was needed due to a conflict with the underground piping and the elevation of existing effluent scum piping from the primary clarifiers. (Contingency)  
E/W 6 was needed because the original fixtures were not rated for exterior environments and filled with water when the first rain event occurred.  
E/W 7 was necessary because the original gate was designed as an upward-acting gate which conflicted with the new hoist that was to be installed. Since these gates are fabricated specifically to the application, we could not simply restock it and had to pay for the modification.  
E/W 8 was a modification from a fixed screen to a removable screen for better maintenance and operation of the tank to prevent clogging with debris frequently.  
E/W 9 is for additional steel for housing the cranes. The cranes and motors are currently exposed to all weather conditions, causing increased wear and tear on the moving parts. The project was designed with structural housing that was too small for existing and future equipment. Redesign of each steel housing structure was required to meet the original design intent.  
E/W 10 was a requirement from the manufacturer after the hoist was received.  
E/W 11 allows staff to drain the air diffuser piping in the bottom of the tank to avoid freezing after the tank has sat idle during low flow but filled with rain or snow during the winter. The problem is that the blowers are always open and point upwards so they tend to fill with water when the air is not on.  
E/W 12 was a proactive measure taken because the paint contractor was already onsite so the City received a reduced charge (no mobilization, etc.) for painting existing structures that needed to be painted within a year or two.

All of the work, except item E/W 9, has been completed. A time extension of 198 days is requested from October 11, 2016 to April 28, 2017 because many of the extra work items resulted in delays for re-engineering or material procurement.

**BUDGETARY INFORMATION:** The original project cost was \$1,200,000.00. With the proposed change order, the total project cost would be increased to \$1,271,495.05 and paid through an OWDA loan received for this project and the Bar Screen repair from 2014. A portion of the project will receive reimbursement from Erie County per the sewer service agreement.

**ACTION REQUESTED:** It is recommended that the necessary legislation be approved for Change Order No. 1 for Mosser Construction, Inc. and that the necessary legislation be passed under suspension of the rules and in accordance with Section 14 of the City Charter to allow timely payment to the contractor for work already performed.

I concur with this recommendation:

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Eric Wobser  
City Manager

cc: K. Kresser, Commission Clerk; H. Solowiej, Finance Director; J. Harris, Law Director

TO OWNER:

City of Sandusky  
223 Meigs St  
Sandusky, Oh 44871

FROM CONTRACTOR:

Mosser Construction  
122 South Wilson Avenue  
Fremont, Oh 43420

APPLICATION NO:

4

PERIOD TO:

25-Jan-17

OWDA LOAN NO:

7231

EPA LOAN NO:

PROJECT:

WWTP Grit Tank Improvements Re-Bid

ITEM NO.	DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)		H BALANCE TO FINISH
			FROM PREVIOUS APPLICATION	THIS PERIOD		% (G/G)		
<b>1</b>	<b>General Conditions</b>	<b>\$102,326</b>	<b>\$0</b>			<b>\$0</b>		
1010	Bond, Insurance, & Permit	\$8,796	\$8,796	\$0		\$8,796		\$0
1041	General Work	\$79,655	\$79,655	\$0		\$79,655		\$0
1300	Submittals	\$9,500	\$9,500	\$0		\$9,500		\$0
1590	Field Office	\$4,375	\$4,375	\$0		\$4,375		\$0
<b>2</b>	<b>Underground / Pavement / Site</b>	<b>\$126,252</b>	<b>\$0</b>			<b>\$0</b>		
2100	Clearing & Grubbing	\$6,405	\$6,405	\$0		\$6,405		\$0
2110	Removal of Structures & Obstructions	\$56,593	\$56,593	\$0		\$56,593		\$0
2200	Excavation & Backfill	\$43,120	\$43,120	\$0		\$43,120		\$0
2600	Pavement, Curbing, & Walks	\$20,134	\$20,134	\$0		\$20,134		\$0
<b>3</b>	<b>Concrete</b>	<b>\$95,864</b>	<b>\$0</b>			<b>\$0</b>		
3100	Concrete Form Work	\$46,796	\$46,796	\$0		\$46,796		\$0
3150	Waterstop	\$2,170	\$2,170	\$0		\$2,170		\$0
3200	Concrete Reinforcement	\$15,555	\$15,555	\$0		\$15,555		\$0
3300	Cast in Place Concrete	\$31,343	\$31,343	\$0		\$31,343		\$0
<b>5</b>	<b>Metals</b>	<b>\$104,820</b>	<b>\$0</b>			<b>\$0</b>		
5120	Structural Steel	\$94,035	\$94,035	\$0		\$94,035		\$0
5500	Metal Fabrication	\$10,785	\$10,785	\$0		\$10,785		\$0
5510	Metal Stairs	\$0	\$0	\$0		\$0		\$0
5520	Hand Railing	\$0	\$0	\$0		\$0		\$0
5530	Grating	\$0	\$0	\$0		\$0		\$0
<b>6</b>	<b>Woods &amp; Plastics</b>	<b>\$4,065</b>	<b>\$0</b>			<b>\$0</b>		
6670	Plastic Weirs	\$3,150	\$3,150	\$0	\$0	\$3,150		\$0
6680	Plastic Troughs	\$915	\$915	\$0	\$0	\$915		\$0
<b>7</b>	<b>Thermo &amp; Moisture Protection</b>	<b>\$24,639</b>	<b>\$0</b>			<b>\$0</b>		
7412	Metal Siding & Roofing	\$24,639	\$21,239	\$3,400		\$24,639		\$0
<b>9</b>	<b>Finishes</b>	<b>\$7,214</b>	<b>\$0</b>			<b>\$0</b>		
9900	Paint	\$7,214	\$0	\$7,214		\$7,214		\$0
<b>11</b>	<b>Equipment &amp; Systems</b>	<b>\$141,469</b>	<b>\$0</b>			<b>\$0</b>		
11104	Air Diffusion Equipment	\$88,474	\$88,474	\$0		\$88,474		\$0
11126	Screw Compressor	\$52,995	\$52,995	\$0		\$52,995		\$0
<b>14</b>	<b>Conveying System</b>	<b>\$162,200</b>	<b>\$0</b>			<b>\$0</b>		
14320	Monorail Hoist & Scale	\$162,200	\$162,200	\$0		\$162,200		\$0
<b>15</b>	<b>Mechanical</b>	<b>\$243,421</b>	<b>\$0</b>			<b>\$0</b>		
15010	General Mechanical Provisions	\$34,067	\$34,067	\$0		\$34,067		\$0
15210	Piping	\$115,137	\$115,137	\$0	\$0	\$115,137		\$0
15211	Sm Piping & Valves	\$35,504	\$35,504	\$0	\$0	\$35,504		\$0
15250	Valves	\$47,739	\$47,739	\$0	\$0	\$47,739		\$0
15260	Slide Gates	\$10,974	\$10,974	\$0	\$0	\$10,974		\$0
<b>16</b>	<b>Electrical</b>	<b>\$162,730</b>	<b>\$0</b>			<b>\$0</b>		
16010	General	\$56,723	\$56,723	\$0		\$56,723		\$0
16120-32	Cables / Raceways / Conduits	\$36,730	\$36,730	\$0		\$36,730		\$0
16230	Blower VFD	\$26,951	\$26,951	\$0		\$26,951		\$0
16900	MCC MPS Feeder Upgrade	\$28,326	\$28,326	\$0		\$28,326		\$0
16905	PLC Modifications	\$13,000	\$13,000	\$0		\$13,000		\$0
	Training / Warranty Documents	\$1,000	\$0			\$0		\$1,000
<b>19</b>	<b>Contingency</b>	<b>\$96,495</b>	<b>\$0</b>			<b>\$0</b>		
	54" Grit Effluent Tap	8,033.00	8,033.00	0.00		8,033.00		0.00
	54" Grit Effluent Tap	-815.66	0.00	-815.66		-815.66		0.00
	Structural Steel Crane Modifications REV 1	6,228.00	6,228.00	0.00		6,228.00		0.00
	UG Electrical Re-route existing	2,133.18	2,133.00	0.00		2,133.00		0.18

\$25K Available per contract

Re-route 6" Scum Line	9,915.00	9,915.00	0.00	9,915.00	0.00	
Exterior Lighting	6,995.35	0.00	6,995.35	6,995.35	0.00	
Hydro Gate Replacement	11,792.73	0.00	11,792.73	11,792.73	0.00	
Removable Mud Valve Cover	1,072.78	0.00	1,072.78	1,072.78	0.00	
Structural Steel REV 2	-31,106.83	0.00	0.00	0.00	31,106.83	
30 AMP Breaker	910.00	0.00	910.00	910.00	0.00	
Difusser Modifications	1,671.13	0.00	1,671.13	1,671.13	0.00	
Paint Structural Steel	17,452.71	0.00	17,452.71	17,452.71	0.00	
<b>TOTAL</b>	<b>1,271,495.05</b>	<b>1,189,695.00</b>	<b>49,693.04</b>	<b>0.00</b>	<b>1,239,388.04</b>	<b>32,107.01</b>

Contract 1,200,000  
Change Order #1 71,495.05

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO APPROVE THE FIRST CHANGE ORDER FOR WORK PERFORMED AND TO BE PERFORMED BY MOSSER CONSTRUCTION INC., OF FREMONT, OHIO, FOR THE WWTP GRIT TANK EXPANSION PROJECT IN THE AMOUNT OF \$96,495.05; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the City Commission approved an agreement for professional design services with Jones & Henry Engineers, Ltd. for the 2015 WWTP Grit Tank Expansion Project by Ordinance No. 15-030, passed on February 23, 2015; and

**WHEREAS**, the City Commission declared the necessity for the City to proceed with the proposed 2015 WWTP Grit Tank Expansion Project which will provide for additional improvements to the grit handling system to allow increased capacity of the wastewater treatment plant from 42 million gallons per day (MGD) to 48 MGD by Resolution No. 048-15R, passed on November 9, 2015; and

**WHEREAS**, the City Commission authorized and directed the City Manager to enter into a contract with Mosser Construction Inc., of Fremont, Ohio, for the WWTP Grit Tank Expansion Project by Ordinance No. 15-184, passed on December 14, 2015; and

**WHEREAS**, the City Commission authorized a Cooperative Agreement between the City and the Ohio Water Development Authority (OWDA) to finance the cost of design and construction for the WWTP Grit Tank Expansion and Bar Screen Rehabilitation Projects by Ordinance No. 15-186, passed on December 14, 2015; and

**WHEREAS**, the WWTP Grit Tank Expansion Project is the one of the projects listed in the Revised General Plan that was submitted to the Ohio EPA in November of 2013 and will provide for additional improvements to the grit handling system to allow increased capacity of the wastewater treatment plant from 42 million gallons per day (MGD) to 48 MGD as proposed and supported by the Ohio Environmental Protection Agency; and

**WHEREAS**, this First Change Order provides for modifications and additional work items incurred by issues that arose during construction and for the extension of the final completion date from October 11, 2016, to April 28, 2017, and are summarized as follows:

1. Grit effluent tap (54")	ADD	\$8,033.00
2. Grit effluent tap (54")	DEDUCT	(\$815.66)
3. Structural steel crane modifications, REV 1	ADD	\$6,228.00
4. UG electrical re-route existing	ADD	\$2,133.00
5. Re-route 6" scum line	ADD	\$9,915.00
6. Replace exterior lighting for compatible fixtures	ADD	\$6,995.35
7. Modify hydrogate to go from upward acting to downward acting	ADD	\$11,792.73
8. Modify mud valve screen for removable installation	ADD	\$1,072.78
9. Modify canopy housing with structural steel, REV2	ADD	\$31,106.83
10. Increase breaker to 30 amps per requirements of the hoist manufacturer	ADD	\$910.00
11. Diffuser modifications for drainage	ADD	\$1,671.13
12. Paint existing structural steel for hoists at Tanks 1, 2 and 3	ADD	\$17,452.71
13. Extension of completion date		\$0.00
	TOTAL	<u>\$96,495.05</u>

**WHEREAS**, the original contract with Mosser Construction, Inc. was

\$1,200,000.00, which included a \$25,000.00 contingency amount, and with the addition of this First Change Order in the amount of \$96,495.05, the contingency will be depleted and the contract will be increased by \$71,495.05 for a revised contract cost of \$1,271,495.05 and will be paid with loan funds received through the OWDA loan received and a portion of the costs will be reimbursed from Erie County pursuant to the Sewer Services Agreement; 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 make payment to the contractor for services already provided in a timely manner; 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 Public Works, 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. The City Manager is hereby authorized and directed to approve this First Change Order for work performed for the WWTP Grit Expansion Project in an amount **not to exceed** Seventy One Thousand Four Hundred Ninety Five and 05/100 Dollars (\$71,495.05) resulting in a revised contract cost of One Million Two Hundred Seventy One Thousand Four Hundred Ninety Five and 05/100 Dollars (\$1,271,495.05) with Mosser Construction, Inc. of Fremont, Ohio, and extending the final completion date from October 11, 2016, to April 28, 2017.

Section 2. 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 3. 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 Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. 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

**PAGE 3 - ORDINANCE NO. \_\_\_\_\_**

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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DENNIS E. MURRAY, JR.  
PRESIDENT OF THE CITY COMMISSION

ATTEST: \_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: March 27, 2017