

**ORDINANCE NO. 25-114**

**AN ORDINANCE APPROVING THE COMMUNITY REINVESTMENT AREA AGREEMENT WITH CAMPBELL LOFTS LLC; AUTHORIZING THE CITY MANAGER TO EXECUTE THE COMMUNITY REINVESTMENT AREA AGREEMENT; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the City Commission established a Downtown Community Reinvestment Area by the passage of Ordinance No. 03-109 on June 23, 2003; and

**WHEREAS**, the City of Sandusky has received a request for tax abatement within the Downtown Community Reinvestment Area from Campbell Lofts LLC, for the renovation of the property located at 1203 Campbell Street (formerly Campbell School) into eighteen (18) apartments for rent at an estimated cost of \$1.2 Million; and

**WHEREAS**, the project is anticipated to create 5-10 contractual positions serving the role of on-site maintenance and landscaping and 10-25 temporary construction jobs by December 31, 2025, of which the job / contract positions must be sustained throughout the duration of this Agreement; and

**WHEREAS**, the increase in the number of employees will result in approximately \$10,000 - \$15,000 new annual payrolls and furthermore, the property owner will employ an estimated 10-25 temporary construction workers at the project site during the construction period resulting in an estimated construction payroll total of \$550,000.00; and

**WHEREAS**, the project will have an ongoing positive impact on the General Fund as 25% of the increase in value will be subject to real estate taxes during the abatement period and the project will also help sustain construction jobs in the local economy through the contract employment positions that will result in additional income taxes for the City; and

**WHEREAS**, it is recommended to approve the proposed real estate tax exemption on the increase in value for the building for a period of ten (10) years with a 75% abatement that ultimately will be for the appraised value of the physical improvements to the building which is unknown until the construction has been completed; and

**WHEREAS**, the Board of Education of the Sandusky City Schools has been notified of the proposed tax exemption by letter dated March 21, 2025, and this approval is contingent on the Board of Education's approval; 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 approve the tax abatement at the earliest opportunity and for the project to commence with a completion date targeted for the end of calendar year 2025; and

**PAGE 2 - ORDINANCE NO. 25-114**

**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 Commission hereby approves the Community Reinvestment Area Agreement pursuant to the terms and conditions, copies of which are on file in the office of the Clerk of the City Commission.

Section 2. The City Manager is hereby authorized and directed to execute the Community Reinvestment Area Agreement with Campbell Lofts LLC on behalf of the City of Sandusky in accordance with the terms and conditions as contained in the form of the agreement on file with the Clerk of the City Commission and attached to this Ordinance, marked Exhibit "1" and specifically incorporated as if fully rewritten herein.

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 from and 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 THE CITY COMMISSION



ATTEST:

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CATHLEEN A. MYERS  
CLERK OF THE CITY COMMISSION

Passed: April 28, 2025

## COMMUNITY REINVESTMENT AREA AGREEMENT

This Agreement made and entered into by and between the City of Sandusky, Ohio, an Ohio municipal corporation with a Commission-Manager form of government, with its main offices located at 420 Columbus Avenue, Sandusky, Ohio 44870 (hereinafter “City” or City of Sandusky), and Campbell Lofts LLC, an Ohio Limited Liability Company, with its mailing address at 2150 St. Clair Avenue Cleveland, Ohio 44114 which with its successors, subsidiaries, affiliated companies, assigns, and/or assignees collectively herein called “Property Owner” WITNESSETH:

WHEREAS, the City has encouraged the development of real property and the acquisition of personal property located in the area designated as a Community Reinvestment Area; and

WHEREAS, Property Owner is desirous of renovating and reactivating the building located at 1203 Campbell Street in Sandusky, Ohio transforming it into residential apartments. The subject properties are further described as Erie County, Ohio permanent parcel number 57-65011.001 within the boundaries of the Community Reinvestment Area, provided that the appropriate development incentives are available to support the economic viability of said Project; and

WHEREAS, the City Commission of the City of Sandusky, Ohio by Ordinance No. 03-109 adopted June 23, 2003 designated the area as a “Community Reinvestment Area” pursuant to Chapter 3735 of the Ohio Revised Code; and

WHEREAS, effective July 11, 2003, the Director of Development of the State of Ohio determined that the aforementioned area designated in said Ordinance No. 03-109 contains the characteristics set forth in Section 3735.66 of the Ohio Revised Code and certified said area as Community Reinvestment Area Number 04370380-01 under said Chapter 3735; and

WHEREAS, the City of Sandusky having the appropriate authority for the stated type of project is desirous of providing Property Owner with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

WHEREAS, Property Owner has submitted a proposed agreement application (hereinafter referred to as "Application" and attached as Exhibit “A”) to the City of Sandusky; and

WHEREAS, Property Owner has remitted the required State application fee of \$750.00 made payable to the Ohio Development Services Agency (formerly known as The Ohio Department of Development) with the Application to be forwarded to said department with the final agreement; and

WHEREAS, the City Manager of the City has investigated the application of Property Owner and has recommended the same to the Commission of the City on the basis that the Property Owner is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area and improve the economic climate of the City of Sandusky; and

WHEREAS, the Sandusky City School District and its Board of Education have been notified in accordance with Ohio Revised Code Section 5709.83 and been given a copy of the APPLICATION and Draft CRA Agreement and formally approved the terms of the agreement by a unanimous vote

at their April 8, 2025 Board of Education meeting. The minutes evidencing the approving vote by the Board of Education is incorporated herein by reference and attached as Exhibit B; and

WHEREAS, pursuant to Section 3735.67(A) and in conformance with the format required under Section 3735.671(B) of the Ohio Revised Code, the parties hereto desire to set forth their agreement with respect to matters hereinafter contained;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows:

Section 1: Property Owner shall restore and redevelop the property at 1203 Campbell Street Sandusky, Ohio transforming it into residential apartments. The project consists of restoration, repairs and renovation as necessary to bring the building into compliance with current building codes.

The Project shall involve a total investment by the Property Owner of approximately \$1,200,010 including approximately \$10.00 for building acquisition and approximately \$1,200,000 for improvements/renovations to existing buildings.

No abatement shall be granted for the appraised value of the existing building nor is any abatement granted for the value of machinery, equipment, furniture and fixtures or inventory whether currently owned or hereinafter acquired.

The Project shall begin on or before April 1, 2025 with all acquisition, construction and installation completed by December 31, 2025, or such later date as may be extended by the City in writing.

Section 2: The Project is anticipated to create, within the below delineated time frames 5-10 contractual positions serving the role of on-site maintenance and landscaping and 10-25 temporary construction jobs. The projected hiring schedule is as follows:

| <u>Hired By Date</u> | <u>New FT/PT Equivalent Positions/Contract Positions</u> |
|----------------------|--|
| 12/31/25             | 5-10 Contractual   |

The above full-time equivalent job positions/contract positions must be sustained throughout the duration of this Agreement. The increase in the number of employees will result in approximately \$10,000-\$15,000 of new annual payrolls at the Project.

The Property Owner will employ an estimated 10-5 temporary construction workers at the Project Site during the construction period. Total construction payroll is estimated at \$550,000.

There are currently –0- employees and –0- existing payroll at the Project.

Section 3: Construction work involved in the project must involve a good faith effort by the Property Owner to hire local (Erie County) construction workers at an equitable wage. The

Property Owner is also encouraged to utilize local vendors and suppliers when feasible.

Section 4: Property Owner shall provide to the proper Tax Incentive Review Council any information reasonably required by the Council to evaluate the Property Owner's compliance with the Agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code, or any other records that may be reasonably requested by the Council or its designated representative(s).

Section 5: Subject to compliance by the Property Owner in all material respects with its obligations under this Agreement the City hereby grants to Property Owner a tax exemption for eligible real property improvements made to the Project pursuant Section 3735.67 of the Ohio Revised Code for the increased appraised valuation of property improved as a result of construction and completion of the Project as follows:

| <u>Year of Tax Exemption</u> | <u>Percentage of Appraised Valuation<br/>of Real Property Improvements Exempted</u> |
|------------------------------|---|
| 1                            | 75%   |
| 2                            | 75%   |
| 3                            | 75%   |
| 4                            | 75%   |
| 5                            | 75%   |
| 6                            | 75%   |
| 7                            | 75%   |
| 8                            | 75%   |
| 9                            | 75%   |
| 10                           | 75%   |

The exemption commences the first year for which the real property would first be taxable were that property not exempted from taxation. Each identified project improvement will receive a ten (10) year exemption period.

No real property tax exemption for the Project shall commence before January 1, 2026 nor extend beyond December 31, 2035.

Section 6: It is the responsibility of the Property Owner to file, as appropriate, any appropriate form including tax form DTE 24 (if required) with the Erie County Auditor to effect and maintain the tax exemption granted under this agreement.

Section 7: Property Owner hereby agrees to pay the City of Sandusky an annual monitoring fee of \$200.

The fee shall be payable to the City, once per year for each year this agreement is effective and is payable as follows: The fee is to be paid in cash or by check to the City of Sandusky by April 15 following each year the Agreement is in effect or at such later date as may be approved in writing by the City of Sandusky. The fee is to be paid to the Director of Finance in a check made payable to the City of Sandusky.

This fee shall be deposited in a special fund created for such purpose and shall be used exclusively for the purpose of complying with Section 3735.671(D) of the Revised Code and by the Tax Incentive Review Council created under Section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section.

Section 8: Property Owner shall pay such real and tangible personal property taxes as are not exempted under this agreement and are charged against such property and shall file all tax reports and returns as required by law. If Property Owner fails to pay such taxes or file such returns, all incentives granted under this agreement are rescinded beginning with the year for which such unpaid taxes are charged or such reports or returns are required to be filed and thereafter.

Section 9: The City shall perform such acts as are reasonably necessary or appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.

Section 10: If for any reason the Community Reinvestment Area designation expires, the Director of the Ohio Development Services Agency revokes certification of the zone, or the City Commission revokes the designation of the zone, entitlement granted under this agreement shall continue for the number of years specified under this agreement, unless Property Owner materially fails to fulfill its obligations under this agreement.

Section 11: If Property Owner materially fails to fulfill its obligations under this agreement or if the City determines that the certification as to delinquent taxes required by this agreement is fraudulent the City may terminate or modify the exemptions from taxation granted under this agreement.

Section 12: Property Owner hereby certifies that, at the time this agreement is executed, it does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which it is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Revised Code, or, if such delinquent taxes are owed, that Property Owner is currently paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such petition has been filed against Property Owner. For the purpose of the certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes.

Section 13: Property Owner affirmatively covenants that it does not owe: (a) any delinquent taxes to the State of Ohio or a political subdivision of the State; (b) any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State; and (c) any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not.

Section 14: Property Owner and the City of Sandusky acknowledge that this agreement must

be approved by formal action, in turn, of the Board of Education of the Sandusky City School District and the Sandusky City Commission as a condition for the agreement to take effect. This agreement takes effect upon such approvals by the Schools and City Commission and execution by the parties hereto.

Section 15: The City of Sandusky has developed a policy to ensure recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in their operations. By executing this agreement, Property Owner is committing to follow non-discriminating hiring practices agreeing that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin or ancestry.

Section 16: Exemptions from taxation granted under this agreement shall be revoked if it is determined that Property Owner, any successor property owner, or any related member (as those terms are defined in Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this agreement under Division (E) of Section 3735.671 or Sections 5709.62, 5709.63 or 5709.632 of the Ohio Revised Code prior to the time prescribed by that division or any of those sections.

Section 17: Property Owner affirmatively covenants that it has made no false statements to the State or local political subdivision in the process of obtaining approval for Community Reinvestment Area incentives. If any representative of Property Owner has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, Property Owner shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant to ORC Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any state agency or a political subdivision pursuant to ORC Section 9.66(C)(1). Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to ORC 2921.13(F)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

Section 18: Neither the City nor Property Owner shall be considered in default of its obligations hereunder in the event of delay in performance of such obligations due to causes beyond its control without its fault or negligence, including but not restricted to acts of God, acts of the Federal or State government, acts of the other party, fires, floods, strikes, freight embargoes or unusually severe weather; it being the purpose and intent of this provision that in the event of the occurrence of any such delay, the time for performance of the obligations by the parties hereto shall be extended for the period of the delay.

Section 19: Any notices, statements, acknowledgments, consents, approvals, certificates or requests on behalf of either party shall be made in writing and addressed as follows:

**AS TO THE CITY OF SANDUSKY:**

With copy to:

Sandusky City Commission  
Attention: City Manager  
420 Columbus Avenue  
Sandusky, Ohio 44870

Department of Community Development  
Attention: Director  
420 Columbus Avenue  
Sandusky, Ohio 44870

**AS TO PROPERTY OWNER:**

Campbell Lofts LLC  
Attention: Glenn Pickens  
2150 St. Clair Avenue  
Cleveland, Ohio 44114

or to such other contact or address as may be specified by such notice from time to time in writing.

Section 21: This agreement is transferable or assignable with the express, written approval of the Sandusky City Manager to a subsidiary, affiliate company, successor, and/or assignee of the "Property Owners."

[ SIGNATURES TO FOLLOW ON NEXT PAGE ]

EXHIBIT "A"

IN WITNESS WHEREOF, The City of Sandusky, Ohio by John Orzech, its City Manager pursuant to Ordinance No \_\_\_\_\_, passed on April 14, 2025 and Campbell Lofts LLC by Glenn Pickens., its Manager and Authorized Agent have caused this instrument to be executed this \_\_\_\_ day of \_\_\_\_\_, 2025.

**The City of Sandusky, Ohio**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
by John Orzech, City Manager

**Campbell Lofts LLC**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
by Glenn Pickens., its Manager and Authorized Agent

Approved as to form:

Approved as to content:

\_\_\_\_\_  
Stewart Hastings  
Law Director

\_\_\_\_\_  
Colleen M. Gilson  
Community Development Director

EXHIBIT "A"



4. a. State the enterprise's current employment level at the proposed site:

0

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes \_\_\_\_\_ No X

c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be transferred to:

N/A

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

N/A

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

N/A

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated:

N/A

Only assets to be relocated? Yes \_\_\_\_\_ No \_\_\_\_\_ Attach Itemized list.

5. Does the property owner owe:

a. Any delinquent taxes in the State of Ohio or a political subdivision of the State?

Yes \_\_\_\_\_ No X

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State?

Yes \_\_\_\_\_ No X

c. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not?

Yes \_\_\_\_\_ No X

d. If you answered yes to any of the above, please provide details of each instance including but not limited to the location, amounts and/or case identification numbers (add additional sheets).

6. Project Description: Re-development of an existing school facility to 18 market rate apartments approx. [12-3 bedroom & 6-1 bedroom]

7. Project will begin April 20 25 and be completed October 20 25 provided a tax exemption is provided.

8. a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by name of the employer, full and part-time and permanent and temporary) (attach list if necessary):

5-10 contractual  
 10-25 construction  
Campbell Lefty LLC - Third party annual maintenance of \$10,000-\$15,000 to an undetermined eric county business. A construction payroll of \$100,000, current employment. A construction subcontractor cost of \$400,000.

b. State the time frame of this projected hiring: 1 yrs.

c. State the proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

Solicitation to begin immediately for maintenance agreements. Construction trades being solicited\* at present.

9. a. Estimate the amount of annual payroll such new employees will add \$ 550,000 (new annual payroll must be itemized by full and part-time and permanent and temporary new employees).

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 10,000 - 15,000

10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:

|  |                        |
|--|------------------------|
| A. Acquisition of Buildings:           | \$ <u>10.00</u>        |
| B. Additions/New Construction:         | \$ <u>0</u>            |
| C. Improvements to Existing Buildings: | \$ <u>1,200,000.00</u> |
| D. Machinery and Equipment:            | \$ <u>0</u>            |
| E. Furniture and Fixtures:             | \$ <u>0</u>            |
| F. Inventory:                          | \$ <u>0</u>            |
| <b>TOTAL NEW PROJECT INVESTMENT</b>    | \$ <u>1,200,010.00</u> |

\* Amended after discussion w/ applicant. Applicant stated he is in agreement with addition.

11. a. Business requests the following tax exemption incentives: 75 % for 10 years covering real estate as described above. Be specific as to the rate and term.

b. Business's reasons for requesting tax incentives (be quantitatively specific as possible)

To aid in economic feasibility to create  
market rate apartments

Submission of this application expressly authorizes the City of Sandusky to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including Item #5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Ohio Department of Taxation to release specific tax records to the local jurisdiction considering the request. The applicant also agrees to provide additional information upon request.

The applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.6(C)(1) and 2921.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six (6) months.

Campbell Lofts LLC  
Name of Property Owner

2/24/25  
Date

[Signature]  
Signature

Glenn Pickens, member  
Typed Name and Title

Campbell Lofts LLC  
Business Enterprise

2/24/25  
Date

[Signature]  
Signature

Glenn Pickens, member  
Typed Name and Title

- A copy of this proposal must be forwarded by the local government to the affected Board of Education along with notice of the meeting date on which the local government will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the legislative authorities considering the request.
- Attach a final Community Reinvestment Area Agreement as Exhibit A.
- Please note that copied of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.