

2
3
4 CITY OF CUYAHOGA FALLS, OHIO

5
6 ORDINANCE NO. 34 -2017

7
8 AN ORDINANCE AUTHORIZING THE MAYOR TO
9 ENTER INTO A COMMUNITY REINVESTMENT
10 AREA AGREEMENT WITH 2821 FRONT STREET
11 LLC, AND DECLARING AN EMERGENCY.
12

13 WHEREAS, the City of Cuyahoga Falls designated an O.R.C. Chapter 3735 Community
14 Reinvestment Area by virtue of Ordinance No. 95-2004 to encourage the development of
15 real property within the Cuyahoga River Community Reinvestment Area; and
16

17 WHEREAS, the City of Cuyahoga Falls has designated a certain area within City that
18 has been certified by the State of Ohio Development Service Agency (FKA Ohio
19 Department of Development) as a Community Reinvestment Area enabling it to exempt
20 certain real property taxes imposed on industry provided said industry creates or retains
21 jobs and makes a significant investment within the certified zone; and
22

23 WHEREAS, the City Council and the Administration wish to provide assistance to
24 2821 Front Street LLC for the new construction of the Missing Mountain Brewery
25 Company manufacturing facility.
26

27 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga Falls,
28 County of Summit, and State of Ohio, that:
29

30 Section 1. The Mayor is hereby authorized to enter into a Community Reinvestment
31 Area (CRA) Agreement with 2821 Front Street LLC consistent with the terms in the
32 proposed CRA Application attached hereto as Exhibit A, to provide real property tax relief
33 at the percentage and length of abatement as stipulated in said Application to benefit the
34 City and being consistent with the objectives of this ordinance.
35

36 Section 2. Council further authorizes the Mayor, Director of Finance, Director of
37 Community Development, Director of Law and any other city officials, individually and/or
38 collectively as may be appropriate, to prepare and execute such other documents and do
39 other things as are necessary for and incidental to carrying out the requirements of this
40 legislation consistent with the terms of the attached Application.
41

42 Section 3. Any ordinances or resolutions or portions of ordinances and resolutions
43 inconsistent herewith are hereby repealed, but any ordinances and resolutions not
44 inconsistent herewith and which have not previously been repealed are hereby ratified
45 and confirmed.
46

47 Section 4. It is found and determined that all formal actions of this Council
48 concerning and relating to the adoption of this ordinance were adopted in an open
49 meeting of this Council, and that all deliberations of this Council and of any of its

50 committees that resulted in such formal action, were in meetings open to the public, in
51 compliance with all legal requirements, to the extent applicable, including Chapter 107 of
52 the Codified Ordinances.

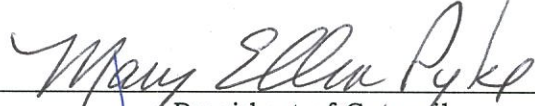
53

54 Section 5. This ordinance is hereby declared to be an emergency measure necessary
55 for the preservation of the public peace, health, safety, convenience and welfare of the
56 City of Cuyahoga Falls and the inhabitants thereof, and provided it receives the
57 affirmative vote of two thirds of the members elected or appointed to Council, it shall take
58 effect and be in force immediately upon its passage and approval by the Mayor; otherwise
59 it shall take effect and be in force at the earliest period allowed by law.

60

61

62 Passed: 4-24-17



President of Council

63

64

65




Clerk of Council

66

67

68 Approved: 4-25-17



Mayor

69

70 4/10/17

71 O:\2017ords\2821 Front St CRA.doc

EXHIBIT A

PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives
between the City of Cuyahoga Falls located in the County of Summit and:

2821 Front Street LLC

(Company Name)

1. a. Name of property owner, home or main office address, contact person, and telephone number (attach additional pages if multiple enterprise participants).

2821 Front Street LLC
Enterprise Name

Al Klaben
Contact Person

1250 West Main Street, Kent, Ohio 44240
Address

330-808-5333
Telephone Number

al.klaben@gmail.com
Contact Email

Project site:

2821 Front St., Cuyahoga Falls, OH 44221
Address

T.B.D. (Currently 02-20595)
Parcel Number

Al Klaben
Contact Person

330-808-5333
Telephone Number

al.klaben@gmail.com
Contact Email

2. a. Nature of commercial/industrial activity (manufacturing, warehousing, wholesale or retail stores, or other) to be conducted at the site. Please be specific with details.

New Construction will contain all equipment necessary for a Portland Kettleworks® 10 Barrel Steam Brewhouse® with 4 to 6 Fermentation Systems, Boiler Room, and 2 to 3 Bright Tanks necessary for the Craft Brewing Process.

New Construction will also house 2 Exterior Facing Water Closets for use by the adjoining Tap Room & Restaurant's 2,000 s.f. patio patrons.

New Construction and New Equipment Installation are anticipated to be completed no later than November 2017 with Manufacturing beginning immediately, followed by retail taproom sales in December 2017.

Initial New **Manufacturing** Staffing will consist of **1** Full-Time Brew Master and **2** Part-Time laborers functioning in a support capacity.

Initial New **Retail Sales** Staffing is estimated at **1** Full-Time and **4** Part-Time Staff Retail Sales of Craft Brew Beers along with a Limited Food Menu.

-
- b. List primary 6-digit North American Industry Classification System (NAICS) #
Business may list other relevant SIC numbers.

333241

- c. If a consolidation, what are the components of the consolidation? (must itemize the location, assets, and employment positions to be transferred):

Not Applicable

-
- d. Form of business of enterprise:

ZI Corporation Partnership Proprietorship Other

3. Name of principal owner(s) or officers of the business.

Missing Mountain Brewing Company LLC

Keith McFarlane, President

Kimberly McFarlane, Treasurer

Danial Kephart, Vice President

David Bertolotti, Vice President

Daniel Yagersz, Vice President

4. a. State the enterprise's current employment level at the proposed project site:

Full Time: 0 Part Time: 0
 (To be considered full time the individual must work at least 35 hours per week.)

- b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes No

c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be located: **Not Applicable**

- d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees): **Not Applicable**

	Permanent	Temporary
Full Time	0	0
Part Time	0	0

(To be considered full time the individual must work at least 35 hours per week.)

- e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: **Not Applicable**

- f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated? **Not Applicable**

5. Does the Property Owner Currently Owe:

2821 Front Street LLC
 Albert Klaben, Managing Member

- a. Any delinquent taxes to the State of Ohio or a political subdivision of the state? Yes No
- b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes No
- c. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not? Yes No
- d. If yes to any of the above, please provide details of each instance including but not limited to the location, amounts and/or case identification numbers.
Not Applicable

6. Project Description. Be as detailed as possible:

New Construction of 1,092 s.f. building to house manufacturing equipment for Missing Mountain Brewery Company (MMBC) to supply the Existing adjoining restaurant and tap room.

Estimated Construction Cost of the new Building is \$412,000.00.

New Construction will also house 2 Exterior Facing Water Closets for use by the adjoining tap Room Restaurant's 2,000 s.f. patio patrons.

New Construction is site specific due to the size and contour of the existing location as well as being a Single-Use Facility specifically for the housing and manufacturing of Craft Beers.

New Construction will contain all equipment necessary for a Portland Kettleworks 10 Barrel Steam Brewhouse with 4 to 6 Fermentation Systems, Boiler Room, and 2 to 3 Bright Tanks necessary for the Craft Brewing Process.

7.

Project will begin on May 2017 and be completed by November 2017 provided a tax exemption is provided.

8.

a. Estimate the number of new employees the property owner will cause to be created at the facility that is the project site (job creation projection must be itemized by the name of the employer, full and part-time and permanent and temporary):

	Permanent	Temporary
Full Time	2	0
Part Time	6	0

(To be considered full time the individual must work at least 35 hours per week.)

b. State the time frame of this projected hiring:

Early 2018

c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):

Most Full-Time staff is either ready to start when open or will be hired prior to that time, in late 2017. Part-time staff will also be on hand before opening or will be added over the initial first weeks of operation

9.

- a. Estimate the amount of annual payroll such new employees will add (New annual payroll must be itemized by full and part-time and permanent and temporary new employees).

	Permanent		Temporary	
Full-time	\$	100,000.00	\$	0.00
Part-time	\$	150,000.00	\$	0.00
TOTAL:	\$	250,000.00	\$	0.00

(To be considered full time the individual must work at least 35 hours per week.)

- b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 0.00

10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:

A. Acquisition of Land/Buildings	\$	10,000.00
B. Additions/New Construction	\$	412,000.00
C. Improvements to Existing Buildings	\$	80,000.00
D. Machinery & Equipment	\$	415,000.00
E. Furniture & Fixtures	\$	65,000.00
F. Inventory	\$	40,000.00
Total New Project Investment	\$	1,022,000.00

11.

a. Business requests the following tax exemption incentives: 50 %
for 10 years covering the real property improvements as described above.

b. Business's reasons for requesting tax incentives (be quantitatively specific as possible)

1. 2821 Front Street LLC is making a substantially larger investment than necessary to BUILD and the manufacturing facility in Cuyahoga Falls.
2. Once the investment is made to construct new building and install manufacturing equipment, it will be cost prohibitive to move the manufacturing location to another community.
3. Plus, once equipment is onsite, it would cost twice as much to move it at a later date. Therefore, you can imply that we are "stuck" in Cuyahoga Falls.
4. New Construction is a Single Use Building, making it very difficult to remarket and therefore the failure of this new startup would place an addition hardship on the lessor.
5. Although not a massive investment, this New Construction will create a proportionately higher number of New and Full and Part Time employees compared to much larger building in the community.
6. To keep manufacturing portion of business in Cuyahoga Falls, owner needs to purchase addition land.
7. To keep manufacturing portion of business in Cuyahoga Falls, owner needs remove new (2016) pavement and will lose 5 parking spaces to could be used for another business that does not require new construction.
8. To keep manufacturing portion of business in Cuyahoga Falls, owner needs to remove new landscaping installed in 2015 and 2016.
9. To keep manufacturing portion of business in Cuyahoga Falls, owner needs to remove new hardscape and sidewalks installed in 2016.
10. To keep manufacturing portion of business in Cuyahoga Falls, owner will be delaying occupancy for at least an additional 6 to 8 months.
11. Owner has already invested in property taxes for previous 6 years with NO assistance to make an existing eyesore of the Cuyahoga Falls community into a premier commercial retail destination.
12. Owner is purchasing property for this expansion and simultaneously giving the City of Cuyahoga Falls an Easement, Right of Way and 625 s.f. Garden to build at this location.

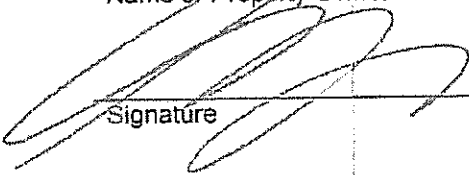
Submission of this application expressly authorizes the City of Cuyahoga Falls to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 and to review applicable confidential records. As part of this application, the property owner may also be required to directly request from the Ohio Department of Taxation, or complete a waiver form allowing the Department of Taxation to release specific tax records to the local jurisdiction considering the request.

The Applicant agrees to supply additional information upon request.
The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C)(1) and 2921.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

2821 Front Street, LLC

Albert Klaben, Jr., Trustee
Name of Property Owner

Managing Member
Title



Signature

24 March 2017
Date