

**Cuyahoga Falls City Council
Minutes of the Community Development Committee**

January 7, 2019

Members: Drew Reilly, Chair
Tim Gorbach
Adam Miller

Mr. Reilly called the meeting to order at 6:55 p.m. All members were present.

Legislation Discussed:

Temp. Ord. A-95

Discussion:

Temp. Ord. A-135

An ordinance authorizing the Mayor to enter into a Community Reinvestment Area Agreement with Portage Community Bank, and declaring an emergency.

Ms. Sara Leedham, acting Community Development Director, introduced Ms. Ann Durr, from Portage Community Bank, who then gave a brief background on the Portage Community Bank that will be opening a branch where the former Westfield Bank building is now located. The Portage Community Bank is very community-oriented. In 2017, bank employees gave 2,460 volunteer hours to Portage County. The bank has a long-time tradition of incentivizing employees for volunteer experience within the communities that they serve. They do that by allowing employees to accumulate so many volunteer hours and actually earn paid time off. Portage Community Bank also offers scholarships annually to the high schools in the communities that they serve. They plan on offering a scholarship to Cuyahoga Falls High School at the end of this year, even though they won't have a presence until the fall.

Mr. Reilly asked how many employees the bank will be bringing in downtown. Ms. Durr stated approximately 12 that will be from the level of being the manager of the office to a commercial lender, several customer service reps who would open accounts and run teller lines, and new accounts people. Mr. Gorbach stated that the number presented to Council were six full-time employees and two part-time employees. Mr. Gorbach stated that Council needs to remember that, when giving a tax abatement, the bulk of the taxes abated are monies that are designated for the schools. He has talked to superintendents in the past, and having businesses be engaged, whether it's through scholarships or some other type of back and forth, is appreciated to a great extent.

Mrs. Pyke asked if customers will be able to go out onto Portage Trail from the widened alley shown on the rendering Council received. Ms. Durr stated that this is still under discussion. They are still working out the engineering details and the logistics of coming out onto Portage Trail. There will not be a left turn. Mr. Iula asked if they will be preserving the timeline mural that Valley Bank had on the wall. Ms. Durr stated that just had a meeting on that today. Unfortunately, they are not going to have that wall, but they are trying to repurpose it. Mr. Iona asked if there

were any plans on adding additional jobs to that location. Ms. Durr stated that it will depend on the need. Ms. Nichols-Rhodes stated that this property is a \$1 million investment, and asked for a dollar amount on how much more will likely be invested. Ms. Durr stated that they will be adding approximately \$1.2 million, so the project will be over \$2 million. Ms. Nichols-Rhodes stated that it will be a beautiful building and a great addition to downtown.

Mr. Colavecchio asked what City and schools getting in taxes before the proposed tax abatement and what they'll be receiving now if the new building goes forward. Ms. Leedham stated that she would have to go back to tax years for Westfield, as well as the Valley Savings Bank and get those numbers to Mr. Colavecchio. They are currently receiving \$30,835 annually, which, over the 10-year abatement, would equate to \$308,559. Mr. Colavecchio asked if Westfield Bank was currently getting an abatement of \$30,000. Ms. Leedham stated that Westfield Bank does not have an abatement. The \$30,835 is the amount they were paying in taxes. Mr. Colavecchio asked Ms. Leedham to get back to him with the numbers. Ms. Leedham stated that this is an unusual scenario, because there will be demolition of one of the buildings involved, so that makes it a little more complicated. The land valuation obviously stays the same. It is valued at \$130,260. Because a portion of the building will be demolished, the footprint will change and that could decrease the overall appraised valuation. Based on improvements to the property, they anticipate a potential increased value assessment of \$150,000. How that works is the assessed value of the improvements are 35 percent of the appraised value, which would be \$52,500, and that equates to \$2,724.88 in new taxes annually. That's over and above what is already taxed on that property; however, with the abatement at 50 percent, \$1,361.12 would be the abated amount as well as the amount that they pay. Over a 10-year period, that amount equates to \$13,611.24. Ms. Leedham stated that the Cuyahoga Falls School System is onboard with the abatement. The CRA Program was designed to encourage new investment in areas, whether it be renovations to existing property or a new building. This project really does embody that. It is going to be a beautiful gateway to the newly-restored downtown. This abatement is 50 percent for 10 years. That is not unreasonable based on the nature and the value that this would add to downtown. Mr. Reilly stated that this is a very unique project because of the nature of demolition and then renovation. They don't know what the valuation is going to be, so they don't know what the potential abatement will be. They could run into a scenario where there's no abatement, but this allows the Portage Community Bank to invest in the property.

Mr. Gorbach moved to bring out Temp. Ord. A-135 with a favorable recommendation, second by Mr. Miller. Motion passed (3-0).

The meeting adjourned at 7:21 p.m.