

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

September 17, 2018

Members: Drew Reilly, Chair
Tim Gorbach
Adam Miller

Mr. Reilly called the meeting to order at 8:05 p.m. Mr. Miller was absent.

Mr. Reilly stated that he would like to congratulate and excuse one of the committee members this evening. Councilman Miller became a father today.

Legislation Discussed:

Temp. Res. A-77
Temp. Ord. A-78

Discussion:

Temp. Ord. A-77

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. Diane Sheridan, Community Development Director, stated that, each year, per the Ohio Revised Code, the Tax Incentive Review Council and the Community Reinvestment Area Housing Council meet to discuss active abatements. This discussion is a housekeeping resolution that is forwarded to the County and then to the State. This year, the CRA Housing Council met on March 29th and the Tax Incentive Review Council met on June 6th. The Council can either deny an abatement, terminate an abatement, or amend an abatement. The resolution before Council tonight confirms that agreements were in effect during tax year 2017. The recommendation was to continue each abatement this year except for Harbor Casting and Falls River, LLC, which is the hotel. Harbor Casting completed their improvement; however, there was no increase in assessed value, therefore, nothing could be abated. The hotel project has been canceled per the developer. Mr. Gorbach is on the Tax Incentive Review Council. Ms. Nichols-Rhodes and Mr. Colavecchio are on the CRA Housing Council.

Mr. Reilly stated that he would like to thank Ms. Sheridan for being available to him earlier in order to go over this legislation beforehand. Mr. Gorbach stated that, during the meeting, there were two agreements: Line 55, Falls River LLC Riverwalk, and Line 66, French Mill Run, that the committee had extended conversation about. Line 55 is the Testa project. Mr. Testa was here recently and spoke about some things that weren't done in that first agreement. There was a second agreement that was passed here. The Falls Riverwalk, the new agreement is that the phase must commence May 1, 2019, and that it has a certificate of occupancy before 2020. Council

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recommended to continue the agreement as long as they meet the requirements, or there will be an amendment. Ms. Sheridan will contact Mr. Testa to make sure that he has the minutes from the meeting where it was discussed not being totally comfortable about some things that weren't completed beforehand. The other agreement that was passed is going to take care of that. The committee wanted to make sure that he was on notice that that discussion had happened. French Mill Run has not been filled with any retail. Some people have backed out. Mr. Gorbach stated that he is not sure all of the conditions other than they haven't been met. The Committee also voted to continue that, but to let them know that if they don't meet their goals, that it likely won't be continued next year. The Committee was uncomfortable with just voting to continue. Council here and in other communities in Summit County vote on abatements because they bank on getting money for their city and money for the schools, and then it just doesn't happen. They're not getting anything abated, because they're not doing anything, but there is lost revenue there. The Committee felt that they needed to start making some notices that these things are going to be done or it is going to pull them. Mr. Reilly stated that he is glad that the committee is putting them on notice.

Mrs. Pyke asked if the Falls River LLC Riverwalk was two different agreements or one agreement. Mr. Gorbach stated that it was one agreement. Mrs. Pyke asked if that was one agreement for what they would have called two phases. Mr. Gorbach stated that he wasn't involved in the first agreement. It just came up, months ago, when it came up for the second one, so he can't speak too much to that first one, other than part of what was voted on in the second one enforced some conditions of the first agreement to get handled. They're kind of married in the sense that the conditions on the second one are going to force the first one to be in compliance. Ms. Sheridan stated that this Administration wasn't here when it was initially done, but she will give Council a summary tomorrow to refresh everybody's memory on what his goals were. Mrs. Pyke asked if the timeline given was for the front development or for the back development. Mr. Gorbach stated that he didn't know. Mrs. Pyke asked if the construction behind the existing building has to commence in 2019. Ms. Sheridan stated that was correct. She will get back to Council on the abatement. Even though Mr. Testa doesn't want to use the term "phases," she would assume it means the whole thing; what they would call the first phase and the final phase.

Mr. Gorbach stated that the CDBG agreement that was just approved at this Council is the one about the final Riverwalk phase commencing May 2019 and then occupancy 2020. Mr. Brillhart asked if the hotel project, River Falls LLC, had a nonrefundable deposit. Ms. Sheridan stated that there is an agreement with the CIC to do certain things, or the City could potentially take the land back. There was some money exchanged there. The developer of the hotel is still working on trying to do another development there, so they do still own the property.

Mr. Gorbach moved to bring out Temp. Res. A-77 with a favorable recommendation, second by Mr. Reilly. Motion passed (2-0).

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Temp. Ord. A-78

An ordinance authorizing the Mayor to enter into an Enterprise Zone Tax Incentive Agreement with Williams Land Corp and the County of Summit, and declaring an emergency.

Ms. Sheridan stated that this legislation piggybacks on Mr. Guerra's presentation for OEM. Mr. Nagy rents from Mr. Williams. This abatement request is from Williams Land Corp., who owns the land. It is for the OEM expansion that was discussed earlier. To reach their anticipated growth strategy, Williams Land Corp., for OEM, is requesting a 75 percent, 10-year tax exemption on the increase in the assessed value resulting from the potential \$1.8 million construction project. The total new investment into the City will be over \$4.2 million. OEM currently has 76 full-time employees, with an annual payroll of approximately \$3.7 million. If the abatement is granted, OEM will add an additional 40 full-time employees, resulting in an increased annual payroll of over \$1 million. For tax year 2017, the Williams Land Corp. paid about \$25,000 in property taxes on this parcel. Should the abatement be granted, Mr. Nagy completes the proposed project, and the assessed value of the improvement reaches \$1.8 million, an additional \$11,818 in property tax will be paid annually. This is an increase of over \$7,000 for the Woodridge School District.

Mr. Reilly stated that he would like to thank Mr. Nagy for his investment. This is a great project, and he is fully in favor of it. Mr. Iona stated that he still has a lot of residents ask him about abatements, especially in the Woodridge School District when they are looking at tax levy. He asked if Ms. Sheridan could provide Council a breakdown of the abatement. Ms. Sheridan asked if Mr. Iona would like the active abatements or the abatements from a certain time period. Mr. Iona stated he would like them from the last three years.

Mr. Gorbach moved to bring out Temp. Ord. A-78 with a favorable recommendation, second by Mr. Reilly. Motion passed (2-0).

The meeting adjourned at 8:17 p.m.