

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

April 20, 2020

Members: Meika Penta, Chair
Russ Balthis
Jeff Iula

Ms. Penta called the meeting to order at 7:14 p.m. All members were present.

Legislation Discussed:

Temp. Ord. A-23

Discussion:

Temp. Ord. A-23

An ordinance authorizing the Mayor to enter into a Community Reinvestment Area agreement with Nieuw World Capital Management, LLC and declaring an emergency.

Ms. Diana Colavecchio, Community Development Director, presented Temporary Ordinance A-23. The City of Cuyahoga Falls designated an O.R.C. Chapter 3735 Community Reinvestment Area by virtue of Ordinance No. 95-2004 to encourage the development of real property within the Cuyahoga River Community Reinvestment Area . The City of Cuyahoga Falls has designated a certain area within the City that has been certified by the State of Ohio Development Services Agency (FKA Ohio Department of Development) as a Community Reinvestment Area enabling it to exempt certain real property taxes imposed on industry provided said industry creates or retains jobs and makes a significant investment within the City.

City Council and the Administration wish to provide assistance to Nieuw World Capital Management, LLC for the redevelopment of 2020 Front Street, Cuyahoga Falls, Ohio, 44221 (Parcel #0202834), to convert the existing office building, now known as the Towne Center Building, into residential apartments (approximately 38 multi-family units) with first floor retail consisting of approximately 7,000 square feet, all at an approximate cost of \$10,328,000.00. The City intends to provide a Community Reinvestment Area Tax Exemption to Nieuw World Capital Management, LLC for a period of fifteen (15) years as the size and scope of the project falls within the parameters of “new construction.” The development of the property will create job and economic opportunities within the City.

The Mayor would be authorized to enter into a Community Reinvestment Area (CRA) Agreement with Nieuw World Capital Management, LLC consistent with the terms in the proposed CRA Agreement, to provide real property tax relief at the percentage and length of abatement as stipulated in said Agreement to benefit the City and being consistent with the objectives of this ordinance. Council would further authorize the Mayor, Director of Finance, Director of Community Development, Director of Law and any other city officials, individually and/or collectively as may be appropriate, to prepare and execute such other documents and do other

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things as are necessary for and incidental to carrying out the requirements of this legislation consistent with the terms of the Agreement.

Ms. Penta asked what type of retail would be in the building. Mr. Mark Makebakken, Owner of Nieuw World Capital Management, LLC, stated that he thinks that a great understated factor for the building is the 80,000 plus cars that travel on Route 8. It would be good to be able to pull that commuter traffic. They would also like to see an upper-scale restaurant in one of the spaces that they would be able to accommodate for downtown use. They believe in the macroeconomics of the Akron-Canton Cleveland area, and they want this to be one of several projects in the market. He believes that this is the perfect building for that lateral move slightly upward for people that are looking for that kind of space and to have these kinds of uses and parking and the downtown dynamics. The retail piece they see is trying to find some more national retailers that would show off that part of Front Street.

Mr. Iula asked how much the rent is for these apartments. Mr. Makebakken stated that they did a comparative analysis and tested this market. They looked all around the Cuyahoga Falls area, and the units are at the upper end of \$1,200 to \$1,650 a unit. They are going to have high-end finishes and have that special parking piece. People will use the skyway to go from car to unit. They are also going to create spaces around the building, so the residents can be part of the pedestrian aspect of downtown. They are going to have 38 units, plus however many people that work in the building that really want to be downtown for the retail, concerts and ice skating that the Mayor and the Council have done a great job of putting there. He believes the wave is cresting, and they want to be a part of that.

Mr. Balthis thanked Mr. Makebakken for his investment in the downtown area. He stated that lives in downtown, and it is an amazing area. There is a lot of excitement and a lot of people that want to live in the area for a lot of good reasons. He asked when they anticipate finishing the renovation. Mr. Makebakken stated, barring any unforeseen delays, they would look to start construction in January or February 2021.

Ms. Nichols-Rhodes stated that Council is thrilled that Mr. Makebakken is making this development happen downtown. They need apartments, and people are going to love to live there. She asked if the apartments would be studio, one-bedroom or two-bedroom. Mr. Makebakken stated that there is mix between one and two bedroom. They will also have a couple larger loft spaces that will be directly in front, where the pillars are. There will be a couple live-work spaces, which are good for the younger generation.

Mr. Gorbach asked for clarification on the talking points that were sent to Council as to whether that building has 20 to 25 percent occupancy or vacancy. Ms. Colavecchio stated that the building is 20 to 25 percent occupied as stated in the written notes. Mr. Gorbach stated that, from his limited exposure to the Towne Center Building, it seems that there has not been a lot money put into the building over the years and, certainly, the occupancy level demonstrates that fact. He is excited to see the amount of money and type of development.

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Mr. Brillhart stated that he appreciates everything that Mr. Makebakken is doing and the investment that he wants to make in the City of Cuyahoga Falls. He asked what other cities Mr. Makebakken has developed in. Mr. Makebakken stated that he has been headquartered in Phoenix, so they have done a lot of business in Arizona in redevelopment of cities there over the years. At one time, they were one of the larger landlords in Albuquerque.

Mr. Reilly asked if there was a percentage of the units that are going to be more affordable than that price point stated earlier. Mr. Makebakken stated that the one-bedrooms and the lofts and live-work spaces would be the lower price point units, but they want to be within the top end of the market. There is that \$650 to \$950 piece. Mr. Reilly asked if the parking was going to negatively impact the rest of downtown. Mr. Fred Guerra, Planning Director, stated that the deck was originally built for this building. When this building was full, most cars that were being parked there worked in the Towne Center Building. Right now, it is probably 30 to 40-percent full. There is also the Blue deck, which is typically 20 to 30 percent full, right across Old Town Loop. Mr. Reilly stated that the Traffic Committee has looked, several times, at ways to relieve some of the congestion in that area, especially at 4:00 with traffic getting off Route 8. With more people living downtown, there is going to be an increase in the traffic issue. He stated that he wants to make sure they are being forward-thinking and going to resolve that issue that is going to pop up.

Mayor Walters congratulated Mr. Makebakken and thanked him for his investment. This has come full circle. Mr. Makebakken is from Cuyahoga Falls and has been all over the world, and now he is here making an investment here. He also wants to remind Council when you look at the original rendering of what Front Street would look like; it shows retail on the ground floor. The fact that it is going to be repurposed the way it should be, is going to be a great shot in arm for downtown.

Ms. Penta stated that having affordable housing and some other housing downtown is good. The library is right there on Front Street with the shops and retail and the river. She stated that she is excited for the project.

Mr. Iula moved to bring out Temp. Ordinance A-23 with a favorable recommendation, second by Mr. Balthis. Motion passed (3-0).

The meeting adjourned at 7:45 p.m.