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3 CITY OF CUYAHOGA FALLS, OHIO

4  
5 ORDINANCE NO. 96 -2013

6  
7 AN ORDINANCE AUTHORIZING THE DIRECTOR OF  
8 COMMUNITY DEVELOPMENT TO ENTER INTO A  
9 COMMUNITY REINVESTMENT AREA TAX EXEMPTION  
10 AGREEMENT JOINTLY WITH FALLS RIVER, LLC AND  
11 TESTA ENTERPRISES, INC., AND DECLARING AN  
12 EMERGENCY.

13  
14 WHEREAS, pursuant to Ordinance No. 95-2004, passed June 28, 2004, this  
15 Council established and designated the boundaries of the Cuyahoga River  
16 Community Reinvestment Area ("CRCRA") pursuant to Ohio Revised Code §3735.65  
17 et seq., to encourage the development of real property within the CRCRA; and  
18

19 WHEREAS, the State of Ohio Director of Development has made a determination  
20 that the findings contained in Ord. No. 95-2004 are valid, and that the classification  
21 of structures and/or remodeling eligible for exemption under the Ordinance is  
22 consistent with zoning restrictions applicable to the CRCRA, and  
23

24 WHEREAS, with receipt of the Director's positive determination, the City is  
25 enabled to abate certain taxes on real property located in the CRCRA, in order to  
26 provide an incentive for the creation and retention of jobs and investment within the  
27 CRCRA; and  
28

29 WHEREAS, this Council has determined to provide economic development  
30 assistance in the form of tax abatement to Falls River, LLC in connection with  
31 development of a mixed-use residential and retail project to be located on the east  
32 side of Front Street at Prospect Street (Parcel Nos. 02-17769, 02-03122, 02-17770,  
33 02-17696, 02-03124, and 02-03123), hereinafter the "Project,"  
34

35 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga  
36 Falls, County of Summit, and State of Ohio, that:  
37

38 Section 1. The Director of Community Development is hereby authorized to  
39 enter into a Community Reinvestment Area tax exemption agreement in accordance  
40 with Ohio Revised Code §§3735.67 and 3735.671, jointly with Falls River, LLC and  
41 Testa Enterprises, Inc., consistent with Ordinance No. 95-2004 and the terms set  
42 forth in the application for tax exemption attached hereto as Exhibit A, in order to  
43 provide the Project with an exemption from real property tax at (or not exceeding) the  
44 percentage and for (or not exceeding) the duration stipulated in said application.  
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46 Section 2. This Council further authorizes the Mayor, Director of Finance,  
47 Director of Community Development, Director of Law and any other city officials,  
48 individually and/or collectively as may be appropriate, to prepare and execute such

49 other documents and do other things as are necessary or incidental to carrying out  
50 the requirements of this legislation consistent with the terms of the attached  
51 application.

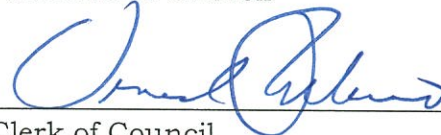
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53 Section 3. Any ordinances or resolutions or portions of ordinances and  
54 resolutions inconsistent herewith are hereby repealed, but any ordinances and  
55 resolutions not inconsistent herewith and which have not previously been repealed  
56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

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


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

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74 Passed: 12/23/13

  
\_\_\_\_\_  
President of Council

  
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Clerk of Council

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82 Approved: 12/26/13

  
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Mayor

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86 12/9/13  
87 O:\2013ords\Fall River - Testa CRA Agreement

**Draft**

**PROPOSED AGREEMENT** for Community Reinvestment Area Tax Incentives between the City of Cuyahoga Falls located in the County of Summit and Falls River LLC and Testa Enterprises.

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

<u>Falls River, LLC &amp; Testa Enterprises</u>	<u>Joel A. Testa</u>
Enterprise Name	Contact Person
<u>2335 2<sup>nd</sup> Street, Cuyahoga Falls, OH 44221</u>	<u>330.928.1988</u>
Address	Telephone Number

- b. Project site:

<u>PPN: 0217769, 0203122, 0217770,</u>	
<u>0217696, 0203124, 0203123</u>	<u>Joel A. Testa</u>
Address	Contact Person
<u>330.928.1988</u>	
Telephone Number	

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

Residential housing and commercial retail stores

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

- 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).

Corporation

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

Paul Testa / George George

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

The are no employees currently at the project site.

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. N/A

6. Project Description:

New construction of a new mixed use building with 20 riverfront condominiums, 9 apartments and approximately 18,000 sf of retail.

7. Project will begin in April 2014 and be completed by May 2015 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):

The retail building is estimated to create 20 full time and 10 part time employees.

- b. State the time frame of this projected hiring: 24 months beginning May 2015

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

Year One: 10 full time / 10 part time Year Two: 10 full time

9.

- a. Estimate the amount of annual payroll such new employees will add:

\$ 332,800 full time / \$96,875 part time

(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 Land:	\$ <u>960,000</u>
B. Additions/New Construction:	\$ <u>7,850,000</u>
C. Improvements to existing buildings:	\$ <u>N/A</u>
D. Machinery & Equipment:	\$ <u>200,000</u>
E. Furniture & Fixtures:	\$ <u>200,000</u>
F. Inventory:	\$ <u>N/A</u>
<b>Total New Project Investment:</b>	<b>\$ <u>9,210,000</u></b>

11.

- a. Business requests the following tax exemption incentives: 50% for 15 years covering the real property improvements as described above.

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

Testa Enterprises respectfully requests City Council to grant the aforementioned tax incentives for this new project on South Front Street. Due to the very high cost for the land, our company will not be able to make the investment in the project with the tax incentives. With approval of this agreement, we know we can redevelop these underutilized industrial parcels into another first rate and popular mixed use project. Testa has a proven track record and we are confident that through this public-private partnership, we will create another successful project on the South Front Street riverfront corridor.

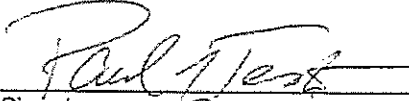
Submission of this application expressly authorizes the City of Cuyahoga Falls to contact the Ohio Environmental Protection Agency to confirm statements contained within this application including item # 5 and to review applicable confidential records. As part of this application, the property owner 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.

Falls River LLC  
Name of Property Owner

President  
Title

  
Signature

11/22/13  
Date

President

\* 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 Department of Development within fifteen (15) days of final approval.