

ORDINANCE NO. 23-249

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A SECOND AMENDMENT TO THE ENTERPRISE ZONE AGREEMENT WITH FEICK BUILDING LLC, RELATING TO 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, 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 the project included the parking lot on E. Market Street and the parking lot on Wayne Street; and

WHEREAS, this City Commission authorized and directed the City Manager to enter into an Enterprise Zone Agreement with Feick Building, LLC, for a 10-year, 75% tax abatement on the planned improvements to the historic building by Ordinance No. 20-066, passed on April 13, 2020; and

WHEREAS, this City Commission authorized and directed the City Manager to enter into an First Amendment to the Enterprise Zone Agreement with Feick Building, LLC, approving the revised project plans and estimated project timeline, cost, and employment/payroll figures due to the COVID pandemic and changes to local market conditions, by Ordinance No. 22-010, passed on January 24, 2022; and

WHEREAS, the project was completed in the fall of 2023 and on October 19, 2023, the City was notified by the Erie County Auditor's Office that commercial appraiser will not post any value for the new improvements at the Feick Building until tax year 2024 for the 2025 collection year; and

WHEREAS, it is necessary to amend the agreement to clarify this condition and make sure the amendment states "no exemption under this agreement shall commence after 2024 nor extend beyond 2033"; 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 amendment to reflect the updated exemption years at the earliest opportunity; 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,

PAGE 2 - ORDINANCE NO. 23-249

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

Section 1. This Commission hereby approves the Second Amendment to the Enterprise Zone Agreement with Feick Building LLC, pursuant to the terms and conditions contained therein, a copy of which is marked Exhibit "1" attached to this Ordinance and is specifically incorporated as if fully rewritten herein.

Section 2. The City Manager is hereby authorized and directed to execute the Amendment to the Enterprise Zone Agreement with Feick Building LLC, on behalf of the City in accordance with the terms and conditions as contained in the form of the agreement marked Exhibit "1" attached to this Ordinance and specifically incorporated as if fully rewritten herein, together with any revisions or additions as are approved by the Law Director as not being substantially adverse to the City and consistent with carrying out the terms of this Ordinance.

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 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 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.



RICHARD R. BRADY
PRESIDENT OF THE CITY COMMISSION



ATTEST:

CATHLEEN A. MYERS
CLERK OF THE CITY COMMISSION

Passed: December 11, 2023

SECOND AMENDMENT TO
ENTERPRISE ZONE AGREEMENT

THIS SECOND AMENDMENT TO ENTERPRISE ZONE AGREEMENT (“Amendment”) is made and entered into as of this _____ day of _____, 2023 (“Effective Date”), 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”), an Ohio limited liability company (each a “Party” and collectively the “Parties”).

WHEREAS, on April 22, 2020, the City and the Company entered into certain legislation, Ordinance No. 20-066 and pursuant to an executed Enterprise Zone Agreement (the “Agreement”) whereby the City granted to the Company a ten (10) year, seventy-five percent (75%) tax exemption for the real property improvements made to the Project (as defined in the Agreement) site; and

WHEREAS, due to the COVID pandemic, market and economic changes, and in the best interests of the City, the Company modified the initial renovation plans, so the Project will consist of forty-two (42) market rate apartments on the upper seven (7) floors and restaurant, retail and/or office use on the first floor, along with a first-floor lobby and amenities for the apartment residents (the “Revised Project”); and

WHEREAS, in connection with the Revised Project plans, the initial estimated economic impacts of the Project have changed resulting in approximately 60-65 new residents that will reside at the Revised Project, producing an estimated \$4 million of annual resident income, and revised new temporary construction jobs and permanent full-time equivalent employee jobs; and

WHEREAS, in order for the Company to complete the Revised Project, the Company has entered into certain agreements with CFBank, National Association, (the “Bank”) for financing the amount of Five Million Three Hundred Twenty-Eight Thousand and 00/100 Dollars (\$5,328,000.00) of the Revised Project (the “Loan”); and

WHEREAS, on January 22, 2022, pursuant to Ordinance 22-010, the City and the Company entered into the First Amendment to the Enterprise Zone Agreement; and

WHEREAS, The Erie County Auditor’s Office has instructed the Company and the City to change the agreement to state “no exemption under this agreement shall commence after 2024 nor extend beyond 2033.”

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

1. Section 5 last sentence of paragraph 1 of the Agreement shall be modified to state: “No exemption under this agreement shall commence after 2024 nor extend beyond 2033.”

Except as expressly modified hereby by the First Amendment, and this Second Amendment the existing terms and conditions of aforesaid Agreement are hereby confirmed and ratified and made a part of the First Amendment, this Second 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: John Orzech

Its: City Manager

The legal form of the within instrument is hereby approved.

Director of Law
City of Sandusky