

## ORDINANCE NO. 22-011

**AN ORDINANCE AUTHORIZING AND APPROVING A FIRST AMENDMENT TO THE GRANT AGREEMENT WITH FEICK BUILDING LLC, IN RELATION TO THE PROPERTY LOCATED AT 158-160 EAST MARKET STREET; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the City Commission declared the City's intention to invest in the redevelopment of the Feick Building located at 158-160 E. Market Street by granting funds up to \$1.3 Million to Marous Development Group, LLC, by Resolution No. 01618R, passed on March 26, 2018; and

**WHEREAS**, Feick Building LLC, in conjunction with its affiliated development company, Marous Development Group, LLC, is redeveloping the century-old 8 story steel, approximately 60,000 square foot building located at 158-160 E. Market Street and commonly known as the Feick Building, for office and commercial use and tenancy; and

**WHEREAS**, this City Commission authorized and approved a grant in the amount of \$1,300,000.00 to Feick Building, LLC, in relation to the property located at 158160 East Market Street by Ordinance No. 20-067, passed on April 13, 2020, with funds allocated from the Capital Projects Fund; and

**WHEREAS**, subsequently, Feick Building, LLC entered into various agreements with CFBank, National Association for project financing and the financing is conditioned on the bank's ability to assume the rights and responsibilities of the City grant in order to complete the project should Feick Building, LLC default on the bank loan and this First Amendment provides for this assignment in the event of a default; and

**WHEREAS**, it is being requested in companion legislation to approve an amendment to the Enterprise Zone Agreement with Feick Building LLC, relating to tax abatement; 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 execute the Grant Agreement and ensure timely completion of the project; and

**WHEREAS**, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Municipal Departments, including the Department of Community Development, of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it

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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 First Amendment to the Grant Agreement with Feick Building LLC, for financial assistance related to the property located at 158-160 East Market Street for the purpose of furthering economic development efforts in the City, substantially in the same form as Exhibit "A", a copy of which is attached to this Ordinance and is specifically incorporated as if fully rewritten herein, together with such revisions or additions as are approved by the Law Director as not being adverse to the City and as being consistent with carrying out the terms of this Ordinance.

Section 2. 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's 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 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.



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RICHARD R. BRADY  
PRESIDENT OF COMMISSION



ATTEST: \_\_\_\_\_  
CATHLEEN A. MYERS  
CLERK OF THE CITY COMMISSION

Passed: January 24, 2022

**FIRST AMENDMENT TO**

**GRANT AGREEMENT THIS FIRST AMENDMENT TO**

**GRANT AGREEMENT** (“Amendment”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by and 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 **FEICK BUILDING LLC** (the “Company” or “Feick”), an Ohio limited liability company (each a “Party” and collectively the “Parties”).

**WHEREAS**, on March 26, 2018 and April 22, 2021, the City and the Company have entered into certain legislation where the City has agreed to grant One Million Three Hundred Thousand and 00/100 Dollars to the Company in order for the Company to renovate the iconic Feick Building; and

**WHEREAS**, due to market and economic changes, the Company has decided to amend the initial renovation plans of the Feick Building to provide a mixed-use development consisting of forty-two (42) market rate apartments on the upper seven (7) floors and retail and/or restaurant use on the first floor (the “Project”); and

**WHEREAS**, in order for the Company to complete the Project, the Company has entered into certain agreements with CFBank, National Association, (the “Bank”) for financing the amount

the Project (the “Loan”); and

# EXHIBIT "A"

of Five Million Three Hundred Twenty-Eight Thousand and 00/100 Dollars (\$5,328,000.00) of

**WHEREAS**, in connection with making the Loan, the Bank has requested that the City and the Company amend the Grant Agreement, dated April 22, 2020 (the “Agreement”) to allow for the City to administratively consent and enter into a Collateral Assignment of Rights Under Incentive Agreements (“Assignment”), in which in the remote event of Feick defaulting under the Loan, Feick would assign all of its right, title and interest in the Grant Agreement and other documents reasonably requested by the Bank in connection with the Loan or Project to the Bank so the Project can be completed.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 3 of the Agreement shall be deleted in its entirety and replaced with the following:  
The City hereby approves the assignment of the Agreement to the Bank only in the event of a continuing default by Feick under the Loan, provided, however, that Bank's receipt of the benefits under the Grant Agreement shall be conditioned upon Bank's performance of the obligations of the Company in accordance with the Agreement. The City is authorized to enter into the Assignment. The Company and the City agrees and acknowledges that the Agreement, as may be amended from time to time, may be assigned, in whole or in part, or transferred to the Bank, or other lenders for the Project, with the City's written consent,

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which may be administratively given without City Commission approval and which City consent will not be unreasonably, withheld, conditioned, or delayed.

Except as modified hereby, the terms and conditions of aforesaid Agreement are hereby confirmed and ratified and made a part of this First Amendment and the Agreement shall remain in full force and effect.

**FEICK BUILDING LLC,**  
an Ohio limited liability company

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

Name: Adelbert P. Marous, Jr.

Its: Manager

**CITY OF SANDUSKY, OHIO**

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

Name: Eric Wobser

Its: City Manager

**EXHIBIT "A"**

The legal form of the within instrument is hereby approved.

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

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