

RESOLUTION NO. 2017-19

A RESOLUTION ACCEPTING THE RECOMMENDATIONS OF THE ERIE COUNTY TAX INCENTIVE REVIEW COUNCIL RELATING TO THE CITY'S ENTERPRISE ZONE AGREEMENTS, TAX INCREMENT FINANCING AGREEMENTS AND COMMUNITY REINVESTMENT AREA ABATEMENTS

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.

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 take effect and be in full force and effect immediately upon its passage.


Brad Hartung, Mayor

ATTEST: 
Clerk of Council

ADOPTED: MAR 28 2017

RICHARD H. JEFFREY
ERIE COUNTY AUDITOR

EXHIBIT "A"

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March 8, 2017

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 1, 2017 to review Enterprise Zone Agreements, the city's Tax Increment Financing Agreements and Community Reinvestment Area abatements that are currently in effect or have recently expired but still must be monitored.

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 2017 judge performance for the prior year and therefore recommendations regarding these agreements apply to the calendar year ending December 31, 2016.

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.

Minutes of the TIRC meeting are attached for your review. All projects with active tax incentives within the City of Huron were recommended to be continued. This includes:

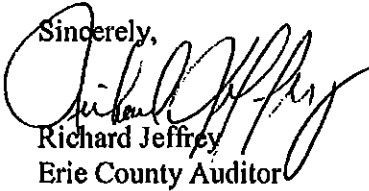
1. **HURON PODIATRY/ANGTIN, LLC CRA (DR. LESNAK)**
2. **HUMANETICS INNOVATIVE SOLUTIONS, INC (DENTON) CRA**
3. **HURON SENIOR RESIDENCES CRA**
4. **n2y (NEWS TO YOU / DJ CLARK, LLC) CRA**
5. **BRECKENRIDGE/CENTRAL OHIO PAPER AND PACKAGING, INC. CRA**
6. **SOUTH SHORE MARINE/THREE SEASONS PARTNERS, LLC CRA**
7. **CLDH PROPERTIES, LTD/LABEL AIDE, INC. CRA**

March 8, 2017

8. TIF'S BY ORDINANCE CONAGRA/SHOWBOAT AREA AND RYE BEACH/SAWMILL PARKWAY AREA.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Jeffrey". The signature is written in a cursive style with a large initial "R".

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

Attachment: Minutes of the 3/01/17 TIRC meeting

CC: Andy White, Huron City Manager
Steve Poggiali, Erie County Enterprise Zone Manager

**CITY OF HURON, OHIO
TAX INCENTIVE REVIEW COUNCIL
MINUTES OF THE MARCH 1, 2017 MEETING**

The Tax Incentive Review Council for the City of Huron, Ohio met on Wednesday March 1, 2017 in the Erie County Commission Chambers, 2900 Columbus Avenue, Sandusky Ohio. The following Council members were in attendance:

- Richard Jeffrey, Auditor, Erie County (Chair)
- Tim Coffman, Treasurer, EHOVE Career Center
- Gary Lickfelt, Assistant Prosecutor, Erie County
- Pete Daniel, Administrator, Erie County
- Dawn Jacobs, Treasurer, Huron City Schools
- Steve Poggiali, Erie County Regional Planning

Also in attendance were:

- Matt Old, Erie County Commissioner
- John Rogers, Erie County Auditor's Office
- Toni Fritz, Erie County Auditor's Office
- Sharon Johnson, member of the general public
- Abby Bemis, Erie County Economic Development Corporation
- Ryan Karbula, Erie County Economic Development Corporation
- Zach Rospert, Erie County Regional Planning
- Gordon Hahn, Huron Township Trustee
- Jim Lang, Perkins Township Trustee
- Gary Boyle, Perkins Township Administrator
- Keri Angney, Firelands Local Schools Treasurer

Chairman R. Jeffrey called the meeting to order at 2:00 P.M. with the following items reported on or discussed:

1. MINUTES OF THE MARCH 2, 2016 MEETING:

The minutes of the March 2, 2016 meeting were reviewed. On a motion by P. Daniel and second by D. Jacobs, the minutes were unanimously approved as presented.

2. APPOINTMENT OF A VICE-CHAIRMAN:

R. Jeffrey requested the appointment of a Vice-Chairman. P. Daniel made a motion to appoint Gary Lickfelt as Vice-Chairman. S. Poggiali seconded the motion, which was unanimously approved.

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 appraisal increased from \$320,280 to \$405,500. The agreement called to create two new jobs in the first 36 months. At 12/31/16, one new full-time-equivalent was added. Rospert noted that the facility also has space available for rent, and has the potential to phase in expansions, so continuing the abatement is advantageous.

G. Lickfelt made a motion to continue the abatement. P. Daniel 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 133 jobs held on 12/31/16 exceeded the goal of 80, and represented an increase of five jobs over last year, and a return to the numbers reported in 2014.

P. Daniel made the motion to continue the Humanetics/Denton CRA abatement as currently constituted. S. Poggiali seconded the motion, which was unanimously approved.

5. HORVATH ROOFING (In CRA #1)

Z. Rospert informed the Council that this 5-year, 50% abatement ran from 2012 through 2016, so no action was required by the committee. Due to the seasonal nature of the business, and the company sub-contracting a lot of their work, the company maintained 2 employees as of 12/31/16.

6. HURON SENIOR RESIDENCES (In CRA #2)

Z. Rospert informed the Council that this 15-year, 100% abatement runs from 2014 through 2028. There is a 25% gift back to Huron City Schools and 5% gift back to The City of Huron. The appraisal increased from \$3,385,630 to \$3,394,480 in 2016. Rospert reported that as of 12/31/16 the company maintained their job numbers goal of two employees.

R. Jeffrey explained to these low income housing units are receiving approval of 100% abatements, and then going to Board of Revisions to get the values decreased. He stressed the importance for communities to reach an agreement with the company on a baseline value, and get the agreement in writing.

D. Jacobs also noted that the compensation agreement was not paid by the April 15 deadline in 2016.

G. Lickfelt made the motion to continue the Huron Senior Residences CRA abatement as currently constituted. S. Poggiali 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. The appraisal decreased from \$1,654,460 to \$1,646,930. As of 12/31/16 they had 56 employees, which exceeds their goal of 31 and represents an increase of 8 employees compared to 12/31/15. Rospert further explained that the land owner is still DJ Clark, LLC, but Riverside Private Equity Firm purchased the business. They are currently working with the City on zoning for an expansion.

P. Daniel made a motion to continue the DJ Clark/N2Y abatement. G. Lickfelt 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 will run from 2015 until 2029. The appraisal increased to \$2,620,180, up from \$2,304,720 last year. As of 12/31/16 they had 24 employees, an increase of one employee.

S. Poggiali made a motion to continue the Breckenridge/Central Ohio Paper and Packaging abatement. G. Lickfelt seconded the motion, which was unanimously approved.

9. SOUTH SHORE MARINE/THREE SEASONS PARTNERS, LLC

Z. Rospert informed the Council that this 15 year, 100% with 25% gift back to the schools began this year, making the abatement period 2016-2030. The appraised value eligible for abatement is \$496,620. The agreement called for the creation of five jobs by 2018. As of 12/31/16 they have created four new jobs.

G. Lickfelt made a motion to continue the South Shore Marine/Three Seasons Partners, LLC abatement. S. Poggiali seconded the motion, which was unanimously approved.

10. CLDH PROPERTIES, LTD/LABEL AIDE, INC

Z. Rospert informed the Council that this 15 year, 100% with 50% gift back to the schools was agreed on in July 2016. Construction expenses reported as of 12/31/16 equaled \$1,372,234.

No action is required to be taken this year.

TAX INCREMENT FINANCING AREAS

11. NEW CITY OF HURON TAX INCREMENT FINANCING (TIF) AREAS

Z. Rospert explained that city has proactively established new tax incentive districts within the Conagra and North Main Street District. In anticipation of future development, the City of Huron would like to continue this TIF Area.

P. Daniel made a motion to continue the new TIF Area. D. Jacobs seconded the motion, which was unanimously approved.

12. It was noted that the Maple Avenue/Rye Beach area TIF is no longer active.

13. ADJOURNMENT:

With no further business to conduct, at 2:19 PM, S. Poggiali made a motion to adjourn the Huron City Tax Incentive Review Council meeting. G. Lickfelt seconded the motion, which was unanimously approved.

zjr 03/07/17