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COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2019-88

By Jim Maxwell Sponsored By Mayor Cyril M. Kleem
AN ORDINANCE

APPROVING, RATIFYING AND AFFIRMING THE 2018 ANNUAL FINDINGS, MINUTES AND ACTIONS OF THE TAX INCENTIVE REVIEW COMMITTEE FOR COMMERCIAL COMMUNITY REINVESTMENT AREA REAL ESTATE TAX ABATEMENTS ENTERED INTO AFTER 2008 IN THE CITY OF BERA.

WHEREAS, the Tax Incentive Review Committee for the City of Berea meets annually to review the prior year's activities of entities that have qualified for, and participate in, Community Reinvestment Area Agreements within the City of Berea; and

WHEREAS, the 2018 meeting of said Tax Incentive Review Committee has been held according to law and said committee has issued its Findings for 2018 Reviews and Minutes of said meeting, the same being attached hereto as Exhibit "A" and incorporated herein.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Berea, State of Ohio:

SECTION 1. That the Council of the City of Berea hereby approves, ratifies and affirms the 2018 Annual Findings of the Tax Incentive Review Committee for Community Reinvestment Area Agreements (for 2018 activities) and the Minutes of its meeting held on July 18, 2019, the same being attached hereto as Exhibit "A" and incorporated herein.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.

PASSED: December 16, 2019

Michael Kasellen
President Pro Tempore of Council

ATTEST: Alyce E.
Clerk of Council

APPROVED: December 18, 2019
Cyril M. Kleem
Mayor

APPROVED AS TO FORM:

[Signature]
Director of Law

Exh. "A"

Berea
2019 TAX INCENTIVE REVIEW COUNCIL
Findings for review of 2018 performance

Type; Parcel #; Contract Party/Incentive	Compliance	Recomendation
CRA; 36109020; HELWIG WHISTLE STOP, LLC	Compliant	Continue
CRA; 36110006; JMJ Real Estate Company, LLC; Conrads Tire Service, Inc	Compliant	Amend
CRA; 36110019; AFR Properties	Compliant	Continue
CRA; 36130004; Clovequip Properties of Ohio; Cloverdale Equipment Comp of Ohio	Compliant	Continue
CRA; 36131003; 1230 West Bagley LLC & Midwest Transatlantic Lines, Inc.	Compliant	Continue
CRA; 36134025; FIELDHOUSE ATHLETICS, LLC & ABOVE THE BARRE, INC.	Compliant	Continue
CRA; 36134030; Patrasek Properties, LLC & Synergy Sport	New Agreement	Review Next Year
CRA; 36135011; Talent Tool and Die, Inc.	New Agreement	Review Next Year
CRA; 36135020; RWBB Holdings, LLC; Audion Automation	Compliant	Continue
CRA; 36402003; SECRETARIAT BEREA AA ACQUISITION; LLC	Non-Compliant	Continue
CRA; 36405001; Front Street Group, LLC	New Agreement	Review Next Year

TAX INCENTIVE REVIEW COUNCIL
July 18, 2019

The Tax Incentive Review Council met on July 18, 2019, and was called to order at 1:30 p.m. by Lisa Rocco, Chair of the 2019 Tax Incentive Review Council and the Director of Operations for the Cuyahoga County Fiscal Office. Present: Susan Infeld, Interim Director of the Cuyahoga County Planning Commission; Greg Huth, Cuyahoga County Law Director; Daniel Smith, Resident City of Berea; and Dale Lange, Resident City of Berea. Also present were: Catherine Tompkins, Squire, Patton, Boggs, Attorney for City of Berea; Kevin Hinkel, Kadish, Hinkel and Weibel, Attorney for the Berea City School District; Richard Gareau, 1230 West Bagley, LLC.; Roger Mahakian, Clovequip Properties of Ohio and Cloverdale Equipment Company; Michael Petrusek, Fieldhouse Athletics, LLC.; Eric Turk, JMJ Real Estate Company, LLC. and Conrad's Tire Service, Inc.; Thomas Norton, City of Berea; and Matthew Madzy, City of Berea.

Ms. Rocco allowed those in attendance to introduce themselves and announce whether they were a voting member.

Moved and seconded that the minutes of the 2018 Tax Incentive Review Council be approved with the condition that Ms. Rocco's department designation be changed from Cuyahoga County Treasurer's Office to Cuyahoga County Fiscal Office. Vote on the motion was all ayes and no nays. The motion carried and the minutes were approved.

Ms. Rocco turned the floor over to the City of Berea to present the 2018 Status Report for each CRA Agreement.

Clovequip Properties of Ohio and Cloverdale Equipment Company

Mr. Madzy introduced Roger Mahakian from Clovequip Properties of Ohio and Cloverdale Equipment Company. Following this introduction, Mr. Madzy reviewed the history and requirements of this CRA Agreement. In 2018, the required number of jobs to be retained was achieved, the required number of jobs to be created was achieved and the required amount of payroll was less than required. Mr. Mahakian explained that the company continues to hire new employees and these numbers will continue to increase. There was further discussion about the requirements of the CRA Agreement and the extent of compliance.

Motion was made and seconded recommending that Clovequip Properties of Ohio and Cloverdale Equipment Company are compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea, Clovequip Properties of Ohio and Cloverdale Equipment Company continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

1230 West Bagley, LLC.

Mr. Madzy introduced Richard Gareau from 1230 West Bagley, LLC. and reviewed the history and requirements of this CRA Agreement. In 2018, 1230 West Bagley, LLC. exceeded the required number of jobs to be created as well as the amount of payroll to be generated. There was no further discussion regarding this CRA Agreement.

Motion was made and seconded recommending that 1230 West Bagley, LLC. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and 1230 West Bagley, LLC. continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

JMJ Real Estate Company, LLC. and Conrad's Tire Service, Inc.

Mr. Madzy introduced Eric Turk from JMJ Real Estate Company, LLC. and explained that this project is required to create 11 jobs and generate \$370,000 in payroll. JMJ Real Estate Company, LLC. and Conrad's Tire Service, Inc. created 9 jobs and \$359,682 worth of payroll in 2018. Mr. Huth raised the issue of whether the required number of jobs should be reduced. There was additional discussion that historically the TIRC has considered compliance to be 75% of the required jobs and payroll.

Motion was made and seconded recommending that JMJ Real Estate Company, LLC. and Conrad's Tire Service, Inc. are compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea, JMJ Real Estate Company, LLC. and Conrad's Tire Service, Inc. continue the CRA Agreement with a recommendation to amend the CRA Agreement to reduce the required number of new hires. Vote all ayes, no nays, the motion carried.

Fieldhouse Athletics, LLC.

Mr. Madzy introduced Michael Petrasek from Fieldhouse Athletics, LLC. and explained that this project is required to create 3 jobs and generate \$130,000

in payroll. Fieldhouse Athletics exceeded both of these numbers in 2017 by creating 17 jobs and \$572,048 worth of payroll.

Motion was made and seconded recommending that Fieldhouse Athletics, LLC. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and Fieldhouse Athletics, LLC. continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

AFR Properties, LLC.

Following a brief review of the project and terms of the CRA Agreement, Mr. Madzy stated that the developer has exceeded both the required number of jobs and payroll.

Motion was made and seconded recommending that AFR Properties, LLC. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and AFR Properties, LLC. continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

Helwig Whistle Stop, LLC.

Discussion about the Helwig Whistle Stop, LLC. project opened with a review of new jobs and payroll created through the project. Mr. Madzy explained that the project has exceeded both the required jobs and payroll.

Motion was made and seconded recommending that Helwig Whistle Stop, LLC. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and Helwig Whistle Stop, LLC. continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

Secretariat Berea, LLC formerly WXZ Retail Group/Berea, LLC.

The TIRC discussed the fact that the former tenant, Advance Auto, moved out of the location and that the CRA was amended to reduce the amount of abatement to 1%.

Motion was made and seconded recommending that Secretariat Berea, LLC. is non-compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Motion was made and seconded to recommend that the City of Berea and Secretariat Berea, LLC. continue the CRA Agreement at the amended 1% abatement. Vote all ayes, no nays, the motion carried.

First Avenue Improvement District

In opening the discussion of the First Avenue Improvement District ("FAID"), Mr. Madzy explained that the Director of Finance for the City of Berea, updated the FAID report which contains financial data going back to 1991. This spreadsheet now includes the performance for 2018. Ms. Tompkins then provided a historical perspective of the FAID and gave a more detailed explanation of the information contained in the spreadsheet.

Motion was made and seconded to accept the FAID report. Vote all ayes, no nays, the motion carried.

Having no further business before the Tax Incentive Review Council, there was a Motion to Adjourn and a second. Vote all ayes, no nays, the motion carried.