

RESOLUTION NO. 026-21R

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 10, 2021, 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 April 20, 2021, 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

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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.



RICHARD R. BRADY
PRESIDENT OF THE CITY COMMISSION



ATTEST:

MCKENZIE E. SPRIGGS
CLERK OF THE CITY COMMISSION

Passed: May 10, 2021

RICHARD H. JEFFREY

E R I E COUNTY AUDITOR

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

April 20, 2021
Sandusky City Commission
City' of Sandusky, Ohio
222 Meigs Street

THE CITY OF SANDUSKY, OHIO TAX INCENTIVE REVIEW COUNCIL & COMMUNITY REINVESTMENT AREA HOUSING COUNCIL MINUTES OF THE MARCH 10, 2021 MEETING

The Tax Incentive Review Council (TIRC) and Community Reinvestment Area Housing Council (CRAHC) for the City of Sandusky, Ohio met on Wednesday March 10, 2021 in the Erie County Commission Chambers, 247 Columbus Avenue, Sandusky Ohio. The following Council members were in attendance:

- Richard Jeffrey, Erie County Auditor (Chair)
- Eric Wobser, City Manager, City of Sandusky
- Michelle Reeder, Finance Director, City of Sandusky
- Dennis Murray, City Commissioner, City of Sandusky
- Dru Meredith, Vice President of Operations/Marketing & Strategic Planning, Firelands Regional Medical Center
- Michael Will, Citizen Delegate, City of Sandusky
- JoAnn Bonner, Citizen Delegate, City of Sandusky
- Mike Zuilhof, Planning Commission member, City of Sandusky

Also in attendance were:

- Kristen Barone, Administrative Assistant, City of Sandusky
- Jonathan Holody, Community Development Director, City of Sandusky
- Sharon Johnson, member of the general public
- Zach Rospert, Erie Regional Planning Commission
- Mark Wroblewski, Erie County Auditor's Office
- Toni Fritz, Erie County Auditor's Office

Chairman Jeffrey called the meeting to order at 1:07 P.M. He informed everyone the first items to be voted on fell under the TIRC; therefore, the members eligible to vote included E.Wobser, M.Reeder, J.Bonner, D.Meredith, D.Murray, and R.Jeffrey. He further stated for the Community Reinvestment Area those eligible to vote included M.Will, M.Reeder, D.Meredith, M.Zuilhof, and R.Jeffrey.

CONSIDERATION OF MARCH 12, 2020 MEETING MINUTES:

The minutes of the March 12, 2020 meeting were reviewed. On a motion by D.Meredith and second by M.Reeder, the minutes were unanimously approved as presented.

ELECTION OF VICE CHAIR:

D.Murray made a motion to nominate M. Reeder for Vice Chair and D.Meredith seconded the motion. All voting members were in favor of the motion.

ENTERPRISE ZONE AGREEMENTS:**300 E. Water Street Properties, LLC:**

J.Holody stated this agreement provided a 75% abatement for ten years, expiring on December 31st, 2028. The project included the renovation and adaptive reuse of a 2,400 square foot, former residential condominium unit and commercial space into a larger commercial condominium unit. The total project investment exceeded the required levels at \$360,000. The property is now occupied by Water Street Financial. The project has exceeded the job creation requirements with five new jobs at the site. Staff recommends continuing the agreement.

There was a motion by M.Reeder, and a second by D. Murray, to accept the recommendation. All voting members were in favor of the motion.

Bay Boat Storage:

J.Holody stated this agreement provided a 75% abatement for ten years, expiring on December 31st, 2030. The project included the construction of a heated indoor marina storage building measuring 60,000 square feet at 1531 First Street. The project was estimated to cost \$1.5M and create three new full time jobs. Construction on the project was completed in August 2020. By the end of 2020, the company had met investment and job creation requirements with three full time employees at the site. Staff recommends continuing the agreement.

There was a motion by D.Meredith and a second by D.Murray, to accept the recommendation. All voting members were in favor of the motion.

Chris Andrews, LLC (dba Ohio Truck Sales):

J.Holody stated this agreement provided a 75% abatement for ten years, expiring on December 31st, 2028. The project included the construction of new storage and industrial space measuring nearly 14,000 square feet at 1801 George Street. The project was estimated to cost \$1.4M and create ten new full time jobs. Construction on the project was completed in early 2019. As of December 31st, 2020, the company had invested over \$3.3M and added 47 employees as a result of the project. Staff recommends continuing the agreement.

There was a motion by D.Murray and a second by M.Reeder to accept the recommendation. All voting members were in favor of the motion.

Cooke Building LLC:

J.Holody stated that this agreement has been terminated and therefore no action is needed.

Feick Building LLC:

J.Holody stated this agreement provided a 75% abatement for ten years expiring on December 31st, 2031. The project included the renovation of the eight story, 60,000 square foot building at 158 Market Street. The project was estimated to cost \$9.8M and create 111 new full time jobs. The project is currently under construction. Staff recommends continuing the agreement.

There was a motion by D.Meredith and a second by D.Murray to accept the recommendation. Mr. Holody stated that due to the turn in the economy, the owner said that they may be looking at making more residential space available and less commercial space than originally planned. All voting members were in favor of the motion.

Gundlach Sheet Metal Works, Inc:

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2028. The project included the construction of 6,250 square feet of new warehouse space at 910 Columbus Avenue. The project was estimated to cost \$1M and create four and a half new full time jobs. The project was completed in the fall of 2018. As of December 31st, 2020, the company had invested over a \$1M, created ten jobs and retained 45 jobs, thereby exceeding the investment and job creation requirements.

There was a motion by M.Reeder and a second by D.Murray to accept the recommendation. All voting members were in favor of the motion.

Huntley Building, LLC:

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2029. The project included the renovation of a commercial building measuring 30,000 square feet. The project was estimated to cost \$2.5M and create ten new full time jobs. Now completed, the building is referred to as the "Marketplace at Cooke." It houses multiple food, beverage and entertainment tenants. The total investment exceeded \$2.8M. Staff recommends continuing the agreement.

There was a motion by D.Murray and a second by D.Meredith to accept the recommendation. All voting members were in favor of the motion.

Market Street Collective, LLC:

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2030. The project includes renovation of the 11,000 square foot Cardinal Grocery Store at 317 E. Washington Street into a modern food hall at a total cost of \$2M. The project is required to create eight new full time jobs. As of December 31st, 2020, construction had not yet begun. They report delays due to COVID-19 and anticipate starting construction this fall and ending next spring. Staff recommends continuing the agreement.

There was a motion by D.Meredith and a second by D.Murray to accept the recommendation. Mr. Jeffrey stated that when construction begins in the fall, that he would advise amending the contract so that when the project is complete, they receive the abatement for the full ten years. All voting members were in favor of the motion.

Renaissance Too, LLC (125 E. Water Street):

J. Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2030. The project included the renovation of the vacant 7,350 square foot historic building at 125 E. Water Street. The project was estimated to cost \$550,000 and create four new full time jobs. The project is still under construction. Staff recommends continuing the agreement.

There was a motion by M.Reeder and a second by D. Meredith to accept the recommendation. All voting members were in favor of the motion except for D. Murray, who abstained.

Renaissance Too, LLC (131 E. Water Street):

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2030. The project included the building renovation and addition at 131 E. Water Street. The project was estimated to cost \$1.2M and create two new full time jobs. The project is still under construction. Staff recommends continuing the agreement.

There was a motion by D.Meredith and a second by M.Reeder to accept the recommendation. All voting members were in favor of the motion except for D. Murray, who abstained.

Resort School, LLC:

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2029. The project included the construction of a five story building at 250 E. Market Street. The mixed use project was estimated to cost \$13.6M and create ten new full time jobs. Construction was completed in late 2020 at a total cost of just over the amount estimated. On-site employment by BGSU and the apartment management company are expected to increase to the required levels this year. Staff recommends continuing the agreement.

There was a motion by M.Reeder and a second by D. Murray to accept the recommendation. Mr. Jeffrey stated that apparently there is an issue with the owner on the valuation of the project. He stated that he was not sure what everyone's understanding was when creating the contract, but he is going to be meeting with the owner soon to discuss the issue. All voting members were in favor of the motion.

S&S Realty, LTD (Holiday Inn Express – Phase I):

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2025. The project included the construction of a new five story Holiday Inn featuring 73 rooms. The project was estimated to cost \$6M and create 15 full time employees. The project was completed in 2016. The company reported 35 employees and \$6.2M of investment as of the end of the year, thereby exceeding the job creation and investment requirements. Staff recommends continuing the agreement.

There was a motion by M.Reeder and a second by D.Meredith to accept the recommendation. All voting members were in favor of the motion except for D.Murray, who abstained.

S&S Realty, LTD (Holiday Inn Express – Phase II):

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2029. The project included the construction of a five story building adding 66 rooms to the site. The project was estimated to cost \$5.7M and create 15 new jobs. The project was completed as planned. The company reported 35 employees and \$6M of investment as of the end of the year, thereby exceeding the job creation and investment requirements. Staff recommends continuing the agreement.

There was a motion by D.Meredith and a second by M.Reeder to accept the recommendation. All voting members were in favor of the motion, except for D.Murray, who abstained.

TAX INCREMENT FINANCING (TIF) AREAS:**Chesapeake:**

J.Holody stated that this 30-year Tax Increment Financing District was created in 2004 to fund private redevelopment projects and/or municipal improvements including, but not limited to, land acquisition, relocation, demolition, parks, streets, utilities, public buildings. In 2020, revenues totaled \$503,437 and expenses totaled \$1,358,107. Expenses included tax expenses and project costs associated with the Jackson Street Pier project. The fund balance at the end of 2020 was \$312,740. Staff recommend continuation of the agreement.

There was a motion by M.Reeder and a second by D.Murray to accept the recommendation. All voting members were in favor of the motion.

Cleveland Road:

J.Holody stated that this 30-year Tax Increment Financing District was created in 2018 to fund public infrastructure improvements such as trails, paths, parks, streets, sidewalks, water and sewer lines, and acquisition of real estate. The Sandusky Schools receive 10% of all annual revenues. No revenue had been received as of December 31st, 2020. Staff recommend continuation of the agreement.

There was a motion by M. Reeder and a second by D.Murray to accept the recommendation. All voting members were in favor of the motion except for D.Meredith, who abstained.

Downtown:

J.Holody stated that this 30-year Tax Increment Financing District was created in 2018 to fund public infrastructure improvements such as trails, paths, parks, streets, sidewalks, water and sewer lines, and acquisition of real estate. The Sandusky Schools receive 10% of all annual revenues. In 2020, revenues totaled \$34,419 and expenses totaled \$3,680. Expenses included property tax expenses and a payment to the School District. The fund balance at the end of 2020 was \$30,739. Staff recommend continuation of the agreement.

There was a motion by D.Meredith and a second by M.Reeder. All voting members were in favor of the motion except for D.Murray, who abstained.

The Chairman adjourned the meeting at 1:43pm.

2020 COMMUNITY REINVESTMENT AREA REVIEW:

Chairman Jeffrey called the meeting to order at 1:44PM. Voting members present included: R.Jeffrey, D. Meredith, M.Reeder, M.Will, and M. Zuilhof.

Buckeye Community Twenty-Two, LP (Rieger Place):

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2024. The project consisted of the renovation of the Rieger Place building into retail units and 37 income restricted senior housing units. The total investment of \$6.1M and the job creation of two and a half full time employees have exceeded the project requirements. Staff recommends continuing the agreement.

There was a motion by M.Will and a second by M.Zuilhof to accept the recommendation. All voting members were in favor of the motion.

SandCity, LLC:

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2029. The project consisted of the renovation of three historic buildings on Columbus Avenue into a mixed use development. The project has exceeded the required investment of \$11.4M and job creation of 25 full time employees. Staff recommends continuing the agreement.

There was a motion by M.Will and a second by D.Meredith to accept the recommendation. All voting members were in favor of the motion.

Tier 3 LLC:

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2026. The project consisted of the renovation of the building at 223 W. Water Street. The project has exceeded the required investment of \$1.2M and job creation of 10 full time employees. Staff recommends continuing the agreement.

There was a motion by M.Will and a second by M.Zuilhof to accept the recommendation. All voting members were in favor of the motion.

Zeller Gaming Enterprises, LLC:

J.Holody stated that this agreement provided a 75% abatement for five years, expiring on December 31st, 2022. The project consisted of the renovation of the building at 142 Columbus Avenue. The project has exceeded the required investment \$395,000 and job creation of 4 full time employees. Staff recommends continuing the agreement.

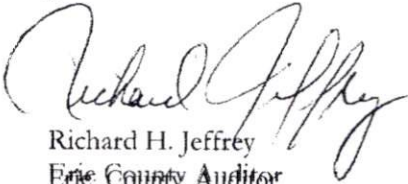
There was a motion by M.Will and a second by M.Reeder to accept the recommendation. All voting members were in favor of the motion.

ADJOURNMENT:

Chairman R. Jeffrey called for a motion to adjourn. M. Will moved to adjourn the meeting and M. Reeder seconded. All were in favor to adjourn. The meeting ended at 1:50pm.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Jeffrey".

Richard H. Jeffrey
~~Erie County Auditor~~

Chairman of the ax Incentive Review Council

cc: Steve Poggiali, Enterprise Zone Manager

cc: Zachary Rospert, Financial Planner, Erie County Regional Planning