

RESOLUTION NO. 28-2023

Introduced by Joel Hagy

A RESOLUTION ACCEPTING THE RECOMMENDATIONS OF THE ERIE COUNTY TAX INCENTIVE REVIEW COUNCIL RELATING TO ENTERPRISE ZONE AGREEMENTS AND COMMUNITY REINVESTMENT AREA AGREEMENTS.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HURON, OHIO:

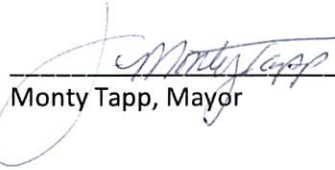
SECTION 1: That this Council hereby accepts the report and recommendations of the Erie County Tax Incentive Review Council as set forth in Exhibit "A" attached hereto and made a part hereof by reference.

SECTION 2: That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Council and that all deliberations of this Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public in full compliance with applicable legal requirements, including O.R.C. §121.22 of the Revised Code.

SECTION 3: This Resolution shall be in full force and effect from and immediately following its adoption.

ATTEST:


Clerk of Council


Monty Tapp, Mayor

ADOPTED:

28 MAR 2023



RICHARD H. JEFFREY
ERIE COUNTY AUDITOR

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March 27, 2023

Huron City Council
City of Huron, Ohio
417 Main Street
Huron, Ohio 44839

Re: Recommendations of the Tax Incentive Review Council to Huron City Council.

The City of Huron's Tax Incentive Review Council (TIRC) met on March 16, 2023 to review the city's Tax Increment Financing Agreement, Community Reinvestment Area and Enterprise Zone abatements that are currently in effect.

This annual review is required by Ohio Revised Code Section 5709.85 (C)(1) with the TIRC required by law to make recommendations to City Council concerning the disposition of agreements in effect for the prior year. Reviews conducted in 2023 judge performance for the prior year and therefore recommendations regarding these agreements apply to the calendar year ending December 31, 2022.

Under Section 5709.85(E)(F) of the Ohio Revised Code, City Council must hold a meeting within sixty days of receipt of the TIRC's recommendations and may vote to accept, reject or modify all or any portion of these recommendations.

After City Council acts and approves appropriate legislation regarding the TIRC recommendations, the City's recommendations and legislation must be forwarded to the Erie County Commissioners for their consideration and appropriate legislation.

Draft minutes of the TIRC meeting are attached for your review. The following projects with active tax incentives within the City of Huron were recommended to be **continued**:

- 1. HURON PODIATRY/ANGTIN, LLC CRA (DR. LESNAK)**
- 2. HUMANETICS INNOVATIVE SOLUTIONS, INC (DENTON) CRA**
- 3. YELLOW DOG LTD. (DBA STRIDE MOBILITY) CRA**

4. n2y (NEWS TO YOU / DJ CLARK, LLC) CRA
5. BRECKENRIDGE/CENTRAL OHIO PAPER AND PACKAGING, INC. CRA
6. SOUTH SHORE MARINE/THREE SEASONS PARTNERS, LLC CRA (Boat Storage)
7. SOUTH SHORE MARINE/THREE SEASONS PARTNERS, LLC CRA (Showroom)
8. SOUTH SHORE MARINE/THREE SEASONS PARTNERS, LLC CRA (Heated Storage)
9. CLDH PROPERTIES, LTD/LABEL AIDE, INC. CRA
10. ARDAGH METAL BEVERAGE USA INC CRA
11. SUNSPORT PROPERTIES, LLC DBA BUCKEYE SPORTS CENTER EZ
12. RYE BEACH TIF
13. SAWMILL TIF
14. CONAGRA TIF

The following project was recommended to be terminated:

1. ALDRIDGE BOUTIQUE LLC (DBA MOCO BOUTIQUE) CRA

Please feel free to contact the undersigned with any questions regarding these recommendations.

Sincerely,



Richard Jeffrey
Erie County Auditor
Chairman of the Tax Incentive Review Council

Attachment: Draft Minutes of the 3/16/2023 TIRC meeting

CC: Matt Lasko, Huron City Manager
Tim King, Erie County Enterprise Zone Manager

**CITY OF HURON, OHIO
TAX INCENTIVE REVIEW COUNCIL
MINUTES OF THE MARCH 16, 2023 MEETING**

The Tax Incentive Review Council for the City of Huron, Ohio met on Thursday, March 16, 2023 in the 3rd floor Commission Chambers, 247 Columbus Avenue, Sandusky Ohio. The following Council members were in attendance:

- Rick Jeffrey, Auditor, Erie County (Chair)
- Gary Lickfelt, Assistant Prosecutor, Erie County
- Hank Solowiej, Administrator, Erie County
- Matt Lasko, City Manager, City of Huron
- Tim Coffman, Treasurer/CFO, EHOVE
- Tim King, Director, Erie County Regional Planning

Also in attendance were:

- Sharon Johnson, member of the General Public
- John Rogers & Toni Fritz, Erie County Auditor's Office
- Zach Rospert, Erie County Regional Planning

Chairman R. Jeffrey called the meeting to order at 9:35 A.M. with the following items reported on or discussed:

1. APPOINTMENT OF A VICE-CHAIRMAN:

R. Jeffrey requested the appointment of a Vice-Chairman. H. Solowiej made a motion to appoint G. Lickfelt as Vice-Chairman. T. King seconded the motion, which was unanimously approved.

2. MINUTES OF THE MARCH 1, 2022 MEETING:

The minutes of the March 1, 2022 meeting were reviewed. On a motion by H. Solowiej, and second by M. Lasko, the minutes were unanimously approved as presented.

COMMUNITY REINVESTMENT AREAS

3. ANGTIN, LLC/HURON PODIATRY (In CRA #1):

Z. Rospert informed the Council that this 15-year, 100% abatement, with a 25% gift back to the Huron Local Schools will run from 2015 – 2029. The agreement called to create two new jobs in the first 36 months. As of 12/31/2022 they created 7 jobs.

H. Solowiej made a motion to continue the abatement. T. King seconded the motion, which was unanimously approved.

4. HUMANETICS INNOVATIVE SOLUTIONS, INC (DENTON) (In CRA #1):

Z. Rospert informed the Council that this is an active 15-year, 100% abatement with a 25% gift back to Huron Local Schools which will run from 2010 - 2024. Z. Rospert noted that the 115 jobs held on 12/31/22 exceeded the goal of 80.

H. Solowiej made the motion to continue the abatement. T. King seconded the motion, which was unanimously approved.

5. YELLOW DOG LTD. (DBA STRIDE MOBILITY) (IN CRA 1)

Z. Rospert informed the Council this is the first year of the tax exemption, which will run from 2022-2036. The terms call for a 75% abatement in years 1-5, 50% in years 6-10, and 25% in years 11-15. The initial appraised value came in at \$1,213,267.

G. Lickfelt made the motion to continue the Yellow Dog LTD abatement. H. Solowiej seconded the motion, which was unanimously approved.

6. ALDRIDGE BOUTIQUE LLC (DBA MOCO BOUTIQUE) (IN CRA 1)

Z. Rospert updated the Council of this CRA approved in 2020. Z. Rospert indicated no additional property improvements were made in 2022. M. Lasko indicated the Boutique has moved their operations into a local plaza, and they do not have current plans of investing in the property where the abatement was approved. CEO Corey Aldridge agreed that terminating the abatement made sense.

M. Lasko made the motion to terminate the Aldridge Boutique abatement. H. Solowiej seconded the motion, which was unanimously approved.

7. NEWS TO YOU/N2Y, LLC/DJ CLARK LLC (IN CRA 1)

Z. Rospert informed the Council that this 15 year, 100% abatement with 25% gift back to the schools began in 2015, and will run through 2029. As of 12/31/22 they had 113 employees on site, which exceeds their goal of 31.

G. Lickfelt made a motion to continue the DJ Clark/N2Y abatement. M. Lasko seconded the motion, which was unanimously approved.

8. BRECKENRIDGE/CENTRAL OHIO PAPER AND PACKAGING, INC. (IN CRA 1)

Z. Rospert informed the Council that this 15 year, 100% abatement with 25% gift back to the schools runs from 2015 until 2029. As of 12/31/22 they had 24 employees, which is short of their goal of 28.

M. Lasko made a motion to continue the Breckenridge/Central Ohio Paper and Packaging abatement. T. King seconded the motion, which was unanimously approved.

9. SOUTH SHORE MARINE/THREE SEASONS PARTNERS, LLC- BOAT STORAGE (CRA 1)

Z. Rospert informed the Council that this 15 year, 100% with 25% gift back will run from 2016 until 2030. The agreement called for the creation of five jobs. As of 12/31/22 they have created 9 new jobs.

H. Solowiej made a motion to continue the South Shore Marine/Three Seasons Partners, LLC Boat Storage abatement. T. King seconded the motion, which was unanimously approved.

10. SOUTH SHORE MARINE/THREE SEASONS PARTNERS, LLC - SHOWROOM (CRA 1)

Z. Rospert informed the Council that this 15 year, 100% with 25% gift back to the schools was approved in 2017. The agreement called for the creation of 3 jobs within the first 3 years. As of 12/31/22 they have created 4 jobs.

M. Lasko made a motion to continue the South Shore Marine/Three Seasons Partners, LLC Showroom abatement. H. Solowiej seconded the motion, which was unanimously approved.

11. SOUTH SHORE MARINE/THREE SEASONS PARTNERS, LLC – HEATED STORAGE (CRA 1)

Z. Rospert informed the Council that this 15 year, 100% abatement was approved in 2022 for a 24,000

square foot heated storage facility. The agreement has compensation agreements with Huron City School District and EHOVE Joint Vocational School District to pay such school districts the amount they would have received from real property taxes, but for the abatement. M. Lasko indicated the company completed their proposed investment within the required timeframe, and the building is now operational.

M. Lasko made a motion to continue the South Shore Marine/Three Seasons Partners, LLC Heated Storage abatement. T. King seconded the motion, which was unanimously approved.

12. CLDH PROPERTIES, LTD/LABEL AIDE, INC (CRA 1)

Z. Rospert informed the Council that this 15 year, 100% with 50% gift back to the schools was agreed to in July 2016. The company committed to create 8 jobs. With 46 employees on 12/31/2022, they hit their job creation goal.

G. Lickfelt made a motion to continue the CLDH Properties, LTD/Label Aide, Inc. abatement. T. King seconded the motion, which was unanimously approved.

13. ARDAGH METAL BEVERAGE USA INC. (IN CRA 1)

Z. Rospert informed the council that this 15 year, 100% abatement where both Huron City School and EHOVE will be made whole in connection with the exemption granted, was approved in 2022. While the project is still under construction, they have commenced some operations, but no improvement value has been added yet. Activity for 2022 included construction wages of \$34,348,405 and the hiring of 210 employees with a payroll of \$13,064,656.

T. King made a motion to continue the Ardagh Metal Beverage USA Inc abatement. M. Lasko seconded the motion, which was unanimously approved.

14. SUNSPORT PROPERTIES, LLC DBA BUCKEYE SPORTS CENTER (ENTERPRISE ZONE)

Z. Rospert informed the Council that this 15 year, 100% abatement was approved in 2022 for a 32,000 square foot marine sales, service and storage facility. The agreement has compensation agreements with Huron City School District and EHOVE Joint Vocational School District to pay such school districts the amount they would have received from real property taxes, but for the abatement. M. Lasko indicated the company completed their proposed investment within the required timeframe, and the building is now operational.

G. Lickfelt made a motion to continue the Sunsport Properites, LLC abatement. T. King seconded the motion, which was unanimously approved.

TAX INCREMENT FINANCING AREA

15. Rye Beach TIF

M. Lasko indicated the Rye Beach TIF originally approved in 2011 or 2012 was not sent to the state at that time. It was sent and approved in late 2021. This is a Non-School TIF. Approximately \$30,000 was collected in 2022, and will see an increase in revenue as the abatements expire in the corporate park. M. Lasko further explained that, since this is a parcel TIF, each new development will contribute to the TIF for 30 years.

M. Lasko made a motion to continue the Rye Beach TIF. H. Solowiej seconded the motion, which was unanimously approved.

16. Sawmill TIF

M. Lasko indicated the Sawmill TIF was approved in 2022, with revenue expected to begin with tax year 2023 payable in 2024. Compensation agreements of 25% of the Service Payment will be due to Huron City Schools & 1.5% of the Service Payment will be due to EHOVE. The service payment is set at \$450,000 per year, received through tax dollars and the remainder as a direct payment from Cedar Fair.

T. King made a motion to continue the Sawmill TIF. G. Lickfelt seconded the motion, which was unanimously approved.

17. ConAgra TIF

M. Lasko indicated the ConAgra TIF's was approved in 2022. The 30-year period will commence when \$50,000 of improvement value is added. The project is currently going through the planning commission, with anticipated construction to begin in 2024. Compensation agreements of 25% of the Service Payment will be due to Huron City Schools & 1.5% of the Service Payment will be due to EHOVE.

M. Lasko made a motion to continue the ConAgra TIF. T. King seconded the motion, which was unanimously approved.

18. ADJOURNMENT:

With no further business to conduct, on a motion by T. King and second by M. Lasko, all voted in favor of adjournment at 9:52 AM.

zjr 03/24/23