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4 CITY OF CUYAHOGA FALLS, OHIO

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6 ORDINANCE NO. 90 -2014

7  
8 AN ORDINANCE AUTHORIZING THE DIRECTOR  
9 OF COMMUNITY DEVELOPMENT TO ENTER  
10 INTO A COMMUNITY REINVESTMENT AREA  
11 AGREEMENT WITH ARKAY PROPERTIES, LLC,  
12 AND DECLARING AN EMERGENCY.  
13

14 WHEREAS, the City of Cuyahoga Falls designated an O.R.C. Chapter 3735 Community  
15 Reinvestment Area by virtue of Ordinance No. 95-2004 to encourage the development of  
16 real property within the Cuyahoga River Community Reinvestment Area; and  
17

18 WHEREAS, the City of Cuyahoga Falls has designated a certain area within the City  
19 that has been certified by the State of Ohio Development Service Agency (FKA Ohio  
20 Department of Development) as a Community Reinvestment Area enabling it to exempt  
21 certain real property taxes imposed on industry provided said industry creates or retains  
22 jobs and makes a significant investment within the certified zone; and  
23

24 WHEREAS, the City Council and the Administration wish to provide assistance to  
25 Arkay Properties, LLC for the renovation of an historic building and relocation of their  
26 business to 1701 S. Front Street in order to retain and create jobs.  
27

28 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cuyahoga Falls,  
29 County of Summit, and State of Ohio, that:  
30

31 Section 1. The Director of Community Development is hereby authorized to enter into  
32 a Community Reinvestment Area (CRA) Agreement in accordance with Ohio Revised Code  
33 §§3735.67 and 3735.671, with Arkay Properties, LLC consistent with Ordinance No. 95-  
34 2004 and the terms in the proposed CRA Application attached hereto as Exhibit A, to  
35 provide real property tax relief at the percentage and length of abatement as stipulated in  
36 said Application to benefit the City and being consistent with the objectives of this  
37 ordinance.  
38

39 Section 2. Council further authorizes the Mayor, Director of Finance, Director of  
40 Community Development, Director of Law and any other city officials, individually and/or  
41 collectively as may be appropriate, to prepare and execute such other documents and do  
42 other things as are necessary for and incidental to carrying out the requirements of this  
43 legislation consistent with the terms of the attached Application.  
44

45 Section 3. Any ordinances or resolutions or portions of ordinances and resolutions  
46 inconsistent herewith are hereby repealed, but any ordinances and resolutions not  
47 inconsistent herewith and which have not previously been repealed are hereby ratified  
48 and confirmed.  
49

50 Section 4. It is found and determined that all formal actions of this Council  
51 concerning and relating to the adoption of this ordinance were adopted in an open  
52 meeting of this Council, and that all deliberations of this Council and of any of its  
53 committees that resulted in such formal action, were in meetings open to the public, in  
54 compliance with all legal requirements, to the extent applicable, including Chapter 107 of  
55 the Codified Ordinances.  
56

57 Section 5. This ordinance is hereby declared to be an emergency measure necessary  
58 for the preservation of the public peace, health, safety, convenience and welfare of the  
59 City of Cuyahoga Falls and the inhabitants thereof, and provided it receives the  
60 affirmative vote of two thirds of the members elected or appointed to Council, it shall take  
61 effect and be in force immediately upon its passage and approval by the Mayor; otherwise  
62 it shall take effect and be in force at the earliest period allowed by law.  
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66 Passed: 12/8/2014  
67

Mary Ellen Pyke  
President of Council

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David C. Clevin  
Clerk of Council

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74 Approved: 12-9-2014  
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[Signature]  
Mayor

76  
77  
78 11/24/14  
79 O:\2014ords\CRA Arkay Properties, LLC.doc  
80

**PROPOSED AGREEMENT** for Community Reinvestment Area Tax Incentives between the City of Cuyahoga Falls located in the County of Summit and ARKAY Properties, LLC.

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

<u>ARKAY PROPERTIES, LLC</u>	<u>Rick Krochka, Managing Partner</u>
Enterprise Name	Contact Person
<u>1023 Rambling Way, Akron, OH 44333</u>	<u>330-666-0657</u>
Address	Telephone Number
<u>rick.krochka@triadadv.com</u>	
Contact Email	

<u>TRIAD Communications, Inc.</u>	<u>Rick Krochka, President</u>
Enterprise Name	Contact Person
<u>2006 4th Street, Cuyahoga Falls, OH 44221</u>	<u>330-237-3531</u>
Address	Telephone Number
<u>rick.krochka@triadadv.com</u>	
Contact Email	

- b. Project site:

<u>1701 Front Street, Cuyahoga Falls, OH 44221</u>	<u>02.03081 and 02.03082</u>	
Address	Parcel Numbers	
<u>Rick Krochka</u>	<u>330-760-6000</u>	<u>rick.krochka@triadadv.com</u>
Contact Person,	Telephone Number,	Email address

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.

Service industry: Advertising, marketing and communications for government, businesses, non-profits and foundations.

- b. List primary 6 digit North American Industry Classification System (NAICS) #  
Business may list other relevant SIC numbers. EIN - 341761548

- c. If a consolidation, what are the components of the consolidation? N/A

d. Form of business of enterprise: "C" corporation

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

Richard J. Krochka, President

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

Full Time: 12 permanent Part Time: 3 permanent

b. Will the project involve the relocation of employment positions or assets from one Ohio location to another? Yes 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:

Relocate from 2006 4th St. Cuyahoga Falls, Ohio 44221 to 1701 Front Street, Cuyahoga Falls, Ohio 44221

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees): 12 FT permanent – 3 PTE permanent

e. State the enterprise's current employment level for each facility to be affected by the relocation of employment positions or assets: 12 FT permanent – 3 PT permanent

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

12 (twelve) full time permanent and 3 (three) part time permanent employees will be retained should this abatement be granted. Additionally ~ \$300,000 in assets will be relocated.

5. Does the Property Owner owe:

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

b. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State? 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? 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.

The owner, Arkay Properties, LLC, intends to redevelop the existing historical landmark for offices intended for the use by TRIAD Communications/Next Level Interactive, a Cuyahoga Falls-based, full service, advertising agency specializing in website design & development, print communications, electronic media, public relations, and social media networking, serving the Akron, Canton and Cleveland markets. The scope of the project will include the rehabilitation of the historic 1928 brick masonry industrial building. It is a single-story structure with partial basement that is exposed on the downhill slope to the east toward the river. Work will include new roofing, gutters, and downspouts. The brick masonry will be cleaned, repaired and repointed. Existing historic windows and doors will be restored and new units installed where originals are missing. Steel structural components in need of repair will be made. A non-historic shed walled to the north will be demolished. Site development will include new landscaping, walks and parking developed on an adjacent lot. New offices, a media production studio and conference rooms will be constructed. New accessible restrooms will be installed on the main and basement levels. A new stair and elevator will be added. New flooring will be installed throughout and new electrical and water service will also be installed, as well as new power distribution and lighting. A new HVAC system will be incorporated. Office areas will be open and flexible. While this approach will help preserve the open space of the early 20th century industrial shop, it will also facilitate the ideal environment for the collaborative work methods employed by the 21st century company of TRIAD Communications/Next Level Interactive.

7. Project will begin in December 2014 and be completed by June 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):

Year 1 – One (1) full time permanent and One (1) part time permanent. Zero (0) temporary.

b. State the time frame of this projected hiring: 12 months

c. State proposed schedule for hiring: Zero (0) temporary positions.

2015 - One (1) full time permanent and One (1) part time permanent.

2016 - One (1) full time permanent and One (1) part time permanent.

2017 - One (1) full time permanent

2018 - One (1) full time permanent

2019 - One (1) full time permanent

- 9.
- a. Estimate the amount of annual payroll such new employees will add: \$ 250,000.00
- Zero temporary employees
- 2015 - One (1) full time permanent (\$40,000) and One (1) part time permanent (\$25,000).
- 2016 - One (1) full time permanent (\$40,000) and One (1) part time permanent (\$25,000).
- 2017 - One (1) full time permanent (\$40,000)
- 2018 - One (1) full time permanent (\$40,000)
- 2019 - One (1) full time permanent (\$40,000)
- b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: \$ 676,000.00

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

A. Acquisition of Land:	<u>\$ 168,000.00</u>
B. Additions/New Construction:	<u>\$ 0</u>
C. Improvements to existing buildings:	<u>\$ 1,160,000.00</u>
D. Machinery & Equipment:	<u>\$10,000.00</u>
E. Furniture & Fixtures:	<u>\$20,000.00</u>
F. Inventory:	<u>\$ 0</u>
<b>Total New Project Investment:</b>	<b><u>\$ 1,358,000.00</u></b>

- 11.
- a. Business requests the following tax exemption incentives: 50% for 5 years covering the real property improvements as described above.
- b. Business's reasons for requesting tax incentives:

Renovation of a historic building has many hidden costs involved in the process that is need to do it successfully. The amounts needed to invest in the project at this point do not match the appraisal by the banks, which mean additional investments will be required and increase the financial burden on the Arkay Properties who will need to pass along the burden to the lessee, TRIAD Communications. This will create a hardship on the company who would prefer to invest in creating additional jobs and salaries over a period of time where opportunity furlong term growth is most critical. The suggested abatement will allow both companies to adjust and maintain current revenues and reinvest in the property and business development needed after a project like this one.

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.

<u>Rick Krochka</u>	<u>President</u>
Name of Property Owner	Title

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Signature

Date

**For City Use Only**

\* 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.