

CUYAHOGA FALLS CITY COUNCIL

Minutes of the Community Development Committee Meeting

July 6, 2015

Call to Order	The meeting was called to order by Mr. Weinhardt, Chair, at 7:14 p.m. A quorum was present.
Approval of the Minutes	Approval of the minutes was deferred.
Agenda Items	
Temp. Ord. B-53	<p>An ordinance authorizing the sale of Parcel 107 in the Front and Center Urban Renewal Project Area to River Falls Property III LLC, for development in accordance with a contract for sale of land for private development, determining that such real property will not be needed for public use, that the purchase price is satisfactory, and related findings, and declaring an emergency.</p> <p>Proponent testimony was offered by Deputy Director of Law Janet Ciotolla. Ms. Ciotolla stated that the ordinance authorizes the sale of Parcel 107 to River Falls Property III LLC, for the development of a boutique hotel. The owners of River Falls Property III LLC are Steven Krutowsky and Thomas Bartlebaugh.</p> <p>The proposed development agreement between the City and River Falls Property III LLC contains the following terms. The purchase price for Parcel 107 is \$54,160, which is based on the Summit County auditor's tax value for the property. River Falls Property III LLC will construct an approximate 80 room boutique hotel with a projected total investment of over \$8.7 million. The hotel will comply with the requirements of the Cuyahoga River Planning Area design guidelines and the City's General Development Code. The property will revert back to the City if the development does not go forward. The City will provide funding of up to \$100,000 for public improvements. The City will construct a cul-de-sac for valet parking. The Developer will rent space in the City's Blue Parking Deck and will pay the City a monthly maintenance fee of \$1,000 plus \$2 for every vehicle overnight stay. The agreement anticipates a</p>

Community Reinvestment Area ("CRA") agreement between the parties.

The Chair asked if the proposal to reopen Front Street to traffic would affect the cul-de-sac to be built by the City. Mrs. Ciotolla stated that the cul-de-sac will not interfere with future development of the roadway.

The Chair asked how the proposed historic district overlay zoning would affect development of the hotel property. Ms. Ciotolla stated that plans for the hotel will be submitted for historic district design review.

The Chair asked whether local employment goals will be part of the development agreement or the CRA. The Chair recognized Community Development Director Diane Sheridan, who stated that the owners will "strive" to hire Cuyahoga Falls residents and to create internship opportunities for students at the Cuyahoga Falls Local School District [sic]. This language will be put into the agreement.

The Chair recognized Mr. Pallotta and asked if the boutique hotel would compete with the Sheraton Hotel. Ms. Sheridan stated that the proposed hotel is a boutique hotel and will not be competing for the same business. Mr. Pallotta asked if the loss of parking caused by the development of Parcel 107 will negatively affect the area. Ms. Sheridan stated that the Red Parking Deck has 150 spaces, the Blue Deck has 266, and the Green Deck has 249. The Green parking deck outlot has 68 spaces. Including street parking there are 764 spaces in the immediate vicinity. The City does not anticipate a problem with parking.

The Chair recognized Mr. Colavecchio, who asked how much revenue is currently generated by Parcel 107. Ms. Ciotolla stated "zero." Ms. Sheridan stated that under the development agreement the City will receive additional parking revenue of over \$47,000 annually assuming 60% hotel occupancy. The cost of construction will be \$8 million resulting in a total project investment of \$8.7 million. Assuming an assessed value of \$2.8 million with the tax abatement, new annual property taxes will be approximately \$103,000 annually. \$66,000 of this amount will go to the Cuyahoga Falls School District and \$15,000 will

go to the City. Over the ten-year abatement period the new taxes will be over \$1 million, \$661,000 of which will go to the school district and \$154,000 of which will go to the City.

The Chair recognized Mrs. Klinger, who asked if the development agreement can be provided to Council. Ms. Ciotolla stated "yes." Mrs. Klinger asked whether the development agreement can be attached to the ordinance. Ms. Ciotolla stated "yes." Mrs. Klinger asked what is the time period after which the property reverts to the City if the project does not come to fruition. Ms. Ciotolla stated "24 months."

The Chair recognized Mrs. Pyke, who stated that she was told by the Planning Director that the reversion period is 3 years. Ms. Ciotolla stated that the period is 2 years. Mrs. Pyke asked whether the Developer would be refunded the purchase price in the event of reversion. Ms. Ciotolla stated that the purchase price would be refunded less the good faith deposit of \$5,400. Mrs. Pyke asked if the hotel would have any other uses such as for-purchase housing or long-term rentals. Mr. Bartlebaugh stated there would be a restaurant.

The Chair recognized Mr. Mader, who stated that this legislation only authorizes the sale of Parcel 107, and discussion of these other details should be held until the development proposals are brought before the Planning Commission.

The Chair recognized Mr. Colavecchio, who agreed with Mr. Mader's remarks.

There was no opponent testimony. There was no public comment.

Motion by Mr. Pallotta to release Temp. Ord. B-53 with a favorable recommendation. Seconded by Mr. Colavecchio. Motion adopted by acclamation.

Temp. Ord. B-54

An ordinance authorizing the Director of Community Development to enter into a Community Reinvestment Area Tax Exemption Agreement with Cascade Auto Group, Ltd. dba Primm Land Ltd. and Valley Park Ltd., and declaring an emergency.

Proponent testimony was offered by Community Development Director Dianne Sheridan. Ms. Sheridan stated that two parcels will be subject to tax abatement: Parcels #35-00711 (former Boot Scoot Saloon) and #35-02603 (Subaru dealership). Cascade Auto is requesting a 10-year, 50% tax abatement for the new Audi and Subaru projects which will be located on these parcels. Cascade will invest \$5.8 million for this new project. Cascade Auto will retain 73 employees and will create approximately 8 new jobs initially. Cascade Auto's current annual payroll is over \$2.8 million and it will add \$240,000 of payroll initially. Current annual property tax receipts from these parcels is over \$33,000 annually of which \$21,000 is directed to Woodridge School District and over \$5,000 is directed to the City. With a new assessed value of \$1.9 million, and considering the tax abatement, the tax receipts from these parcels will increase to over \$70,000 per year, of which \$44,000 will be directed to Woodridge Local School District and over \$10,000 to the City. In the ten-year abatement period, that amounts to \$700,000 in new tax revenue with \$440,000 directed to Woodridge Local School District and over \$100,000 to the City. The administration is requesting that Council approve this CRA.

The Chair stated that the development plans are impressive, and that this development should serve as a catalyst to more positive development in the north end of the city.

The Chair recognized Mr. Colavecchio, who asked how much tax revenue is currently being received by the Woodridge Local School District from these parcels, and how much the district will receive under the proposed tax abatement. Ms. Sheridan stated that the district is currently receiving a little over \$21,000 per year and it will receive over \$44,000 per year with the proposed development and tax abatement.

The Chair noted that there will also be new employment with this project.

The Chair recognized Mrs. Pyke, who asked if the City has reviewed this request with the Woodridge Local School District. Ms. Sheridan stated that Superintendent Davis received a certified letter and there were several phone calls and emails between the two of them. The owners of the project are in constant contact with the Superintendent. Mr. Davis is "happy. He has no questions." Mrs. Pyke asked Ms. Sheridan to send an e-mail identifying if the City has given tax abatement to any other car dealerships. Ms. Sheridan stated she would do that.

There was no opponent testimony. There was no public comment.

Motion by Mr. Pallotta to release Temp. Ord. B-54 with a favorable recommendation. Seconded by Mr. Colavecchio. Motion adopted by acclamation.

Temp. Ord. B-55

An ordinance authorizing the Mayor to enter into a Community Reinvestment Area Agreement with River Falls Property III, LLC and declaring an emergency.

Proponent testimony was offered by Community Development Director Dianne Sheridan. Ms. Sheridan stated that River Falls Property III, LLC is requesting a 10-year 50% tax abatement on Parcel #02-1822 [sic] also known as redevelopment Parcel 107. River Falls Property III, LLC is proposing to construct an \$8 million, 80 room hotel on a parcel that has been vacant for over 30 years. This parcel is in a community reinvestment area. The new hotel will create jobs, increase the tax base and encourage investment. The total new investment will be over \$8.7 million, which includes 35 temporary construction jobs with an annual payroll of approximately \$950,000. 35 permanent hotel jobs will be created with an annual payroll of \$1 million. Assuming an assessed value of \$2.8 million, annual property taxes, with the abatement, will be \$103,000 annually. Over \$66,000 will be directed to Cuyahoga Falls Local School District [sic] and over \$15,000 will be directed to the City. Over the ten-year period, the tax revenue will be over \$1 million of which \$661,000 will be directed to the Cuyahoga Falls Local School District [sic] and \$154,000 to the City. Construction is expected to begin in the Spring of 2016 and to be completed within 18 months. All permanent jobs should be in place at the end of 2017. Project design and site plan reviews are forthcoming and will be open to the public in accordance with the General Development Code. The administration is requesting that Council approve this CRA.

The Chair stated the merchants on Front Street are in favor of this parcel being developed. Some of them

even suggested a hotel. The Chair stated that he is happy to see that this development is in process.

There was no opponent testimony. There was no public comment.

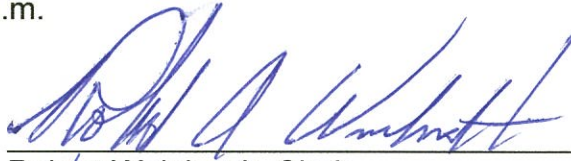
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Non-Agenda Items

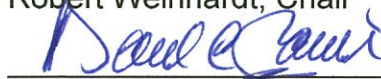
The Chair recognized Mrs. Pyke, who asked Information Services Director John Konich about problems with telephone service at the City during the prior week. Mr. Konich stated (inaudible). Mrs. Pyke asked if the issue has been resolved. Mr. Konich stated (inaudible).

Adjournment

Without objection, the Chair adjourned the meeting at 7:50 p.m.



Robert Weinhardt, Chair



Paul A. Janis, Clerk of Council