

# COUNCIL CHAMBER

City of Berea, Ohio

Ordinance No. 2013-12

By Margarette S. Key Sponsored By Mayor Cyril M. Fleen

## AN ORDINANCE

### APPROVING, RATIFYING AND AFFIRMING THE 2012 ANNUAL REPORT, MINUTES AND ACTIONS OF THE TAX INCENTIVE REVIEW COMMITTEE FOR COMMUNITY REINVESTMENT AREA ABATEMENTS IN THE CITY OF BEREA.

**WHEREAS**, the Tax Incentive Review Committee for the City of Berea meets annually to review the prior year's activities of entities that have qualified for and participate in Community Reinvestment Area Agreements with the City; and

**WHEREAS**, the 2012 meeting of said Tax Incentive Review Committee has been held according to law and said committee has issued its Report for 2011 Reviews and Minutes of said meeting the same being attached hereto as Exhibit "A" and incorporated herein.

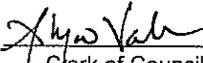
**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Berea, State of Ohio;

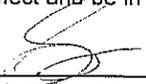
**SECTION 1.** That the Council of the City of Berea hereby approves, ratifies and affirms the 2012 Annual Report of the Tax Incentive Review Committee for Community Reinvestment Area Agreements (for 2011 activities) and the Minutes of its meeting held on August 7, 2012 the same being attached hereto as Exhibit "A" and incorporated herein.

**SECTION 3.** That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

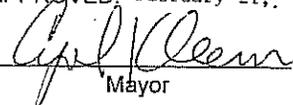
**SECTION 4.** That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.

PASSED: February 19, 2013

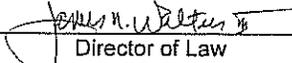
ATTEST:   
Clerk of Council

  
President of Council

APPROVED: February 21, 2013

  
Mayor

APPROVED AS TO FORM:

  
Director of Law

***Minutes from the Tax Incentive Review Meeting (TIRC)***  
***CITY OF BEREA AUGUST 7, 2012 @ 10AM***

Cuyahoga County Fiscal Office  
Ontario Street  
Cleveland, Ohio

**Present:** Joe Micculla- Cuyahoga County Fiscal Office, Rebecca Corrigan, City of Berea, Jim Walters, Law Director, City of Berea, Dan Smith, appointed TIRC member, City of Berea resident, Maggie Keenan, Office of Management & Budget, Treasurer Dave Pluhuta, Polaris School District, Attorney for Berea City School District, Another Member of the County Fiscal Office

**Absent:** Olmsted Falls Superintendent Todd Hoadley,- invited, other City members of the Berea Tax Incentive Review Committee

Mr. Micculla called the meeting to order at 10:15AM. Mr. Micculla welcomed Berea for its first time appearing before the County TIRC. Mr. Micculla asked for the minutes from last year to be reviewed. A motion was made to approve the minutes by Treasurer Pluhuta and a second by Mr. Smith, motion carried.

Mr. Micculla asked if there were any actions or amendments during this reporting period. Mrs. Corrigan explained that yes, WXZ RETAIL Group changed hands without the City's knowledge until Mr. Micculla brought it to the City's attention. The report reflects the change of name ownership and it is reported on the schedule C for the City. Mrs. Corrigan mentioned that this information was sent to Mr. Micculla's office. Mrs. Corrigan also indicated that Midwest Transatlantic was amended a few years ago as well.

Mr. Micculla explained that the sheets explained were the review of the City and the business. Before the meeting got into the schedule C. Mr. Micculla announced that A&F machine's information was incorrect and that he did not have the correct information handy to explain. He indicated that the abated information is correct now. The City did not report on this project due to the incorrect information the Assessors office had while abating the wrong property.

Mr. Micculla asked that Mrs. Corrigan discuss the Auto parts abatement, Advanced Auto. Mrs. Corrigan discussed that this one was changed because of change of ownership over the reporting period. She discussed this project was at the corner of N. Rocky River and Bagley. Mr. Micculla asked if it was for 5 years for 5 jobs for retail and a national chain? Mrs. Corrigan responded yes. Mr. Micculla also asked if the business was owned locally, Mrs. Corrigan replied that the agents were out of Beachwood.

Mr. Micculla indicated that for all projects, we first take a vote for compliance and the second motion would be to continue the abatement.

Mr. Micculla asked for a motion for compliance, Mr. Fluhate made a motion for compliance, seconded by Mr. Smith, motion carried.

Mr. Micculla added that they are saving roughly \$6000 per year with this tax abatement.

A motion was made for compliance by Mr. Fluhate and a second by Mr. Smith, motion carried.

Mr. Micculla began to discuss A& F Machine- Helwig Whistle Stop. This is the property where the Assessors office had the parcels incorrect even though submitted as and Mrs. Corrigan found discrepancy in the abatement. Mr. Micculla indicated he visited the site and does not have the numbers however it is being corrected.

Mr. Micculla wanted to confirm they were given 5 years to create these jobs? Mrs. Corrigan responded as yes. There was confusion on items #11 with new jobs. It indicated only 9 were created. Mrs. Corrigan confirmed the building was built as a shell and that actually the build out of space was still being constricted. Mrs. Corrigan anticipates that in reporting year 2012 we will see a jump in jobs because report period 2011 it was actually opened or ready for opening. 29 total, 9 new jobs, 20 retained. She explained that A&F is corporate parent and they had 20 retained jobs. Mrs. Corrigan indicated they are in compliance and have a few years to complete the job creation. Mr. Micculla questioned that the payroll doesn't match up and the total employment does not either. Mr. Micculla indicated we need to verify those jobs. Mrs. Corrigan indicated they have until June 2015 to create all the required jobs. Mrs. Corrigan indicated there are at least 5 new businesses for reporting year 2012, which we will see jobs increase in next years report. Mr. Micculla asked if this is part of the lease agreement with tenants, Mrs. Corrigan indicated not to her knowledge. Mr. Micculla indicated there was a disconnect. Mrs. Corrigan asked why? Mrs. Corrigan indicated that it is not just retail jobs but these are professional and office jobs too. Mr. Micculla indicated that this is the county's tax dollar beyond reproach. Mr. Micculla asked if Olmsted Falls was invited, Mrs. Corrigan said yes, we invite them every year. Mr. Micculla; asked for a motion for compliance made by Ms. Keenan, there was one abstention by Kevin Hinkle, second by Mr. Smith, motion carried. Mr. Fluhate made a motion to continue the abatement, second by Mr. Smith, one abstention from Kevin Hinkle, motion carried.

Nothing to report on AFR.

Mr. Micculla, last on our list is Midwest Transatlantic, 1230 West Bagley Road Berea, Ohio. Mrs. Corrigan indicated the business has experienced tough times with the economy and one of the City's largest employers. They agreed to commit 10 new jobs from 88 when they started. It is a freight-forwarding warehouse. Mr. Micculla indicated they math was not good, item 6, they lost 18 jobs. Mr. Walters also indicated their tenants are part of the job creation. Mr. Micculla indicated there still are no new jobs for their reporting period. The actually had 82 people on site. We want it to be 88 to 98. It is actually 6 less jobs.

Mr. Micculla indicated we want it be a sector of office hobs, did you amend the abatement? Mrs. Corrigan indicated the TIRC Committee recommended the amendment. A few years ago and it was extended for the job creation, since it was one of the first abatement under the new rules, they anticipated creating jobs quickly. We only gave them 5 months to do so. In retrospect, that was not enough time and we did not consider the economy taking a turn. Mr. Micculla indicated that they are only showing retaining 88 jobs and they need to hire 18. To get up their numbers. Mrs. Keenan suggested 5 months being aggressive. Mrs. Keenan asked if the City has considered reducing the abatement amount for the company since they are having difficulty creating the jobs? Mr. Walters said we could look at that, but they have still have time to reach their commitment. Mr. Smith indicated that there was a net loss for Midwest but their tenants picked up jobs. 12 jobs created. Mr. Fluhate suggested compliance in moving forward and working with them on better reporting and possibly amending their abatement. Mr. Micculla indicted they are not in compliance. Mr. Micculla made a motion for the company not being in compliance, all in favor, abstention Berea Board of Education, motion carried. All in favor for abatement to continue, all were in favor, motion carried. Meeting adjourned 1145.