

Cuyahoga Falls City Council
Minutes of the Finance and Appropriations Committee Meeting

July 6, 2020

Members: Tim Gorbach, Chair
Drew Reilly
Jeff Iula

Mr. Gorbach called the meeting to order at 7:05 p.m. Mr. Reilly was absent.

The minutes of the June 15, 2020 Finance Committee meeting were approved as written.

Legislation Discussed

Temp. Res. A-38

Discussion:

Temp. Res. A-38

A resolution accepting the recommendations of the Tax Incentive Review Council and the Community Reinvestment Area Housing Council concerning Enterprise Zone and Community Reinvestment Area tax exemption agreements within the City of Cuyahoga Falls, and declaring an emergency.

Ms. Diana Colavecchio, Community Development Director, presented Temporary Resolution A-38 to Council. The City of Cuyahoga Falls has entered into Enterprise Zone and Community Reinvestment Area tax exemption agreements with various property owners in the mentioned areas for the abatement of portions of the property owners' real property taxes as incentives for the businesses and homeowners to invest in the community. The City has established a Tax Incentive Review Council pursuant to R.C. §5709.85, and a Community Reinvestment Area Housing Council pursuant to Ord. No. 95-2004, for the purpose of annually assessing whether each owner of property exempted from taxation pursuant to a tax exemption agreement has complied with the agreement. The Tax Incentive Review Council is required to annually submit written recommendations to this Council concerning whether each tax exemption agreement subject to its review should be continued, amended or terminated.

Mr. Gorbach stated that, on Line 56 of the ordinance, there was an abatement for the Riverwalk. He had some questions at the TIRC meeting. It is all one parcel, part of which is to be condos which are not yet done. The other part is retail, which has been done, Hibachi and Clean Eat. They have completed their obligations. The condos have not been started, and it concerns him. This agreement started in 2015. Council was told, in 2019, they were going to be up and ready. He confirmed that there has been no Planning & Zoning meeting scheduled nor drawings submitted for the condos. Mr. Gorbach asked Mr. Joel Testa for a summary of where they are with their projects.

Mr. Testa stated that they share Mr. Gorbach's concern. The project is in the conceptual phase. In this project, the first phase went almost exactly as planned conceptually. At the time they were

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designing and moving from conceptual into schematic design on the housing portion of the project, they were informed that there was a competing project across the street that Mr. Danny Karam was going to develop. They spoke with Mr. Karam to make sure they were not competing with the same product and development type, and that put them on hold. Ultimately, Mr. Karam was not able to go forward with his project, so they picked theirs up and started designing. One of the issues is there is not enough parking on the site to make units favorable. They started negotiating with Mr. Michael Crimaldi, who owns the business next store. Mr. Crimaldi has been back and forth, and they have been in limbo. In the meantime, they stepped in to negotiate and develop with Ryan Homes the property across the street. They have since decided that we are going to move forward with the condo project, so they are back into schematic design and performance. As soon as they figure out exactly how to make the project work and perform there, they will see actual plans.

Mr. Gorbach stated that, while he understands the business decision with regards to the potential project across the street, he is not sure he appreciates the rationale for the holdup of the parking, because they did not have the parking in 2015 when this agreement was executed. As far as moving forward with this project, it sounds like they are moving forward with what would have been the Karam project across the street first and then coming back to the project that already currently has the abatement. There has been no abatement on this property because there has been no improvement. The City was expecting property taxes to be paid and be increased there, so the City has been out of property taxes, along with the schools and whatever other levies would have been on the tax bill. Mr. Gorbach stated that he is going to recommend they move forward and pass Temporary Ordinance A-38, as was done at the Tax Incentive Review Commission. He stated he hopes they have better news at the next Tax Incentive Review Commission involving these condominiums. Mr. Testa stated that he feels confident they will. Mr. Iula stated that he is in agreement with Mr. Gorbach

Mr. Iula moved to bring out Temp. Res. A-38 with a favorable recommendation, second by Mr. Gorbach. Motion passed (2-0).

The meeting adjourned at 7:20 p.m.