

Cuyahoga Falls City Council

Minutes of the Community Development Committee Meeting

February 17, 2004

Chairman: Ken Barnhart; Vice Chair: Doug Flinn; Member: Debbie Ritzinger

Mr. Barnhart brought the Community Development Committee Meeting to order at 7:17 p.m. All members were present. The meeting minutes of February 2, 2004 were approved as submitted.

Scheduled legislation (second reading):

A-39	An Ordinance authorizing the Mayor to enter into an Enterprise Zone Tax Incentive Agreement with SGS Tool Company, JAH Properties, LLC, and J2T, LLC and the County of Summit, and declaring an emergency.
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Jennifer Syx explains that SGS Tool purchased in Sept 1999 property on Marc Drive and plans to 35,000 sq. foot building. SGS plans on purchasing 6 million in new equipment to keep competitive. The new project will result in 93 jobs will be retained in Cuyahoga Falls. This ordinance identifies real property and an investment of 2 million dollars with an abatement for ten years at 75% along with personal property with an investment of 4 million dollars abated for 10 years. This new project will realize an abatement of 480,362. The new taxes are estimated to be \$281,216 during the new agreement. The plan includes a contribution of \$1000 to Woodridge Schools for each year of the agreement. Tom Haag, 272 Ravenshollow, President SGS Tool, explains that SGS Tool began in 1962 making rotary files and tools for the metal working industry. There was large growth in 1984 and sales topped 10 million and in 1998 there was about 50 million dollars in sales. Doug indicates that he is happy to maintain existing businesses with incentive programs. Vincent Street will be vacated, but SGS Tool owns the building and may approach the CF City Schools for additional busing. Jennifer indicates Woodridge Schools was contacted and is in agreement with this plan. Mrs. Hummel asks if it is the intention is to use both incentives, which was an original incentive of \$950,000 in abatement along with this new agreement. There have only been 2 new jobs added at the Marc Dr. location. The evaluation score done by Community Development indicates they came out at the full amount. Jennifer Syx explains they cannot 'double dip' on the agreements. Tim Gorbach questions the calculation of the Woodridge School District figure and would like to see that figure higher. The 14 acres purchased on Marc Drive in 1998 had property taxes of \$12800 annually. A complaint was filed by Woodridge School District and was taken to the Board of Review, which reallocated those property taxes to \$21,000 annually. Woodridge has many businesses that were challenged during that time period. The ASCOT is extremely competitive and located on Akron property. There are no agreements from the Sub Chapter S Corp to rent the properties for the above LLC's. This is a sincere effort to stay in the community by SGS Tool.

The committee recommends bringing out Temp. Ord. A-39

Held legislation: None.

Other business: None.

The Community Development Committee Meeting was adjourned at 7:35 p.m.