

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2014-36

By Cheryl A. Banaszak Sponsored By Mayor Cyril M. Kleem

AN ORDINANCE

APPROVING, RATIFYING AND AFFIRMING THE 2013 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 2013 meeting of said Tax Incentive Review Committee has been held according to law and said committee has issued its Report for 2012 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 2013 Annual Report of the Tax Incentive Review Committee for Community Reinvestment Area Agreements (for 2012 activities) and the Minutes of its meeting held on July 25, 2013 the same being attached hereto as Exhibit "A" and incorporated herein.

SECTION 2. 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.

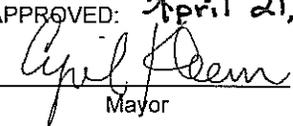
SECTION 3. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.

PASSED: April 21, 2014



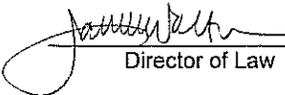
President of Council

ATTEST: Alyce Esano
Clerk of Council

APPROVED: April 21, 2014


Mayor

APPROVED AS TO FORM:



Director of Law

TAX INCENTIVE REVIEW COUNCIL
July 25, 2013

The Tax Incentive Review Council met on July 25, 2013 and was called to order by Joseph Micciulla. Present: Janise Bayne, Cuyahoga County Department of Development; Kevin Engle, Attorney for the Berea City School District; Mark Parks, Cuyahoga County Treasurer's Office; David Plahuta, Polaris Career Center; Maggie Keenan, Cuyahoga County Office of Budget Management; Daniel Smith, resident City of Berea; and Kenneth Weber, resident City of Berea. Also present was Rebecca Corrigan, Berea Community Development Corporation; Rick Gareau, Midwest Transatlantic Lines; Matthew Madzy, City of Berea.

The minutes from the 2012 Tax Incentive Review Council were approved by a unanimous vote.

Mrs. Corrigan stated that to best of her knowledge none of the businesses receiving tax incentives employ discriminatory hiring practices and that the financial figures submitted were verified by the Regional Income Tax Authority and the Cuyahoga County Fiscal Officer.

Secretariat Berea, LLC formerly WXZ Retail Group/Berea, LLC.

WXZ Retail Group/Berea, LLC acquired residential land and a vacant gas station to develop the site as a retail facility. Thereafter, WXZ Retail Group/Berea, LLC changed its name to Secretariat Berea, LLC. The CRA Agreement was amended in 2012 to reflect the name change of the property owner.

According to Mr. Kerr this retail facility is owned by Secretariat Berea, LLC and leased to Advance Auto Parts who owns and operates the retail business. Pursuant to the CRA Agreement, 5 jobs would be created at this location. For the 2012 reporting year, 15 jobs were created. There was discussion that these jobs were time equivalent of 8 full time jobs.

Mr. Micciulla inquired as to whether the amount of new payroll to be added has also been amended in the CRA Agreement. Upon review of the original CRA Agreement and the amended CRA Agreement, it was determined that the total payroll was amended from \$85,000.00 to \$185,000.00.

An additional amendment was the amount of time to achieve the number of new jobs and the payroll for those jobs. Secretariat Berea, LLC has until June, 2014 to achieve these requirements. Mr. Micciulla mentioned that

Secretariat Berea, LLC was over the required number of jobs and substantially compliant with the payroll.

Mr. Kerr added that he checked the payroll numbers and they are correct.

Motion was made and seconded that recommended that Secretariat Berea, LLC is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and Secretariat Berea, LLC continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

1230 West Bagley, LLC

Mr. Micciulla reviewed the terms of the CRA Agreement between 1230 West Bagley, LLC and the City of Berea. After reviewing the CRA Agreement and the Annual Report, it was determined that the number of full time jobs to be retained at this located was 84. Additionally, it was determined that the CRA Agreement requires five to ten new full time jobs be created which generates a payroll of \$400,000.00.

Mr. Gareau reported that he has tenants in the building that were not there the year before. The total size of the building is 52,000 square feet of which 11,000 to 17,000 square feet are leased. Pursuant to the terms of the gross lease, the tenants are not required to provide information to Mr. Gareau. In fact, one of the tenants has already moved out.

Discussion ensued regarding amending the CRA Agreement to allow the job retention, creation and payrolls of the tenants to count toward the requirements of the CRA Agreement.

Motion was made and seconded that recommended that 1230 West Bagley, LLC is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and West Bagley, LLC continue the CRA Agreement with the condition that CRA Agreement be amended to allow jobs created by tenants at the facility to count towards the job retention, creation and payroll CRA Agreement. Vote all ayes, no nays, the motion carried.

Helwig Whistle Stop, LLC

Mrs. Corrigan reported that the site is a 50,000 square foot mixed use facility adjacent to the railroad tracks on West Bagley Road. There was discussion about the number of jobs retained and the number of jobs to be created. It was recommended that the number of retained jobs should be amended to zero.

Mr. Micciulla questioned the number of jobs to be created and the due date for the job creation. It was determined that the language of the CRA Agreement should be amended to clarify the job creation requirements. There was additional discussion about the number of jobs created because of the abatement.

Mr. Weber commented on the status of retail space in Berea, concluding that he was pleased with the progress of the project.

Motion was made and seconded that the City of Berea notify Mr. Micciulla and provide a copy of a cancelled check upon payment to the Olmsted Falls City School District. Vote all ayes, no nays, the motion carried.

Motion was made and seconded that recommended that Helwig Whistle Stop, LLC is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and Helwig Whistle Stop, LLC continue the CRA Agreement with the condition that CRA Agreement be amended to set the job creation completion date at December 31, 2015 and that the 20 retained jobs be removed. Vote all ayes, no nays, the motion carried.

AFR Properties, LLC

This project involved the demolition of a vacant gas station and the construction of a new dental building in the City of Berea and within the Berea City School District. The CRA Agreement requires the retention of four jobs and the creation of the equivalent of three full time jobs within three years. There was discussion regarding the amount of payroll to be created pursuant to the CRA Agreement.

Motion was made and seconded that recommended that AFR Properties, LLC is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and AFR Properties, LLC continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

First Avenue Improvement District

Mr. Micciulla reviewed the Ohio Revised Code sections pursuant to the review of the Tax Incentive Review Council and Urban Renewal Debt Retirement agreements. Mr. Madzy described the location of the First Improvement District Agreement. There was discussion regarding the progress of the First Avenue Improvement District Agreement which is an agreement between the City of Berea and the Cleveland Browns.

Specifically, there were questions about the amount and use of the monthly rent payments outlined in the agreement. Mr. Weber summarized the questions from Mr. Micciulla as “you want to know how much money and what it was used for.” Mrs. Corrigan provided information from a Memorandum from the City of Berea Finance Director, however, this information did not answer the questions from Mr. Micciulla.

There was further discussion about the terms of the First Avenue Improvement District Agreement. Mr. Micciulla then agreed to get a copy of the agreement and review it with the members. It was determined that the agreement was too voluminous to review at the time, so questions were then framed for the City of Berea Law Director.

Motion was made and seconded to request that the City of Berea respond within 30 days the income and expenses of the First Avenue Improvement District and disseminated to the members of the Tax Incentive Review Council upon receipt. Vote all ayes, no nays, the motion carried.

Having no further business before the Tax Incentive Review Council, adjournment was moved and seconded. Vote all ayes, no nays, the motion carried.