

Cuyahoga Falls City Council
Minutes of the Community Development Committee Meeting
September 16, 2013

Members: Paul Colavecchio, Chair
Mary Nichols-Rhodes
Jeff Iula

Mr. Colavecchio called the meeting to order at 7:47 p.m. All members were present.

Legislation Considered

Temp. Ord. B-61

Temp. Ord. B-62

Temp. Ord. B-63

Discussion:

Temp. Ord. B-61

An ordinance approving an amendment to the Community Development Block Grant Annual Action Plan for Fiscal Year 2012, and declaring an emergency.

Mrs. Truby stated this is for CDBG funding. Regulations require that the City spend revenue that exceeds \$50,000 in a budget year. \$80,535 is needed for the current year which began July 2012 and ends June 2013. They will be reallocating the money to housing activities and new business loans. This is the first amendment for this budget year.

Mr. Iula moved to bring out B-61 with a favorable recommendation, second by Mrs. Nichols-Rhodes. Motion passed (3-0).

Temp. Ord. B-62

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the demolition of buildings and removal of demolition debris at various locations in the city, certifying the cost thereof to the County Fiscal Officer for collection in the manner provided by law, and declaring an emergency.

Mr. Demasi stated this is to demolish vacant homes. The housing division has been working with property owners to make necessary repairs. Two of these properties have been condemned. One is a garage and the other a home. A condemnation order was issued in June. 2481 Northland is a shared garage, and its issue is a structural deficiency. The City received a quote to demolish the garage and the home. Until the owners give the City a copy of the contract to make repairs, the properties will continue to be listed in this ordinance. If the owners produce the contract in the upcoming week, the Administration will prepare a substitute removing that property from the ordinance. Mrs. Pyke stated that 2487 Northland is under no obligation to remove their portion of the garage and she asked if the defective half could be removed without damage to the other. Mr. Demasi stated it could. The quote the City received is for half of the garage.

John Drum, a resident on Norwood, felt the City should contact the County Health Department when it feels a house is uninhabitable. Mr. Demasi stated the City has its own Ordinance, and Council is satisfied with that condemnation ordinance. Mrs. Pyke asked whether a house would be declared uninhabitable if the utilities were shut off. Mr. Demasi stated the City's Code lists several conditions for an order to be issued.

One could be improper connection of utilities. Mrs. Pyke pointed out that would be something the Health Department would not get involved with. Mr. Demasi agreed.

Ms. Nichols-Rhodes moved to bring out B-62 with a favorable recommendation, second by Mr. Iula. Motion passed (3-0).

Temp. Ord. B-63

An ordinance authorizing the Director of Community Development to enter into a Community Reinvestment Area Tax Exemption Agreement jointly with the Tamarkin Company, Giant Eagle, Inc. and GetGo Partners South (GP), LLC, and declaring an emergency.

Ms. Syx stated that GetGo would be building a restaurant and a gas station. There will be 5,800 sq. ft. of retail store with dining, carry-out foods and Wi-Fi. It will be a brand new experience for the community. Giant Eagle plans to invest \$2 million into construction of a new building, which will result in 28 new jobs. The tax exemption agreement will be for four years or \$26,000 each year. Woodridge Local School District currently receives \$8,700 from the site. For the next four years, it will receive \$19,000 and then \$36,000 each year thereafter. Mr. Iula asked where the closest structure is located that would be similar to this structure. Joel Mueller, a Giant Eagle representative, stated Lakewood is the closest and added there will be eight pumps. The other GetGo will close. There are currently two full-time and six part-time employees at that facility. Those people will be absorbed into the Giant Eagle stores. Ms. Nichols-Rhodes asked whether the jobs would be union jobs. Mr. Mueller did not know. Ms. Nichols-Rhodes stated that this would be for \$104,000 over four years. She asked if there was a tax abatement on the current Giant Eagle property. Mrs. Syx stated there was not. Ms. Nichols-Rhodes asked how the amount was calculated. Mrs. Syx stated they use a formula involving the total project cost, real property, personal property and number of jobs created. The location is in the State Road CRA. Ms. Nichols-Rhodes stated the property is approved for a CRA but the City is not required to give one. Mrs. Syx stated that projects like this are the reason why the State Road CRA was created. Mrs. Snyder asked about the estimated amount of annual payroll. Mrs. Syx stated it was \$467,900.

Mr. Walters stated that the Graham Road location is closing so this one could tie into Portage Crossing. Barring a tax abatement, he asked if this would still be built to tie into that project. Mrs. Syx stated they would still build it but the City would not get the project it is getting. This project is more of an indoor/outdoor dining area instead of a kiosk. Mr. Walters stated something like this brings in more revenue and again asked if it would still be built if the tax abatement was not available. Mr. Mueller stated it would not be built at this location. Mr. Walters asked if this tax abatement is what was needed to make it economically feasible for Giant Eagle. Justin Evans, another Giant Eagle representative, stated that yes, this is what Giant Eagle needs to make for a very large investment. This is well above their typical standard and it has been well received in other communities. Mr. Walters asked whether traffic would be required to turn right in/right out or would there be a new traffic pattern. Mr. Evans stated the plans provide for a right in/right out and added there are two entrances on Portage Trail.

Mrs. Klinger pointed out that the application states current enterprise employees at proposed site. This says zero employees. The property is vacant now but it wasn't. She added that when Kroger's went in, there were tax abatements. Mrs. Truby questioned Kroger's having tax abatements. Mrs. Klinger stated it was prior to the merger. Mrs. Syx stated the City did not start its tax abatement program until 1997, and added there are no Giant Eagle employees at the current site. Mrs. Klinger felt this abatement would give an unfair advantage to competitors in the market place, and has serious concerns that things are just being shuffled. Ms. Nichols-Rhodes agreed. Here is a business with a tax break but other businesses in the area do not have that tax break. This will be a competitor to those people making for an unequal playing field. Mrs. Syx felt that competition breeds enhancement, and economic development enhances the City. Mrs. Snyder asked what the annual taxes were on the property when it was a Marathon Station. Mrs. Syx stated

for tax year 2012, the property located at 2816 State Road paid full taxes in the amount of \$13,804. \$8,744 of that went to the Woodridge Local School District.

Mr. Mader was frustrated with comments about negative impact on other businesses. This project will improve the City. It's sounding like we do not want to invite a business like this. The tax base was a lot less than what will be provided by this facility. When people want to come into the community, we start to throw negativity at it. We have a responsibility to make sure the City improves a tax base. These are the steps that achieve that.

Mr. Walters did not think anyone on Council was against progress but across the street from this project, the same company is building a larger business. Council does not know what that company has been given by the developer as an incentive to locate there. He felt the City gave a lucrative deal to the developer. Tax abatements are a tool to retain businesses to keep them from moving to another city or to a business with financial needs. Abatements cannot be handed out like candy. He asked if anyone could divulge the terms of Giant Eagle's contract for the property across the street. Mrs. Truby stated those are private contracts. She added that every community is fighting to keep and create jobs. We are here to attract businesses. This is for four years for \$104,000 for a \$3.2 million investment. Mr. Walters stated these are two separate buildings but it is the same company. Council does not know the terms of the Portage Crossing building. This abatement would not be warranted if Giant Eagle has already been given incentives at Portage Crossing. Mrs. Truby stated the Administration negotiates all agreements. She understood where Mr. Walters was coming from but pointed out that Acme was given tax breaks and it was going to be competing with Marc's and Giant Eagle. This project is a plus for the school system and the City. There will be more projects built on the State Road corridor and on Portage Trail.

John Drum, a resident on Norwood, stated if Giant Eagle was moving to Portage Crossing, why did the current employees need to reapply for their jobs. Mrs. Truby stated that is a corporate question. The new market district will add 150 to 200 additional jobs. She assumed everyone who has a job now will keep it. Mr. Drum asked why a multimillion dollar company would not want to pay the money to the school district. Mrs. Truby stated the tax money that will be received with the abatement is more than what is being given to the school district currently.

Mr. Colavecchio stated he often frequents the current Giant Eagle and was excited about the new market district. But he hears people talking and they are saying that the jobs for this project are going to be non-union because it is disconnected from the Giant Eagle property. Mr. Mueller stated he would check on that and get an answer to Mrs. Truby and Mrs. Syx who can then inform Council. Mr. Colavecchio asked when ground would be broken. Mr. Mueller stated they do not have a start date yet but are shooting for this fall for a spring opening. It will encompass a 20 – 22 week construction. Mr. Colavecchio found it hard to believe that they would not build this project over \$100,000 if they did not receive this abatement. He asked what they realistically would build there. Mr. Mueller stated he is not saying they would not build there. Mr. Colavecchio stated he will want to know the answer about union jobs. That is a concern to him, and it is one of the reasons he shops at Giant Eagle. They pay a fair wage.

Mr. Iula made a motion to bring out Temp. Ord. B-63 with a neutral recommendation, second by Ms. Nichols-Rhodes. Motion passed (3-0).

Meeting adjourned at 8:25 p.m.