

**RESOLUTION NO. 046-22R**

**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, 2022, 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 August 12, 2022, 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.



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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: August 22, 2022

# RICHARD H. JEFFREY

## ERIE COUNTY AUDITOR

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

August 8, 2022

Sandusky City Commission  
240 Columbus Ave  
Sandusky, OH 44870

The Tax Incentive Review Council (TIRC) and Community Reinvestment Area Housing Council (CRAHC) for the City of Sandusky, Ohio met on Wednesday, March 1, 2022 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
- Michelle Reeder, Finance Director, City of Sandusky
- Steve Poggiali, City Commissioner, City of Sandusky (sitting in for City Commissioner Dennis Murray)
- Mike Zuilhof, Planning Commissioner, City of Sandusky

Also in attendance were:

- Kristen Barone, Administrative Assistant, City of Sandusky
- Jonathan Holody, Community Development Director, City of Sandusky
- Wes Poole, City Commissioner, City of Sandusky
- Sharon Johnson, member of the general public
- Tim Schwanger, member of the general public
- Toni Fritz, Erie County Auditor's Office
- Zach Rospert, Erie County Regional Planning
- John Rogers, Erie County Auditor's Office

Chairman Jeffrey called the meeting to order at 2:15 P.M.

### **ELECTION OF VICE CHAIR:**

S.Poggiali made a motion to nominate M. Reeder for Vice Chair and E.Wobser seconded the motion. All voting members were in favor of the motion.

**CONSIDERATION OF MARCH 10, 2021 MEETING MINUTES:**

The minutes of the March 10, 2021 meeting were reviewed. On a motion by M.Zuilhof and second by M.Reeder, the minutes were unanimously approved as presented.

The chairman informed everyone the first items to be voted on fell under the TIRC; therefore, the members eligible to vote included E.Wobser, M.Reeder, S.Poggiali, and R.Jeffrey. He further stated for the Community Reinvestment Area those eligible to vote included E.Wobser, M.Reeder, M.Zuilhof, and R.Jeffrey.

**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 S. Poggiali, 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 31<sup>st</sup>, 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 exceeded investment and job creation requirements. Staff recommends continuing the agreement.

There was a motion by E. Wobser and a second by S.Poggiali, 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 31<sup>st</sup>, 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 148 full time employees as a result of the project. Staff recommends continuing the agreement.

There was a motion by S.Poggiali and a second by M.Reeder to accept the recommendation.

Resident Tim Schwanger stated that he read in the paper that the company is building a bigger facility across the bridge and asked if the company is committed to keeping the 147 jobs in Sandusky. J.Holody responded that the requirement for the Enterprise Zone Tax Abatement is to create ten jobs and they are well in access of that. He is not aware of their plans for elsewhere.

All voting members were in favor of the motion.

**Feick Building LLC:**

J.Holody stated that this agreement provided a 75% abatement for ten years expiring on December 31<sup>st</sup>, 2031. The project did not start construction by the end of last year and in early 2022 the Enterprise Zone Agreement was amended by the Sandusky City Commission to reflect the new project scope and schedule. That scope includes an \$8M investment for the construction of retail space as well as 42 apartments. Job creation includes a minimum of 12 new jobs with additional jobs being created during the construction of the project. While the project is still under construction, staff recommends continuing the agreement.

There was a motion by S.Poggiali and a second by M.Reeder to accept the recommendation. 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 31<sup>st</sup>, 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 31<sup>st</sup>, 2020, the company had exceeded the investment and job creation requirements.

There was a motion by M.Reeder and a second by S.Poggiali 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 31<sup>st</sup>, 2028. 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 and currently have 16 full time employees. Staff recommends continuing the agreement.

There was a motion by M.Reeder and a second by S.Poggiali 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. Construction has not yet begun. They report delays due to the COVID-19 Pandemic. The company has requested to amend the Enterprize Zone Agreement to reflect a new timeline. Staff is currently reviewing that and will likely bring that to the Sandusky City Commission for their consideration. Staff recommends continuing the agreement and continue to watch the project closely. The developer states that they will be starting construction this year.

There was a motion by M.Reeder and a second by S.Poggiali to accept the recommendation.

R.Jeffrey asked Mr. Holody if he has any idea when the project will start. J.Holody responded that the developer states the project will start in the spring and be completed by the end of the year. They have submitted building plans, have made commitments with two tenants, and have applied for a liquor license, so they are showing signs of moving forward.

All voting members were in favor of the motion.

**Renaissance Too, LLC:**

J. Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2030. The project included the renovation of both 125 and 131 E. Water Street. The total committed investment is \$1.45M and the creation of 12 full time jobs. The company has reported to have invested \$3.4M and has a total of 15 new full time jobs. Staff recommends continuing the agreement.

There was a motion by S.Poggilai and a second by M.Reeder to accept the recommendation.

M.Reeder stated that in last year's report it was stated that they had four full time jobs and said that he may want to double check that. J.Holody stated that last year the two buildings were reported separately, but the parcels have since been combined and so there is now only one agreement for both buildings, but they are still above the requirements.

All voting members were in favor of the motion.

**Resort School, LLC:**

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2030. 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. The

company is still gathering employment figures for this location, but the indication is that they are at or above the requirement. Staff recommends continuing the agreement.

There was a motion by M.Reeder and a second by S.Poggilai to accept the recommendation.

Resident Tim Schwanger asked R.Jeffrey if the valuation issue resolved that was mentioned in last year's meeting minutes. R.Jeffrey responded that the issue has been resolved. It was a timing issue. The company was using a different cutoff date, but even so, the numbers were still very close. S.Poggiali asked if anyone knows if they have any issue occupying the residential units. J.Holody responded he believes they are doing well. E.Wobser stated they are doing a little bit of long term rental but also doing some transient rental there as well. M.Zuilhof stated that there is a strong demand for housing. There needs to be more properties, more residents, and a higher population. S.Poggiali asked M.Zuilhof if he was concerned about the absorption rate. M.Zuilhof responded that he is not. It is easy to underestimate the value of living downtown. Resident Sharon Johnson stated this is the first she is hearing that the school has been turned into vacation rentals. R.Jeffrey responded that the transient rentals are taking place in the apartments in the upper units, not the school on the first floor. E.Wobser stated he believes it was 6 or 8 out of the 80 units were used for transient rentals. He said that use is permitted at that location. Sharon Johnson then asked if staff knows how many students are occupying those units. J.Holody stated that he could ask for that information. Sharon Johnson asked if staff do not already have that information. M.Zuilhof stated he does not believe the company is required to disclose that information as part of the agreement. W.Poole stated that if it is the company's choice not to disclose that information, that is public information. Staff can ask the company the question. He said he agrees that we should encourage building downtown, but how much the City contributes versus the contractor matters. S.Poggiali stated that he thinks you can tell the place is doing well based on the occupancy. If the occupancy rate is 95% then they are probably doing well with the investment. He said he is not aware that the agreement stated that they had to rent to people for a specific length of time. W.Poole stated that there was not a percent of occupancy provided and that is what is being asked. Sharon Johnson stated that if the company wants to keep that information private, they should not have applied for a tax abatement. They are being provided tax dollars and therefore the occupancy there should be public record. R.Jeffrey advised everyone to not jump to conclusions as the question was not even asked at this point. He said any time he has asked them a question, they responded. M.Reeder stated she wanted to clarify that the requirements were to invest near \$13.6M and create ten full time jobs, so there is no requirement as far as residency number.

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 30 full time employees. The project was completed in 2016. Staff recommends continuing the agreement.

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

**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 and they are reporting 7 full time jobs. So they are a little short on the employment requirement, but given the labor market and economic situation, staff expects that to increase this year. Staff recommends continuing the agreement.

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

**RMJD, LLC (Ahner Commercial):**

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31<sup>st</sup>, 2032. The project included the renovation of the former YMCA building on Perkins Avenue at a total cost of \$150,000. The company committed to creating 7 new full time employment positions at the site. As of December 31, 2021, the company reportedly has invested \$75,000 and created six full time employees. While they have yet reached their committed investment and employment numbers, staff recommends continuing the agreement, and looking closely at this project next year to see where they are at.

There was a motion by M.Reeder and a second by S.Poggiali. All voting members were in favor of the motion.

**Everwild Spirits, LLC**

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31<sup>st</sup>, 2032. The project included the renovation of an existing building into a craft bourbon distillery and tasting room. The project was estimated to cost \$1.3M and create three full time and eight part time jobs. As of December 31, 2021, the project was still under construction. Staff recommends continuing the agreement.

There was a motion by S.Poggiali and a second by M.Reeder. All voting members were in favor of the motion.

**Name One Yellowstone, LLC**

J.Holody stated that this agreement provided a 75% abatement for ten years, expiring on December 31st, 2031. The project included the renovation of 333 E. Washington into a nine unit transient rental building. The project is still under construction and delayed due to COVID-19



related difficulties. The EZ agreement may need to be amended to reflect the new project timeline. Staff recommends continuing the agreement.

Mr. Wobser stated that there is a grand opening at this location this Friday at 11:30, for anyone that wants to attend.

There was a motion by S.Poggiali and a second by M.Reeder. All voting members were in favor of the motion.

**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 2021, revenues totaled \$543,939 and expenses totaled \$527,837. Expenses included tax expenses and project costs associated with the Jackson Street Pier project. The fund balance at the end of 2021 was \$328,841. Staff recommend continuation of the agreement.

There was a motion by S.Poggiali and a second by M.Reeder 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. In 2021, revenues totaled \$665,171 and expenses totaled \$371,326. Expenses included debt service payments on public improvements related to the Sports Force Parks. The fund balance at the end of 2021 was \$293,854. Staff recommend continuation of the agreement.

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

**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 2021, revenues totaled \$62,818 and expenses totaled \$7,588. Expenses included property tax expenses and a payment to the School District. The fund balance at the end of 2021 was \$85,969. Staff recommend continuation of the agreement.

There was a motion by M.Reeder and a second by S.Poggiali.

S.Poggiali asked what the boundaries are for this TIF. E.Wobser responded that there isn't a boundary but it is a collection of parcels that include the City Hall complex, the Hogrefe complex, the Marketplace complex, the Feick Building, the BGSU building, the Battery Park parcels, and a few others. Mr. Holody stated that he could get Mr. Poggiali the list. Resident Tim Schwanger asked if someone could clarify if there was money coming from those projects that were going into the TIF or is there money from the TIF going into the projects. Mr. Poggiali stated that when they pay their taxes that money goes into the TIF.

All voting members were in favor of the motion.

**2021 COMMUNITY REINVESTMENT AREA REVIEW:**

**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.Reeder 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. Marous is still gathering the employment figures, but the indication is that they have exceeded the amount committed. Staff recommends continuing the agreement.

There was a motion by M.Zuilhof and a second by M.Reeder to accept the recommendation. Resident Tim Schwanger stated that in last year's report it states that there was a job creation of 25 full time employees. So does that include employees that relocated from the old City Hall building on Meigs Street? Mr. Holody responded no, those were jobs that were newly created at that location. Wes Poole asked if there is a list of the newly created jobs that they could view. J.Holody stated that he could ask the recipient to provide that. E.Wobser stated that there is more than just City Hall employees in those buildings. There is Vita, Firelands Credit Union, and also some apartment units in those buildings.

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 31<sup>st</sup>, 2026. The project consisted of the renovation of the building at 223 W. Water Street, which is the building that Hotel Kilbourn is in. The project has exceeded the required

investment of \$1.4M and job creation of 25 full time employees. Staff recommends continuing the agreement.

There was a motion by M.Reeder 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, which is the building that Barra is in. The project has exceeded the required investment and job creation requirements. The building is behind on property taxes, so staff in monitoring that closely. Staff recommends continuing the agreement.

There was a motion by M.Reeder and a second by M.Zuilhof to accept the recommendation. All voting members were in favor of the motion. R.Jeffrey stated that he heard that there has been some change in ownership and may that has something to do with them being behind on property taxes. The treasurer will reach out to them to see why they are behind.

**OTHER BUSINESS:**

R. Jeffrey reminded staff to look into putting the same people on both the CRA Housing Council and the TIRC, so that they do not have to worry about making sure there are enough members for a quorum.

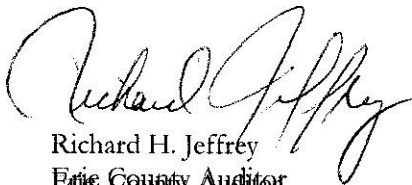
**ADJOURNMENT:**

S.Poggiali moved to adjourn the meeting and M. Reeder seconded. All were in favor and the meeting ended at 3:11pm.

EXHIBIT "A"

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

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