

Economic Development Incentive Committee
 March 13, 2018
 Meeting Minutes

Call To Order

Chairman Nickles called the meeting to order at 1:35 PM. The following members were present: Mr. Paul Koch, Mr. Matt Lasko, Mr. Justin Harris, Ms. Abbey Bemis and Chairman Al Nickles. Ms. Naomi Twine, City Commissioner, Ms. Maria Muratori, Development Specialist and Debi Eversole, Clerk from the Community Development Department were also present. Sharon Johnson, Sandusky City Resident was also present. There were 5 voting members present.

Approval Of Minutes

Mr. Harris moved to approve the minutes from the February 13, 2018 meeting. Mr. Koch seconded the motion. The motion carried with a unanimous vote.

Program Financial Update

Ms. Muratori presented the program financial update as of March 13, 2018:

ECONOMIC DEVELOPMENT FUNDS										
	2017 Carryover	Repayments	Beginning Balance	Date Approved	Committed	Spent	Revenue	Ending Balance	Total Project Cost	Estimated New Jobs
	\$ 3,557	\$ 104,484	\$ 558,041					\$ 271,080		9
Substantial Development			\$ 315,000							
SandCity, LLC				3/14/2017	\$ 125,000	\$ -	\$ -		\$ 6,645,872	32.5
Renaissance Too, LLC				2/13/2018	\$ 90,000			\$ 100,000	\$ 738,000	9
Façade			\$ 100,000							
H2 Property Management				2/13/2018	\$ 35,000	\$ 150	\$ 125		\$ 232,155	0
Signage			\$ 59,484					\$ 64,975		
Peerless Stove & Manufacturing Co.				2/13/2018	\$ 9,215	\$ 150	\$ 125		\$ 12,287	0
MBC Services, Inc., DBA Sandusky Canvas				2/13/2018	\$ 646	\$ 150	\$ 125		\$ 861	0
Small Business Assistance			\$ 80,000					\$ 49,572.82		
BSL Holdings Ltd.				1/9/2018	\$ 15,000	\$ 150	\$ 125		\$ 29,798	0
Omeca Inc., DBA Cameo Pizza				2/13/2018	\$ 9,500				\$ 38,621	0
Houdini				2/13/2018	\$ 2,500					
Economic Development - Other Expenditures			\$ 3,557					\$ 52,975		
Total								\$ 3,557		
Ex SandCity					\$ 286,861				\$ 7,697,593	
Leverage	26.8				\$ 161,861				\$ 1,051,721	
Ex SandCity	6.5									
2018 Expenditure										

Ms. Muratori stated that the repayment from Leaking Boot had been added to the total as well as the money committed from the past meeting. This left a balance of roughly \$271,080 for 2018. Mr. Lasko moved to approve the financial update as presented. Mr. Harris seconded the motion. With no further discussion, the motion carried with a unanimous vote.

Application Review

Blake Harris and Chris Patterson, Brew Tours, LLC dba have applied for a Small Business Assistance Grant for their business San Brew Bikes. San Brew will acquire a 15-passenger quadricycle that is powered by pedaling and/or electric. San Brew will offer 90 minute tours of the business district. This service will offer a unique entertainment option for locals and tourists. The proposed route tour is between Shoreline Drive and Washington Street from North to South and Pearl Street. San Brew will also partner with some of Sandusky's local dining establishments to offer food options. The recommendation is for \$9,300.00 Small Business Assistance grant; contingent upon obtaining title reports, obtaining all relevant permits, submitting before and after photographs, and displaying a sign for at least one year upon completion noting the City of Sandusky's support. The recommended total grant amount is approximately 42% of the total project cost and 60% of the Brew Bike acquisition cost. This project will be complete by 6/30/2018.

Mr. Koch moved to approve the application as recommended. Mr. Harris seconded the motion. After a brief discussion, the motion was amended to include a referral to use the RISE program and that the business be limited to the City of Sandusky. Mr. Koch and Mr. Harris agreed to the amended motion. With no further discussion, the motion was approved with a unanimous vote.

Elizabeth Maiden, Executive Director of Erie County Community Foundation has requested a Signage and Façade Grant for updates and renovations at 135 E. Washington Street. ECCF is investing nearly \$700,000 to update and renovate the building at 135 East Washington Row. The façade will be expanded which will increase the attractiveness of the exterior and will also contribute to heating and cooling efficiency. Additionally, ECCF will replace the outdated and faded red awnings with blue metal awnings. The recommendation is for \$20,000 Signage and Façade Grant; contingent upon obtaining title reports, obtaining all relevant permits, submitting before and after photographs, and displaying a sign for at least one year upon completion noting the City of Sandusky's support. The recommended total grant amount is approximately 60% of the total project cost minus the awnings. This project will be complete by 11/30/2018.

Mr. Harris moved to approve the grant as recommended. Mr. Koch seconded the motion. With no further discussion, the motion carried with a 4/0 vote, Ms. Bemis abstained.

Adelbert P. Marous Jr., Trustee/Managing Member of Marous Development Group, LLC, or its assigns ("Marous") has applied for a Substantial Redevelopment Grant for the purchase, restoration and redevelopment of the historic Feick Building at 158 – 160 E. Market Street. The project intends to redevelop the building into an exciting, vibrant new 77,000+ square foot, \$13 million mixed-use development consisting of 66 market rate apartments including a new addition over the three-story rear portion of the Feick Building along with newly renovated retail and/or office spaces located in the former bank lobby and other spaces on the ground floor of the building. The recommendation is for up to a \$300,000 Substantial Development Grant; contingent upon obtaining tax credits, securing all other financing, obtaining title reports,

obtaining all relevant permits, submitting before and after photographs, and displaying temporary signs during construction and a sign for at least one year upon completion noting the City of Sandusky's support. The target completion date is June 30, 2020. If this committee approves the grant, final approval will go before City Commission for approval.

Chairman Nickles asked if they currently own the building. Ms. Muratori stated that they are in an option agreement to purchase the building contingent on obtaining tax credits. The applicant will apply this month for \$2 million in tax credits and have the option to reapply in September if needed. They also intend to request a 10yr/75% tax abatement. Finally, they are requesting a grant from the Chesapeake TIF funds specifically for gap financing. If the TIF can grant \$1.3 million, the applicant will not need ED grant funding. The recommended \$300,000 is only allocating the money to the applicant at \$100,000/year if needed. Any funding not needed/used, will go back into the balance of the Economic Development funds. To be clear – the total grant amount from all sources is \$1.3 million.

Chairman Nickles asked if there would be sufficient parking. Mr. Lasko stated that there is a parking lot behind the building that will be part of the purchase, the lot behind Subway would be accessible along with the parking garage.

Mr. Lasko moved to approve the recommendation as presented with all contingencies and restrictions. Mr. Harris seconded the motion. Mr. Koch stated that he would be abstaining due to conflict.

Mr. Wobser stated that he attended a statewide conference regarding city redevelopment and learned that a critical piece of keeping first floor retailers thriving is to keep and attract new residents to the area because they are the ones that will visit daily.

With no further discussion, the motion was approved with a 4/0 vote, Mr. Koch abstained.

Ross Boesch, on behalf of Gundlach Sheet Metal Works, Inc. has applied for a Substantial Redevelopment Grant (Phase II) for constructing a 6,250 square foot storage structure. This structure will house one employee and help improve the flow of semis and delivery trucks. Gundlach will also renovate the current warehouse space into usable offices. The current office layout is inefficient and outdated. The renovations will allow Gundlach to consolidate its entire office staff in one large space and also add ADA compliant restrooms and entry. This renovation will allow Gundlach to hire more sales and engineering staff. The recommendation is for a \$50,000 Substantial Redevelopment Grant; contingent upon obtaining title reports, obtaining all relevant permits, submitting before and after photographs, and displaying temporary signs during construction and a sign for at least one year upon completion noting the City of Sandusky's support. This project will be complete by 3/31/19. The total project cost is approximately \$900,000 and the recommended \$50,000 is roughly 6% of the project cost. Gundlach will also be applying for a 10yr/75% tax abatement in April of this year. If this committee approves the grant, final approval will go before City Commission for approval.

Mr. Harris moved to approve the recommended grant as submitted. Ms. Bemis seconded the motion. Mr. Koch stated that he had a conflict and will be abstaining from the vote. With no further discussion, the motion carried with a 4/0 vote with Mr. Koch abstaining.

Next Meeting

Ms. Muratori stated that the next meeting will be Tuesday, April 10 at 1:30PM.

Public Participation

Sharon Johnson stated that she was disappointed that the Brew Bike project did not list the hours and days that they would be operating and what the fees would be to take the tour. Chairman Nickles stated that Ms. Muratori had requested that information. Ms. Johnson stated that it should've been released prior to the grant award. Ms. Muratori stated that there were contingencies attached to the award that will satisfy the committee.

Sharon Johnson asked for clarification on the Marous project as to what is coming out of the Chesapeake TIF and what is ED funds. Mr. Wobser stated that the project calls for \$1.3 million and that the Chesapeake TIF will be the major source of that \$1.3 million. The ED funding will cover the balance, which may not total \$300,000. Mr. Harris commented that the motion was conditioned that if TIF can pay for the entire \$1.3 million, ED will pay nothing. We are the last part of the many funding sources. Ms. Johnson stated that she attended the TIRC meeting and heard that there was \$800,000. Mr. Lasko said that is the money in the account today and that we can bond out the TIF money through 2037.

Sharon Johnson asked how many people abstained from the vote on the Marous application. Mr. Wobser stated that only Mr. Koch abstained from the vote. Chairman Nickles stated that he was able to vote because his role with the Board of Directors is to vote on loans that are \$20 million or more. He stated that he had no conflict with the Marous project. Mr. Harris clarified that Chairman Nickles is on the Board of Directors with the bank and that Mr. Koch is in the day to day operations with the bank.

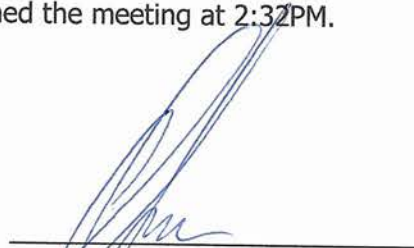
Adjournment

With no further business, Chairman Nickles adjourned the meeting at 2:32PM.

APPROVED:



Debi Eversole, Clerk



Al Nickles, Chairman