

COUNCIL CHAMBER

City of Berea, Ohio

ORDINANCE No. 2021-16

By Jim Maxwell Sponsored By Mayor Cyril M. Kleem

AN ORDINANCE

APPROVING, RATIFYING AND AFFIRMING THE 2019 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 BEREA.

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 2019 meeting of said Tax Incentive Review Committee has been held according to law and said committee has issued its Findings for 2019 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 2019 Annual Findings of the Tax Incentive Review Committee for Community Reinvestment Area Agreements (for 2019 activities) and the Minutes of its meeting held on July 9, 2020, 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: May 3, 2021

ATTEST: [Signature]
Clerk of Council

[Signature]
President of Council

APPROVED: May 4, 2021
[Signature]
Mayor

APPROVED AS TO FORM:

[Signature]
Director of Law

Exh. "A"

Berea
2020 Tax Incentive Review Council
Findings for review of 2019 performance

Type; Parcel #; Contract Party/Incentive	Compliance	Recommendation
CRA; 36131003; 1230 West Bagley, LLC. & Midwest Transatlantic Lines, Inc.	Compliant	Continue
CRA; 36110019; AFR Properties	Compliant	Continue
CRA; 36134025; Fieldhouse Athletics, LLC. & Above the Barre, Inc.	Compliant	Continue
CRA; 36109020; Helwig Whistle Stop, LLC.	Compliant	Continue
CRA; 36402003; Secretariat Berea AA Acquisition, LLC.	Non-Compliant	Continue
CRA; 36110006; JMJ Real Estate Company, LLC. & Conrad's Tire Service, Inc.	Compliant	Continue
CRA; Clovequip Properties of Ohio & Cloverdale Equipment Comp of Ohio	Compliant	Continue
CRA; 36135011; Talent Tool and Die, Inc.	Compliant	Continue
CRA; 36134030; Petrasek Properties, LLC.	Non-Compliant	Continue
CRA; 36135020; RWBB Holdings & Audion Automation	Compliant	Continue

TAX INCENTIVE REVIEW COUNCIL
July 9, 2020

The Tax Incentive Review Council met on July 9, 2020, and was called to order at 1:30 p.m. by Lisa Rocco, Chair of the 2020 Tax Incentive Review Council and the Director of Operations for the Cuyahoga County Fiscal Office. Members present: Greg Huth, Cuyahoga County Law Director; Susan Infeld, Cuyahoga County Planning Commission; Prentis Jackson, Cuyahoga County Department of Development; Dale Lange, Resident City of Berea; and Daniel Smith, Resident City of Berea. Also present were: Kathy Daney, Helwig Consolidated; Richard Gareau, 1230 West Bagley, LLC.; Kevin Hinkel, Frantz Ward, LLP., Attorney for the Berea City School District; Michael Petrasek, Fieldhouse Athletics, LLC. and Petrasek Properties, LLC.; Thomas Norton, City of Berea; and Matthew Madzy, City of Berea.

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

Moved by Rocco and seconded by Lange that the minutes of the 2019 Tax Incentive Review Council be approved. 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 2019 Status Report for each CRA Agreement.

1230 West Bagley, LLC.

Mr. Madzy explained that for year 2019, 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.

Moved by Rocco and seconded by Lange that 1230 West Bagley, LLC. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Moved by Rocco and seconded by Huth to recommend that the City of Berea and 1230 West Bagley, 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 business has exceeded both the required number of jobs and payroll.

Moved by Rocco and seconded by Lange that AFR Properties, LLC. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Moved by Rocco and seconded by Lange to recommend that the City of Berea and AFR Properties, LLC. continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

Fieldhouse Athletics, LLC.

Mr. Madzy stated that in year 2019, Fieldhouse Athletics created 15 jobs and \$535,000 worth of payroll, both of which were more than the required amounts set forth in the CRA Agreement.

Moved by Rocco and seconded by Huth that Fieldhouse Athletics, LLC. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Moved by Rocco and seconded by Lange to recommend that the City of Berea and Fieldhouse Athletics, 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.

Moved by Rocco and seconded by Huth that Helwig Whistle Stop, LLC. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Moved by Rocco and seconded by Lange 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 this location and that the CRA was amended to reduce the amount of abatement to 1%. This was done to provide flexibility to the City to increase the abatement, as an incentive, should a new tenant seek to occupy the property.

Moved by Rocco and seconded by Huth that Secretariat Berea, LLC. is non-compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Moved by Rocco and seconded by Infeld 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.

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

Mr. Madzy referenced the recommendation from the previous TIRC meeting that the number of jobs be revised to 9 and the fact that the CRA Agreement has been revised to follow this recommendation.

Moved by Rocco and seconded by Lange 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.

Moved by Rocco and seconded by Lange to recommend that the City of Berea, JMJ Real Estate Company, LLC. and Conrad's Tire Service, Inc. continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

Clovequip Properties of Ohio and Cloverdale Equipment Company

In 2019, the required number of jobs to be retained was achieved, the required number of jobs to be created was not quite achieved and the required amount of payroll was more than required.

Moved by Rocco and seconded by Huth 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.

Moved by Rocco and seconded by Jackson 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.

Talent Tool and Die, Inc.

As this is the first time the CRA Agreement is being reviewed, Mr. Madzy introduced the project including the required number of jobs to be retained, jobs to be created, and payroll to be created. Thereafter, Mr. Madzy explained that Talent Tool has surpassed the required numbers in all categories.

Moved by Rocco and seconded by Lange that Talent Tool and Die, Inc. is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Moved by Rocco and seconded by Lange to recommend that the City of Berea and Talent Tool and Die, Inc. continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

Petrasek Properties, LLC.

The discussion began with the history of the project, including how it was built for a specific end user and the number of jobs to be retained, created, and payroll generated was to be produced by that end user. Then discussion moved to the fact there is a new occupant of the building and the job numbers do not fit perfectly with the new occupant. Mr. Madzy explained that the plan is to revise the CRA Agreement with job and payroll numbers that are better suited to the current occupant.

Moved by Rocco and seconded by Huth that Petrasek Properties, LLC. is non-compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried. It was then discussed that the City of Berea will revise the CRA Agreement to reflect the jobs and payroll of the current tenant.

Moved by Rocco and seconded by Huth to recommend that the City of Berea and Petrasek Properties, LLC. continue the CRA Agreement. Vote all ayes, no nays, the motion carried.

RWBB Holdings / Clamco

The discussion began with an explanation of the required number of jobs to be retained, jobs to be created, and payroll to be created. Following this introduction, Mr. Madzy stated that RWBB Holdings / Clamco has retained the correct number of jobs, has created 90% of its new jobs and created 109% of the required new payroll.

Moved by Rocco and seconded by Lange that RWBB Holdings / Clamco is compliant with the terms of the CRA Agreement. Vote all ayes, no nays, the motion carried.

Moved by Rocco and seconded by Jackson to recommend that the City of Berea and RWBB Holdings / Clamco continue the CRA Agreement. 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 2019.

Moved by Rocco and seconded by Huth to accept the FAID report. Vote all ayes, no nays, the motion carried.

With no further business before the Council, moved by Rocco and seconded by Huth to Adjourn the Tax Incentive Review Council meeting. Vote all ayes, no nays, the motion carried.