

RESOLUTION NO. 019-23R

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 16, 2023, 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 17, 2023, 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:

CATHLEEN A. MYERS
CLERK OF THE CITY COMMISSION

Passed: May 8, 2023

RICHARD H. JEFFREY

ERIE COUNTY AUDITOR

247 Columbus Avenue, Suite 210, Sandusky, Ohio 44870-2635
(419) 627-7746 ecao@eriecounty.oh.gov

April 11, 2023

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 Thursday, March 16, 2023 at 10:16 am in the Erie County Commission Chambers, 2900 Columbus Avenue, Sandusky Ohio. The following Council members were in attendance:

- TIRC
 - Richard Jeffrey, Erie County Auditor (Chair)
 - Yvonne Anderson, Sandusky City Schools
 - Michelle Reeder, Finance Director, City of Sandusky
 - Drew Meredith
 - John Orzech, Interim City Manager, City of Sandusky
 - Dennis Murray, City of Sandusky
 - Naomi Twine
- CRAHC
 - Richard Jeffrey, Erie County Auditor (Chair)
 - Yvonne Anderson, Sandusky City Schools
 - Michelle Reeder, Finance Director, City of Sandusky
 - Drew Meredith
 - Mike Zuilhof, Planning Commission, City of Sandusky
 - Dennis Murray, City of Sandusky
 - Naomi Twine

Also in attendance were:

- Jonathan Holody, Community Development Director, City of Sandusky
- Sharon Johnson, member of the general public
- John Rogers, Erie County Auditor's Office

- Zach Rospert, Erie County Auditor's Office

ELECTION OF VICE CHAIR:

Richard Jeffrey called for a nomination of Vice Chair and stated Michelle Reeder had volunteered to be Vice Chair. Dennis Murray made a motion to nominate Michelle Reeder for Vice Chair and Drew Meredith seconded the motion. All voting members were in favor of the motion.

CONSIDERATION OF MARCH 1, 2022 MEETING MINUTES:

The minutes of the March 1, 2022 meeting were reviewed. On a motion by Michelle Reeder and second by Yvonne Anderson, the minutes were unanimously approved as presented.

First items to be voted on fell under the TIRC; therefore, the members eligible to vote included Richard Jeff Jeffrey, Yvonne Anderson, Michelle Reeder, Drew Meredith, John Orzech, Dennis Murray and Naomi Twine. The Community Reinvestment Area Agreements members eligible to vote included Richard Jeffrey, Yvonne Anderson, Michelle Reeder, Drew Meredith, Mike Zuilhof Dennis Murray, and Naomi Twine.

Enterprise Zone Program

300 Water Street Properties, LLC: The Enterprise Zone 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 six new jobs and an annual payroll of \$2.3M at the site.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Michelle Reeder made a motion to continue the agreement and Dennis Murray seconded the motion. All voting members unanimously approved the motion.

Bay Boat Storage: The Enterprise Zone 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 2022, the company had exceeded investment and created three full time jobs at the site.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Drew

Meredith made a motion to continue the agreement and Michelle Reeder seconded the motion. All voting members unanimously approved the motion.

Chris Andrews, LLC (dba Ohio Truck Sales): The Enterprise Zone 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, 2022, the company had invested over \$5.8M and added 99 employees at the site. Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Michelle Reeder made a motion to continue the agreement and Dennis Murray seconded the motion. All voting members unanimously approved the motion.

Feck Building LLC: The Enterprise Zone 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. In early 2022, the EZ Agreement was amended to reflect the new project scope. Construction is currently set for completion this year. Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Dennis Murray made a motion to continue the agreement and Yvonne Anderson seconded the motion. All voting members unanimously approved the motion.

Gundlach Sheet Metal Works, Inc.: The Enterprise Zone 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 Fall 2018. As of December 31st, 2022, the company had invested over \$1,050,000 and hired eleven full time employees with a payroll of \$584,628 as a result of the project. Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Drew Meredith made a motion to continue the agreement and John Orzech seconded the motion. All voting members unanimously approved the motion.

Huntley Building, LLC: The Enterprise Zone Agreement provided a 75% abatement for ten years, expiring on December 31st, 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 at a cost of more than \$2.8M, the building houses multiple food, beverage and entertainment tenants with a total of 16 full time employees. Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Naomi Twine made a motion to continue the agreement and John Orzech seconded the motion. All voting members unanimously approved the motion.

Renaissance Too, LLC (125 - 131 E. Water Street): The Enterprise Zone Agreement provided a 75% abatement for ten years, expiring on December 31st, 2030. The project included the renovation of two vacant buildings at a cost of \$1.54M, thereby retaining ten and creating two full time jobs. As of December 31st, 2022, the total investment was \$3.4M and the total number of full time jobs at the site was 15 with \$206,912 of new annual payroll attributable to the project.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Michelle Reeder made a motion to continue the agreement and Yvonne Anderson seconded the motion. All voting members unanimously approved the motion. Dennis Murray abstained from the vote.

Resort School, LLC: The Enterprise Zone 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 \$14M. On-site employment by BGSU as of December 31st, 2022 was 6.48 full-time equivalent positions with an annual payroll of \$446,331.

Staff recommended continuing the agreement. There was discussion about the company not reaching its employment requirements for the last two years. Dennis Murray stated he would be voting not to renew the agreement because a message needed to be sent about not meeting the staffing requirements but he was okay if the majority voted to continue the agreement. Michelle Reeder asked Jonathan Holody if there was any discussion with the applicant regarding them not meeting the staffing requirements. Jonathan Holody stated he had not heard or reached out to the applicant but would relay the concerns of the Council to the applicant. Richard Jeffrey called for a motion. Michelle Reeder made a motion to continue the agreement with the condition of the applicant needed to improve employment numbers for the agreement to continue in the future. The motion was seconded by Drew Meredith. Rick Jeffrey stated a citizen last year asked how many rentals were for students and how many were vacation rentals and wanted to know whether or not that was answered. No member could recollect any follow up on the question. Rick Jeffrey called for a vote. All members, except Dennis Murray, were in favor of the motion.

S & S Realty, LTD (Holiday Inn Express – Phase I): The Enterprise Zone 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. As of December 31, 2021, the company had invested over \$6M and created 37 full time employees with an annual payroll of \$1.15M.

Staff recommended continuing the agreement. Richard Jeffery called for a motion. Michelle Reeder made a motion to continue the agreement and John Orzech seconded the motion. All voting members unanimously approved the motion. Dennis Murray abstained from the vote.

S & S Realty, LTD (Holiday Inn Express – Phase II): The Enterprise Zone 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. As of December 31, 2022, the company had invested over \$5.2M and created 36 full time employees.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. John Orzech made a motion to continue the agreement and Yvonne Anderson seconded the motion. All voting members unanimously approved the motion. Dennis Murray abstained from the vote.

RDMJD, LLC (dba Ahner Commercial): The Enterprise Zone Agreement provided a 75% abatement for ten years, expiring on December 31st, 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, 2022, the company reportedly has invested \$75,000 and created six full time employment positions at the site.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Drew Meredith made a motion to continue the agreement and John Orzech seconded the motion. All voting members unanimously approved the motion.

Everwild Spirits, LLC: The Enterprise Zone Agreement provided a 75% abatement for ten years, expiring on December 31st, 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, 2022, the company had invested \$1.9M in the project and created three full time jobs with an annual payroll of \$263,000 at the site.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Michelle Reeder made a motion to continue the agreement and John Orzech seconded the motion. All voting members unanimously approved the motion.

Name One, Yellowstone, LLC: The Enterprise Zone Agreement provided a 75% abatement for ten years, expiring on December 31st, 2031. The agreement called for the investment of at least \$450,000 and the creation of three full time employment positions as a result of the project. The project was completed in the summer of 2022 at a total cost of just over \$2M. The company reported zero full-time employees and payroll at the site as of December 31st, 2022. Jonathan Holody spoke to the applicant and believes there is some confusion of how to report employment.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Dennis Murray made a motion to continue the agreement with clarification of employment numbers and John Orzech seconded the motion. All voting members unanimously approved the motion.

Tax Increment Financing District Reviews

Chesapeake TIF: 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 2022, revenues totaled \$653,683 and expenses totaled \$609,903. Expenses included tax expenses and project costs associated with the Jackson Street Pier project. The fund balance at the end of 2022 was \$372,620.

Richard Jeffrey called for a motion. Michelle Reeder made a motion to continue the agreement and Naomi Twine seconded the motion. All voting members unanimously approved the motion.

Cleveland Road TIF: 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 2022, revenues totaled \$683,289 and expenses totaled \$347,379. Expenses included debt service payments on public improvements related to the Sports Force Parks and payments to the School District. The fund balance at the end of 2022 was \$629,755.

Richard Jeffrey called for a motion. Naomi Twine made a motion to continue the agreement and Dennis Murray seconded the motion. All voting members unanimously approved the motion. Drew Meredith abstained from the vote.

Downtown TIF: 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 2022, revenues totaled \$122,316 and expenses totaled \$13,775. Expenses included property tax expenses and a payment to the School District. The fund balance at the end of 2022 was \$194,509.

Richard Jeffrey called for a motion. Michelle Reeder made a motion to continue the agreement and Naomi Twine seconded the motion. All voting members unanimously approved the motion. Dennis Murray abstained from the voting.

Community Reinvestment Areas

Rick 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 were enough members for a quorum.

Buckeye Community Twenty-Two, LP (Rieger Place): The Community Reinvestment Area 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 company committed to investing \$5M and creating two full time employment positions through the project. As of December 31, 2022, the company had invested \$6.1M and had two full time employees at the site.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Mike Zuilhof made a motion to continue the agreement and Naomi Twine seconded the motion. All voting members unanimously approved the motion.

SandCity, LLC: The Community Reinvestment Area 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 with an estimated investment of \$11.4M and the creation of 25 full time employment positions. As of December 31st, 2022, the company had exceeded the investment levels and created 50 full time positions with an annual payroll of over \$3.4M at the site.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Drew Meredith made a motion to continue the agreement and Dennis Murray seconded the motion. Michelle Reeder asked if City Hall employees were included in the count because they were not new employees those employees were transferred from another site. Mr. Holody stated the applicant was not able to verify the number of employment from the credit union or apartment building prior to this meeting and that would increase that number as well. All voting members unanimously approved the motion.

Tier 3, LLC: The Community Reinvestment Area Agreement provided a 75% abatement for ten years, expiring on December 31st, 2026. The project consisted of the renovation of building at 223 W. Water Street. The project has exceeded the required investment and job creation levels with an investment of \$1.4M and job creation of 25 full time employees and an annual payroll of \$543,865 as of December 31st, 2022.

Staff recommended continuing the agreement. Richard Jeffrey called for a motion. Naomi Twine made a motion to continue the agreement and Dennis Murray seconded the motion. All voting members unanimously approved the motion.

Zeller Gaming Enterprises, LLC: The Community Reinvestment Area Agreement provided a 75% abatement for five years, expiring on December 31st, 2022. The project consisted of the renovation of building at 142 Columbus Avenue. To date, the company has not provided the necessary reporting information. Jonathan Holody reached out repeatedly with no response. Staff recommended allowing the agreement to expire. Richard Jeffrey called for a motion. Drew Meredith made a motion to let the agreement expire and Naomi Twine seconded the motion. All voting members unanimously approved the motion.

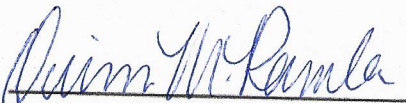
OTHER BUSINESS:

Richard Jeffrey expressed his appreciation to the City for their consistency and follow through on these agreements. There was no other business.

ADJOURNMENT:

Richard Jeffrey adjourned and the meeting ended at 11:00 am.

Approved:


Quinn Rambo, Clerk

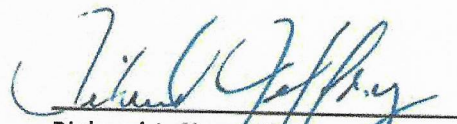

Richard Jeffrey, Chairman

EXHIBIT "A"