

Economic Development Incentive Committee

June 11th, 2019
Meeting Minutes

Call To Order

Mr. Hayberger called the meeting to order at 1:30PM. The following members were present: Mr. Hayberger, Ms. Sarah Ross, and Mr. Greg Voltz. Mr. Matt Lasko, Director of Development, John Storey, and Casey Sparks, Clerk for the Community Development Department were also present. There were 3 voting members present.

Approval of Minutes

Mr. Voltz moved to approve the minutes from the March 12th, 2019 meeting; Ms. Ross seconded the motion. The motion carried with a unanimous vote.

Program Financial Update

Mr. Lasko presented the program financial update as of June 11th, 2019:

ECONOMIC DEVELOPMENT FUNDS											
	2018 Carryover	New Funds	Reversion Balance	Date Approved	Committed	Spent	Revenue	Ending Balance	Total Project Cost	Estimated New Jobs	Notes
	\$ 493,103	\$ 500,000	\$ 755,230					\$ 283,490		26.5	
Substantial Development											
Resort School, LLC				1/21/2019	\$ 390,000.00	\$ 150.00	\$ 150.00	\$	13,600,000.00		12.0 \$150,000 in 2020 and \$120,000 in 2021 390 = 240 in carry over and 150 in 2019
Escade											
Willen Custom Heating				3/12/2019	\$ 9,500.00	\$ 150.00	\$ 150.00	\$	16,000.00	0.0	
Erie Residential Living, Inc				4/9/2019	\$ 9,411.50	\$ 150.00	\$ 150.00	\$	18,823.00	0.0	
Services											
Erie Wellness Group, LLC				2/12/2019	\$ 460.35			\$	613.81	0.0	
Therapy Pros, LLC				3/12/2019	\$ 348.27			\$	464.36	0.0	
Chris Andrews, LLC				3/28/2019	\$ 7,500.00	\$ 150.00	\$ 150.00	\$	53,481.75	0.0	Staff approved
Small Business Assistance											
Erie Wellness Group, LLC				2/12/2019	\$ 7,500.00	\$ 150.00	\$ 150.00	\$	31,371.60	3.5	
North Shore Running Store, LLC				2/12/2019	\$ 8,520.00	\$ 150.00	\$ 150.00	\$	22,463.42	1.5	
Tom Boat Marine, LLC				3/12/2019	\$ 10,000.00	\$ 150.00	\$ 150.00	\$	39,860.00	4.0	
Therapy Pros, LLC				3/12/2019	\$ 7,500.00	\$ 150.00	\$ 150.00	\$	19,216.67	2.5	
The Crooked Canvas				4/9/2019	\$ 7,500.00			\$	37,215.00	1.0	Staff approved
Doughnut Crazy, LLC				5/9/2019	\$ 7,500.00	\$ 150.00	\$ 150.00	\$	24,602.50	2.0	Staff approved
Miscellaneous											
Erie County Chamber - Fundraiser				2/22/2019	\$ 1,000.00			\$	N/A		0.0 Taste of Northcoast Fundraiser
Swan Sung, LLC				5/14/2019	\$ 5,000.00			\$	N/A		0.0 ED assistance to help with production

Committed - Not Yet Paid:		
Renaissance Too, LLC	\$ 90,000.00	
Gundlach Sheet Metal Works, Inc	\$ 50,000.00	PAID
H2 Property Management	\$ 15,000.00	PAID
USBR, LLC	\$ 2,157.45	PAID
Fairless Stone & Manufacturing Co.	\$ 9,215.00	
Lake Erie Shores & Islands	\$ 4,000.00	
Omeca, Inc.	\$ 9,500.00	
Lake Erie Shores & Islands	\$ 10,000.00	
LLCOA West Properties	\$ 4,000.00	
Pacific Collective	\$ 9,000.00	PAID
Rooted Juice Bar	\$ 7,500.00	PAID
Hobbs Lock & Key	\$ 7,500.00	
TOTAL	\$ 237,872.45	

Carryover (Rounded):	
Committed - Not Yet Spent	237,872.45
Marion Rescend	100,000.00
USBR Production	5,342.55
Clean & Safe Rescend	40,000.00
2018 Carryover	40,000.00
Freland's Northcoast Rescend	15,000.00
Mum Too Rescend	4,392.74
Repayments	50,495.00
TOTAL	493,102.74

Mr. Storey stated that the financial report will reflect two activities in the past two months. Mr. Lasko stated that they have paid out to H2 Property management as well as the Pacific Collective for the market study in which the city has received a copy. The applicant did close on the facility at the end of summer. Mr. Storey mentioned the funding that was given to SwanSung film for a project that will be filmed in Sandusky, \$5,000 was given to assist in the production. Mr. Lasko stated that the first disbursement for payment to BGSU Resort School, LLC

went through. The additional disbursements will go in 2020 and 2021. Coming into this meeting there is a total of \$239,940 available for the remainder of the year.

Mr. Voltz moved to approve the financial update; Ms. Ross seconded the motion.

Application Review

Mr. Storey stated that the applicant, Doughin Crazy, was approved at a staff level, the funding was largely used for the design build out and some capital equipment.

Ms. Ross stated that the applicants have worked with the RISE program, they have many plans for the business and she believes that this was a good investment.

Mr. Storey stated that the applicant was Custom Sign and Design, LLC formed last August it was the former Ability Works. The business is 50% female owned. The applicant is requesting the funding for renovations of the Hayes Ave facility and equipment including electrical upgrades. The applicant will be purchasing a second CNC router and table. They will be putting approximately \$25,000 of their own investment into the company. They plan to expand the company by 1-3 employees immediately and triple the investment.

Mr. Lasko stated that it is important to note that the applicant has already been through the Planning Commission process. This was formerly a vacant space that they will now be operating business.

Mr. Hayberger ask if the space was on the vacant and abandoned building list.

Mr. Voltz stated that it was vacant but will be mixed use going forward.

Mr. Storey stated that the project cost is \$84,000 and it is recommended funding of \$15,000 which would be 17.7% of the project cost.

Mr. Voltz motioned to approve; Ms. Ross seconded the motion.

Mr. Storey stated that the applicant is Bob Hare with Renaissance Too LLC located at 131 E. Water Street. The applicant has applied for funding for repairs on one of the more notable projects within the area. The repairs to the building will preserve a key block and continue the momentum downtown.

Mr. Lasko stated that it is important to note that Mr. Hare is a resident of downtown and he has renovated other buildings such as Boomtown, Hearth, CrossFit, and currently owns 121 E. Water Street. There were previous grants issued for this building

Mr. Lasko stated that the applicant has received \$22,500 in housing assistance as well as tax abatement. The housing grant and the ED grants have both of these have been approved.

Mr. Storey stated that Mr. Hare purchased the property on January 15th and since then they have done a significant amount of clean up trying to preserve the building. The upper floors will be occupied as they are adding a penthouse level. All of the proposed alterations have been approved by the Landmark Commission. Since the storm new electrical, HVAC, plumbing, and structural stabilization has occurred. Mr. Storey reviewed the proposed budget for the project.

Mr. Lasko stated the proposed funding is slightly less than 10% of the project and staff has recommended that it be disbursed over two years. The project consists of local owner and local financing.

Ms. Ross motioned to approve the application; Mr. Voltz seconded the motion.

Next Meeting

Mr. Storey stated that the next meeting will be July 9th, 2019.

Public Participation

Mrs. Johnson ask if Mr. Krabil had purchased the building on Hayes Avenue for his business.

Mr. Storey stated that he had purchased the building.

Mrs. Johnson ask what Mr. Hare does professionally.

Mr. Lasko stated that Mr. Hare's background is in environmental and assessment cleaning and decommissioning buildings. He is also a general contractor for many projects.

Mrs. Johnson ask if Doughin Crazy grant of \$15,000 was for reduced rent or for tenant improvements and will this go to City Commission since it is over \$10,000.

Mr. Storey stated that it would be tenant improvements and it would go to City Commission.

Adjournment

With no further business Mr. Voltz moved to adjourn the meeting; Ms. Ross seconded the motion. The meeting was adjourned at 2:08pm

APPROVED:



Casey Sparks, Clerk



Mr. Hayberger, Acting Chairman