

2
3 CITY OF CUYAHOGA FALLS, OHIO

4
5 ORDINANCE NO. 55 -2013

6
7 AN ORDINANCE AUTHORIZING THE DIRECTOR OF
8 COMMUNITY DEVELOPMENT TO ENTER INTO A
9 COMMUNITY REINVESTMENT AREA TAX EXEMPTION
10 AGREEMENT WITH FRENCH MILL RUN LLC, AND
11 DECLARING AN EMERGENCY.
12

13 WHEREAS, pursuant to Ordinance No. 83-2007, passed June 25, 2007, this
14 Council established and designated the boundaries of the Cuyahoga Falls
15 Community Reinvestment Area ("CFCRA") pursuant to Ohio Revised Code §3735.65
16 et seq., to encourage the development of real property within the CFCRA; and
17

18 WHEREAS, the State of Ohio Director of Development has made a determination
19 that the findings contained in Ord. No. 83-2007 are valid, and that the classification
20 of structures and/or remodeling eligible for exemption under the Ordinance is
21 consistent with zoning restrictions applicable to the CFCRA, and
22

23 WHEREAS, with receipt of the Director's positive determination, the City is
24 enabled to abate certain taxes on real property located in the CFCRA, in order to
25 provide an incentive for the creation and retention of jobs and investment within the
26 CFCRA; and
27

28 WHEREAS, this Council has determined to provide economic development
29 assistance in the form of tax abatement to French Mill Run, LLC in connection with
30 development of a mixed-use residential and retail project to be located on the west
31 side of State Road between West Bath Road and Ascot Parkway (Parcel Nos. 35-
32 05607, 35-06452 and 35-02080), hereinafter the "Project,"
33

34 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga
35 Falls, County of Summit, and State of Ohio, that:
36

37 Section 1. The Director of Community Development is hereby authorized to
38 enter into a Community Reinvestment Area tax exemption agreement in accordance
39 with Ohio Revised Code §§3735.67 and 3735.671, with French Mill Run, LLC,
40 consistent with Ordinance No. 83-2007 and the terms set forth in the application for
41 tax exemption attached hereto as Exhibit A, in order to provide the Project with an
42 exemption from real property tax at (or not exceeding) the percentage and for (or not
43 exceeding) the duration stipulated in said application.
44

45 Section 2. This Council further authorizes the Mayor, Director of Finance,
46 Director of Community Development, Director of Law and any other city officials,
47 individually and/or collectively as may be appropriate, to prepare and execute such
48 other documents and do other things as are necessary or incidental to carrying out

49 the requirements of this legislation consistent with the terms of the attached
50 application.

51

52 Section 3. Any ordinances or resolutions or portions of ordinances and
53 resolutions inconsistent herewith are hereby repealed, but any ordinances and
54 resolutions not inconsistent herewith and which have not previously been repealed
55 are hereby ratified and confirmed.

56

57 Section 4. It is found and determined that all formal actions of this Council
58 concerning and relating to the adoption of this ordinance were adopted in an open
59 meeting of this Council, and that all deliberations of this Council and of any of its
60 committees that resulted in such formal action, were in meetings open to the public,
61 in compliance with all legal requirements including Chapter 107 of the Codified
62 Ordinances.

63

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

71

72

73 Passed: 7-22-13

74

75

76

77

78

79

80

81

82 Approved: 7/23/13

83

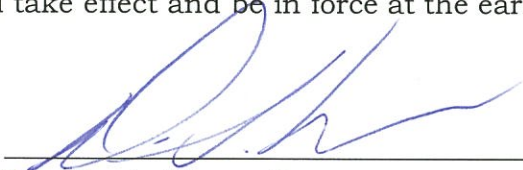
84

85

7/8/13

86

O:\2013ords\French Mill Run CRA Agreement.doc



President of Council



Clerk of Council



Mayor

Exhibit A

City of Cuyahoga Falls Community Reinvestment Area Application

DRAFT

PROPOSED AGREEMENT for Community Reinvestment Area Tax Incentives between the
City of Cuyahoga Falls located in the County of Summit and French Mill Run LLC
(property owner)

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

French Mill Run LLC

Enterprise Name

7055 Engle Rd, Suite 302
Cleveland, OH 44130

Address

Martin Mehall, President

Contact Person

440-234-6500

Telephone Number

- b. Project site:

PPN - 3505607,3506452,3502080

Address

Martin Mehall, President

Contact Person

440-234-6500

Telephone Number

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

Approximately 162 apartment units and 9,000sf retail center.

- b. List primary 6 digit North American Industry Classification System (NAICS) # 531110
Business may list other relevant SIC numbers. Retail to be determined

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

- d. Form of business of enterprise (corporation, partnership, proprietorship, or other).

Limited Liability Company

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

Martin Mehall - President, Brent Mehall - Vice President

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

N.A.

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

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:

N.A.

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees):

N.A.

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets:

N.A.

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated?

N.A.

5. Does the Property Owner owe:

a. Any delinquent taxes to the State of Ohio or a political subdivision of the state?
Yes ___ No x

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? Yes ___ No x

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 x

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 (add additional sheets).

6. Project Description: The project will consist of approximately 162 apartment units in 8 residential buildings on 11.4 acres at the corner of State Rd. and Bath Rd. In addition to the residential buildings, the project will also include a 9,000sf retail center.
7. Project will begin Summer, 20 13 and be completed Fall, 20 15 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):
See Exhibit A
- b. State the time frame of this projected hiring: 2 yrs.
- c. State proposed schedule for hiring (itemize by full and part-time and permanent and temporary employees):
See Exhibit A
9. a. Estimate the amount of annual payroll such new employees will add \$ See Exhibit A (new annual payroll must be itemized by full and part-time and permanent and temporary new employees).
- b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ N.A.
10. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or occupy a facility:
- | | |
|--|-------------------------------|
| A. Acquisition of Buildings: | \$ <u>808,500 (Land Cost)</u> |
| B. Additions/New Construction: | \$ <u>17,057,405.00</u> |
| C. Improvements to existing buildings: | \$ <u>0</u> |
| D. Machinery & Equipment: | \$ <u>0</u> |
| E. Furniture & Fixtures: | \$ <u>0</u> |
| F. Inventory: | \$ <u>0</u> |
| Total New Project Investment: | \$ <u>17,865,905</u> |

11. a. Business requests the following tax exemption incentives: 50 % for 10 years covering real property as described above. Be specific as to the rate, and term.

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

See Exhibit B

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.

French Mill Run LLC
Name of Property Owner

May 23, 2013
Date

M. J. Mehall
Signature

Martin Mehall, President
Typed Name and Title

* A copy of this proposal must be forwarded by the local governments to the affected Board of Education along with notice of the meeting date on which the local government will review the proposal. Notice must be given a minimum of fourteen (14) days prior to the scheduled meeting to permit the Board of Education to appear and/or comment before the legislative authorities considering the request.

** Attach to Final Community Reinvestment Area Agreement as Exhibit A

Please note that copies of this proposal must be included in the finalized Community Reinvestment Area Agreement and be forwarded to the Ohio Department of Taxation and the Ohio Development Services Agency within fifteen (15) days of final approval.

French Mill Run LLC - Community Reinvestment Area Application
Exhibit A

Construction - Construction Period Only

Employer	Position Created	Employment Status	Expected Hiring Date	Expected Compensation
French Mill Run LLC	Construction Management	Full Time	Summer 2013	\$ 250,000.00
Sub Contractors*	Labor	Full Time	Summer 2013	\$ 6,000,000.00
				<u>\$ 6,250,000.00</u>

*Estimated 200,000 man hours at \$30.00/hr

Residential - Permanent

Employer	Position Created	Employment Status	Expected Hiring Date	Expected Compensation
French Mill Run LLC	General Manager	Full Time	Spring 2014	\$ 45,000.00
French Mill Run LLC	Assistant Manager	Full Time	Spring 2014	\$ 35,000.00
French Mill Run LLC	Lead Maintenance Technician	Full Time	Spring 2014	\$ 35,000.00
French Mill Run LLC	Maintenance Technician	Full Time	Summer 2014	\$ 30,000.00
French Mill Run LLC	Leasing Agent	Part Time	Summer 2014	\$ 20,000.00
				<u>\$ 165,000.00</u>

Retail - Permanent

The retail component of the project will consist of a single 9,000sf retail building. We are projecting that approximately 10 jobs will be created within the retail building. At this time we are unable to project the employment status, expected hiring date, or expected compensation of these employees.

**French Mill Run LLC – Community Reinvestment Area Application
Exhibit B**

An affiliate of the owner (French Mill Run LLC) has previously developed Linden Lane Apartments, a fully amenitized apartment community of 144 suites on Wyoga Lake Rd. This project was successful in large part because it was the highest quality apartment property in the area.

The owner is now proposing a community of 162 suites, with a 9,000sf retail center on State Rd. Our market research shows that the highest percentage of rental demand is for apartments similar to Linden Lane. We cannot attain that quality of product unless we are granted our request for tax abatement.