

RESOLUTION NO. 13-09

By: Robyn Jones

A Resolution adopting the recommendations of the Bexley Tax Incentive Review Council regarding tax-abated properties on East Main Street.

WHEREAS, under O.R.C. Section 3735.67, the owners of four properties on East Main Street which have commercial agreements with the City have submitted applications for, and been granted, tax exemptions on real property improvements; and

WHEREAS, the owner of Bexley Gateway Plaza (Parcel No. 020-004740 aka 2152-2158 East Main Street) is Bexley Gateway Plaza Ltd and the property was granted a tax exemption under Ordinance; and

WHEREAS, this property has been granted a 50% tax exemption for 15 years; and

WHEREAS, the owner of the Shoppes of Bexley (Parcel Nos. 020-001533 and 020-001534 aka 2396-2408 East Main Street) is MRMJ LLC and the property was granted a tax exemption under Ordinance 46-05; and

WHEREAS, the owner of the Chase Bank building (Parcel No. 020-000084 aka 2656-2660 East Main Street) is Spiwak Oak Park Bexley LLC and the property was granted a tax exemption under Ordinance 110-05; and

WHEREAS, the owner of Parcels 020-004731, 020-004733, and 020-004736, is One Dawson Place, LLC and the property was granted a tax exemption under Ordinance 60-04; and

WHEREAS, the owners of Parcels 020-004732, 020-004735, and 020-004734 are the Trust of Jacob & Fay Gelman, One Dawson Place 301, LLC, and Elizabeth J. Pomerants, respectively, also authorized under the CRA Agreement with One Dawson Place, LLC under Ordinance 60-04 ; and

WHEREAS, each of these properties has been granted a real property tax exemption by City Council for a 5-year term, beginning at 100% and declining by 20% each year thereafter until their expirations; and

WHEREAS, the Main Street Community Redevelopment Area Housing Council and the Housing Officer have inspected these properties; and

WHEREAS, the Bexley Tax Incentive Review Council has reviewed the tax exemption agreements and investment, payroll, and job commitments contained in those agreements versus progress made toward achieving those commitments; and

WHEREAS, the Development Director, on behalf of the Bexley Tax Incentive Review Council forwarded the Council's recommendations to Bexley City Council on September 8;

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

Section 1. That the existing real property tax exemption for parcels 020-004740 (Bexley Gateway Plaza) shall be continued, and that a letter be written asking for clarification on the payroll numbers, and that Council change the job commitment date to December 31, 2009.

Section 2. That the existing real property tax exemption for Parcels 020-001533 and 020-001534 (Shoppes of Bexley) shall be continued for the terms and percentages specified in the original tax exemption agreement, such term being for 5 years (expiring at the end of 2011) and beginning at 100% and declining by 20% each year thereafter until the expiration, and that a letter be sent to the property owner and tenants expressing concern about projected job creation numbers not being met.

Section 3. That the existing real property tax exemption for Parcel 020-000084 shall be continued for the terms and percentages specified in the original tax exemption agreement, such term being for 5 years (expiring at the end of 2011) and beginning at 100% and declining by 20% each year thereafter until the expiration, and that a letter be sent to the property owner and tenants expressing concern about projected job creation numbers not being met, and the lack of a second tenant for the building.

Section 4. That the existing tax exemptions for Parcels 020-004732, 004735, and 020-004734 (One Dawson) shall be continued for the terms and percentages specified in the amended tax exemption Ordinance No. 100-08, dated December 9, 2008, beginning at 100% and declining by 20% each year until the expiration.

Section 5. That the existing abatements for Parcels 020-004371, 020-004733, 020-004736, 020-004737, 020-004738, and 020-001538 (One Dawson) be continued for the terms and percentages specified in the amended tax exemption Ordinance No. 100-08, dated December 9, 2008, beginning at 100% and declining by 20% each year until the expiration. .

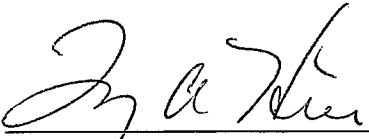
Section 6. This Resolution shall go into full force and effect at the earliest date allowed by law.

Passed: 9/22, 2009

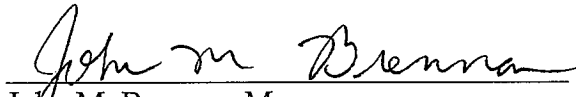


President of Council

Attest:


Clerk of Council

Approved: 9/22, 2009


John M. Brennan, Mayor

First Reading 9-8-09
Second Reading 9-22-09

MEMORANDUM

TO: City Council
FROM: Bruce A. Langner, Development Director
DATE: August 27, 2009
SUBJECT: Annual Tax Incentive Council Review

The Bexley Tax Incentive Review Council met on August 10, 2009 to review four tax abatements which have been granted in the Main Street Community Reinvestment Area. Minutes from the TIRC meeting are included with this memo for your review. Under State law, the recommendations of the Tax Incentive Review Council must be submitted to City Council within 30 days of its meeting. Council then must act on the recommendations within 60 days.

The following recommendations were made by the TIRC:

Shoppes of Bexley

The Council recommended the continuation of the 5-year, 100%-80%-6%-40%-20% tax abatement for this project and that the owner be sent a letter expressing concern that job projections have not been met.

Spiwak Oak Park Bexley LLC (Chase Bank Building)

The Council recommended that the 5-year, 100%-80%-60%-40%-20% tax abatement be continued and that a letter be sent to the property owner expressing concern that the empty space is not yet filled and that the property is short on fulfilling its jobs commitment.

One Dawson

The Council recommended that the 5-year 100%-80%-60%-40%-20% tax abatement be continued.

Bexley Gateway Plaza

The Council recommended that the 15-year 50% tax abatement be continued and that the owner be sent a letter asking for a clarification on the current total payroll versus the projected payroll, and that the dates for achieving that payroll be changed to reflect the delayed completion of the building. The date for meeting payroll projections should be changed from 12/31/06 to 12/31/09.

**City of Bexley
Tax Incentive Review Council
Monday, August 10, 2009
4:00 P.M.
City Council Chambers
2242 East Main Street
Bexley, OH 43209**

MINUTES

1. **Call to Order** – 4:00 p.m.
2. **Roll Call**- Blake Bishop, Commissioner Representative; Anne Dorrian-Lenzotti, Commissioner Representative; Larry Heiser, Auditor; Dr. Mike Johnson, Superintendent of Schools; Preston Stearns, Commissioner Representative; Tony Frissora, County Auditor's Office; Bruce Langner, Planning and Economic Development Director.
3. **Others Present**: Amy Christman, Franklin County Auditor's Office; Shelly May, Franklin County Auditor's Office.
4. **Excuse Absent Members** – None.
5. **Approval of Minutes**:
 - A. Minutes of the August 11, 2008 Meeting - **Motion by Mr. Frissora to approve Minutes. Motion seconded by Mr. Stearns. Minutes approved.**
6. **Administration Reports, Correspondence & Claims** – None.
7. **Action on Current Tax Exemption Cases**
 - A. Shoppes of Bexley
2396-2408 E. Main Street
Parcel Nos. 020-001533 and 020-001534

Mr. Langner stated this is a mixed use project. Redevelopment started in 2006. The project investment to date is \$2,330,000.00. The projected investment was over \$2,503,600.00. This project includes the Aladdin Restaurant and Connell's Flowers. This project currently has 24 employees and projected 33 employees. The payroll amount is \$654,322.00 with \$633,400.00 projected.

Mr. Langner said there were delays in construction. They were a year behind at the time of completion. Ms. Dorrian-Lenzotti asked if this was the first time to be reviewed. Mr. Langner stated it was actually the third time for

review. Ms. Dorrian-Lenzotti asked what the employee numbers were for the previous year. Mr. Langner explained Connell's Flowers went from 15 employees to 11 employees. The other employees included in this project have remained stable. He said originally, Connell's Flowers had 17 employees then reduced to 15 and finally down to 11 employees. Dr. Johnson stated that he did not recall reviewing this project previously. Mr. Heiser pointed out that the Shoppes of Bexley were included in the previous minutes.

Mr. Langner said this project currently has 5 year tax abatement. There is no representative present for this project. Mr. Frissora stated the project appears to be on pace. The employee number is low, the real estate is slightly lower but the payroll is increasing. Mr. Langner said they still have not filled 1,900 square feet of space to date.

Mr. Frissora said they still have five months to meet this requirement. Ms. Dorrian-Lenzotti stated she had some concern that they will be unable to reach the 50 employee commitment. She said the salary is in line but it means they have higher paid individuals in a smaller space.

Mr. Stearns made a motion to accept the report and send a letter expressing the Council's concern on the job numbers. Ms. Dorrian-Lenzotti seconded the motion. Voice vote taken --all approved.

B. Chase Bank Building
2656-2660 E. Main Street
Parcel No. 020-000084

Mr. Langner stated this property is located at Roosevelt and Main Street. It replaced the old gas station. It is a mixed use building with an investment of \$2,047,000.00. It consists of 3600 square feet. They currently have 16 jobs with a projection of 23 jobs. The building is newly constructed. The payroll was projected at \$616,356.00 with an actual figure to date of \$607,388.00.

Dr. Johnson referred to a Motion that was listed on page 5 of the previous meeting minutes. He said we had asked them last year to be more aggressive in their marketing to get the empty space filled or to consider a percentage change. He said he realizes this has not been a good environment to market in the past year.

Brett Cisler, a representative for the Chase Bank Building addressed the Tax Incentive Review Council. Mr. Cisler said they are currently working with three or four prospects. He is hoping it will get wrapped up soon. Chase would like to see this empty space filled as soon as possible. One challenge they have run into with potential sub-tenants is the parking situation.

Dr. Johnson stated this building has been an asset to the community. Mr. Cisler said they are actively marketing the space and have substantially discounted the price. Ms. May said they have a declining abatement. Ms. Dorrian-Lenzotti asked if based on the prospects they are considering, would it generate the additional six jobs? Mr. Cisler answered he believed it would add the additional jobs needed.

Mr. Frissora stated over the last two years there has been a concern over the number of jobs. He asked if they should consider adjusting the number of jobs required or send another letter. The real estate figures are there, the payroll is slightly lower and the number of employees is lower.

Mr. Langner stated they are closer this time to filling the space than previously in the past. The prospect has contacted the City regarding signage and basically they are down to the fine details.

Mr. Stearns agrees that the job market is down currently but suggest sending another letter. Ms. Dorrian-Lenzotti asked if the building is half occupied and half empty, whether or not this is a detriment to the City. Mr. Heiser stated that it does not look empty. Mr. Langner stated from the appearance, you can not tell it is vacant.

Mr. Frissora made a motion to send a letter. Mr. Stearns seconded the motion. All were in agreement. Motion to send letter – passed.

Mr. Frissora made a motion to approve the report as given. Mr. Stearns seconded the motion. Report approved as given.

C. One Dawson Building
2372 East Main Street

Parcel Nos. 020-004731, 020-004735, 020-004732, 020-004733, 020-004734, 020-004736, 020-004737, 020-004738, 020-001538

Mr. Langner said this is a mixed use project with both residential condominiums and a small commercial area. The investment was \$5,829,017.00. Three of the seven condominiums have been purchased. They had projected 3 to 6 retail positions and currently have none. They previously had a fitness operation in the commercial space in 2007. They moved out because they needed a larger area and it has been vacant since. The current 3 jobs are affiliated with the condominiums. Ms. Dorrian-Lenzotti stated the payroll is a concern with only \$48,000.00 last year and their projection was higher. Ms. May stated they have a 5 year declining abatement.

Mr. Langner stated the commercial space in the front of the building is on its second year and the condominiums receive a tax abatement once sold. The 100% abatement starts when the unit is actually sold.

Mr. Kolby Turnock, a representative for One Dawson Building addressed the Tax Incentive Review Council. He said there is discussion of moving an internal company into the available space. He said it is a small company with only one person. The space is small and tight so we are trying an internal approach.

Mr. Frissora stated that he is glad to hear there is something in the works. He said the payroll is lacking. **Mr. Frissora made a motion to accept the report. Mr. Stearns seconded the motion. Report Accepted.**

D. Bexley Gateway Plaza
Parcels Nos. 020-004740 and 020-004756

Mr. Langner stated this is the first review for this project. It is located at the corner of Parkview and Main Streets. It is a mixed use project with both condominiums and retail space. It was projected to be a 17,700,000.00 investment and has far exceeded that figure. It was projected to have 79 employees and currently has 77 employees. This project includes Moshi Sushi, Jeni's Ice Cream, Hummel Title and Beat Personal Training. They have a \$1,148,568.00 payroll and have a couple of spaces available on the second floor. Their tax abatement is currently 15 years at 15% on the commercial property. Mr. Shkolnik, representative for Bexley Gateway Plaza was present at the meeting. Mr. Langner mentioned that the construction process was delayed quite a bit.

Mr. Frissora stated they do have 77 employees and have met more than half of the payroll. Mr. Shkolnik stated that Moshi Sushi's may be hiring more full-time employees compared to Mozart's which previously occupied that space. Mozart's only had 3 to 4 employees. Mr. Heiser stated that Hummel Title has 8 to 10 employees. Mr. Shkolnik stated there is one person interested in the tower space.

Mr. Frissora said there is a disparity in the payroll amount. He suggested that the City check the income tax records. He said a letter had been sent last year. There is a million dollar difference in the payroll amounts. Ms. Dorrian-Lenzotti said the job commitment timeframe started in 2006. She asked if perhaps the job commitment should be adjusted to start in 2008 due to the construction delays. **Mr. Frissora made a motion to suggest to City Council to amend this back to the year 2008 and they could begin fresh with a job commitment adjustment dated December 31, 2009. Dr. Johnson seconded the motion. All were in favor.**

Mr. Langner stated that City Council recently amended the Gateway agreement to separate the residential component from the commercial. Mr. Frissora stated that is their decision to make. Mr. Shkolnik said the commercial value is about \$5,000,000.00 of the total investment. Ms. May said they can be separated. Dr. Johnson asked about the timing of starting the abatements if they are separate. Mr. Langner said the commercial component started in 2008 and the residential has not yet begun. The Tax Incentive Review Council would not review the residential portion in the future. Ms. May agreed with that statement.

Mr. Frissora made a motion to suggest a change of dates on this project. Motion was seconded by Blake Bishop. Voice vote passed.

7. Discussion of Main Street Tax Increment Financing (TIF) District-

The TIF was submitted for approval in 2006. The district covers Main Street east to west. The City will be using some of the TIF fund to do a streetscape project and issue bonds and use the TIF for payments. We had \$10,045.00 come in through 2009.

Mr. Frissora made a motion to approve the report. Motion seconded by Ms. Dorrian-Lenzotti. Voice Vote -passed.

8. **Other Business** – One item Mr. Frissora wanted to discuss was the various municipalities that are removing all language on “personal” property from their CRA agreements. He made a motion to recommend language change from the existing wording. Motion was seconded by Mr. Stearns. Mr. Heiser asked if an agreement was reached, would it separate the real estate from the personal property. Mr. Frissora stated there is no way to track down the number. Ms. May stated she has a blanket Resolution she will forward to Mr. Langner regarding that wording.
9. **Public Comments**- None.
10. **Council Comments**- Mr. Stearns requested that they receive the minutes and agenda in advance prior to the next meeting. Mr. Langner said he would be more than willing to make sure they have plenty of time for review prior to the next meeting. Mr. Langner asked the committee for their email addresses so he can forward the information to them.
11. **Adjournment**- Mr. Stearns moved to adjourn, Ms. Dorrian-Lenzotti seconded the motion. Adjourned at 4:40 p.m.

TIRC Progress Report

Agreement Terms

Date: 7/30/2009

Company Name:

BEXLEY E. MAIN STREET CRA (CHASE BANK)

Incentive:

CRA

5 YRS (2007-2011) Years

Previous Year's Recommendation:

PP & JOB LETTER - 2006 TIRC
JOBS LETTER - 2007 TIRC

Parcels: 020-000084

100% - DECLINING RE Percentage

Investment Commitment

per Agreement

As Reported to Granting Authority

County Auditor Verification

Real Estate	1,050,000	1,575,000	Tax Year 2008	3,799,500	(total appraised value)	Tax Year 2008
Inventory	60,000			2,829,500	(abated/TIF value)	2008
Machinery/Equipment						
Furniture/Fixtures	1,100,000	472,000	2009			
Other						
Investment Time Frame:	7/31/2006	Source of Information:	ODOD ANNUAL REPORT/COMPANY	Source of Verification:	AUDITOR RECORDS	

Job Commitment

Jobs to be Created

Jobs Created

Granting Authority Verification

Full-Time:	23	Jobs to be Retained	0	Jobs Created	16	Jobs Retained	0	Jobs Created	16	Jobs Retained	0
Part-Time:											
Other:											
Additional Payroll:			\$ 616,356				\$ 607,338				\$ 607,338
Job Commitment Time Frame:	1/31/2007	Source of Information:	ODOD ANNUAL REPORT/COMPANY	Source of Verification:	REGIONAL INCOME TAX AUTHORITY (RI)						
Neighborhood Involvement:		Neighborhood Involvement:	CHAMBER OF COMMERCE MEMBER								

Real Estate Tax: Ann. Amt.: \$ 30,020.52

Delinquent Amt. Delinquent:

Foregone Tax/TIF Tax: \$ 87,570.16

Personal Property Tax: Ann. Amt.: Delinquent Amt. Delinquent:

Foregone Tax:

AUDITOR RECORDS

First Source Compliant:

TENANT: CHASE BANK
CURRENT JOB STATUS =

Auditor's Comments:

Company Name:

BEXLEY E. MAIN STREET CRA (GATEWAY)

Parcels: 020-004740

TIRC Progress Report

Agreement Terms

Date: 7/30/2009

Incentive: CRA

15 YRS (2008-2022) Years

Previous Year's Recommendation:

FIRST YEAR FOR REVIEW

50%

PP Percentage
RE Percentage

Investment Commitment

per Agreement

Real Estate 17,700,000

Inventory

Machinery/Equipment

Furniture/Fixtures

Other

Investment Time Frame: 12/31/2006

As Reported to Granting Authority

25,082,244 Tax Year 2008

402,731 2009

Source of Information: ODDO ANNUAL REPORT/COMPANY

County Auditor Verification

3,150,000 (total appraised value) Tax Year 2008
1,287,000 (abated TIF value)

Source of Verification: AUDITOR RECORDS

Job Commitment

Jobs to be Created Jobs to be Retained

79 0

Full-Time:
Part-Time:

Other:

Additional Payroll: \$ 2,215,200

Job Commitment Time Frame: 12/31/2006

Neighborhood Involvement:

Jobs Created Jobs Retained

77 0

\$ 1,148,568

Source of Information: ODDO ANNUAL REPORT/COMPANY

Neighborhood Involvement:

CHAMBER OF COMMERCE MEMBER

Granting Authority Verification

Jobs Created Jobs Retained

77 0

\$ 1,148,568

Source of Verification: REGIONAL INCOME TAX AUTHORITY (RI)

Real Estate Tax: Ann. Amt.: \$ 57,657.98 ☐ Delinquent Amt. Delinquent:

Foregone Tax/TIF Tax:

\$ 39,831.35 Source of Verification:

Personal Property Tax: Ann. Amt.: ☐ Delinquent Amt. Delinquent:

Foregone Tax:

AUDITOR RECORDS

First Source Complaint: ☐

TENANTS:

1-1-2009 = NEW CONSTRUCTION 95% COMPLETE
1-1-2009 ADD PARCELS: 020-000380, 020-004741, 020-004742, 020-004756 - 020-004840 (2009-2023) ABATEMENT CHANGE MADE PER BEXLEY ORDINANCE 27-2009

Auditor's Comments:

Company Name:

BEXLEY E. MAIN STREET CRA (ONE DAWSON PL)

Parcels: MULTI

TIRC Progress Report

Agreement Terms

Date: 7/30/2009

Incentive:

CRA

5 YRS (2007-2011) Years

PP Percentage

100% - DECLINING RE Percentage

Previous Year's Recommendation:

IN COMPLIANCE - 2006 TIRC
MODIFY AB ON THE 6 UNITS THAT HAVEN'T
SOLD - 2007 TIRC

Investment Commitment

per Agreement

Real Estate

5,829,017

Tax Year
2008

As Reported to Granting Authority

County Auditor Verification

5,586,300

(total appraised value)

3,351,500 (abated/TIF value)

Tax Year
2008

Inventory

Machinery/Equipment

Furniture/Fixtures

Other

Investment Time Frame:

\$ 3,600,000 TOTAL

Source of Information:

ODOD ANNUAL REPORT/COMPANY

Source of Verification:

AUDITOR RECORDS

Job Commitment

Jobs to be Created

1

Jobs to be Retained

0

Full-Time:

Part-Time:

Other:

3 - 6 RETAIL POSITIONS

Additional Payroll:

\$ 90,000

Job Commitment Time Frame:

12/31/2006

Neighborhood Involvement:

Jobs Created

3

Jobs Retained

0

Granting Authority Verification

Jobs Created

3

Jobs Retained

0

\$ 48,175

\$ 48,175

Source of Information: ODOD ANNUAL REPORT/COMPANY

Neighborhood Involvement:

CHAMBER OF COMMERCE MEMBER

Source of Verification: CITY AUDITOR

Real Estate Tax: Ann. Amt.:

\$ 61,271.78

☐ Delinquent

Amt. Delinquent:

Foregone Tax/TIF Tax:

\$ 103,725.53

Source of Verification:

Personal Property Tax: Ann. Amt.:

☐ Delinquent

Amt. Delinquent:

Foregone Tax:

AUDITOR RECORDS

First Source Compliant: ☐

Auditor's Comments:

TENANTS:
CURRENT JOB STATUS =
INCLUDES PARCELS - 020-004731 - 020004738

TIRC Progress Report

Agreement Terms

Date: 7/30/2009

Company Name:

BEXLEY E. MAIN STREET CRA (SHOPPES OF BEXLEY)

Incentive:

CRA

5 YRS (2007-2011) Years

Previous Year's Recommendation:

IN COMPLIANCE - 2006 TIRC
PP & RE CLARIFICATION LETTERS - 2007 TIRC

Parcels: 020-001533 020-001534

100% - DECLINING RE Percentage

Investment Commitment

per Agreement

As Reported to Granting Authority

County Auditor Verification

Real Estate
Inventory
Machinery/Equipment
Furniture/Fixtures
Other
Investment Time Frame: 12/31/2006

2,098,000
232,000
\$ 2,503,600 TOTAL
Source of Information: ODDO ANNUAL REPORT/COMPANY

1,390,000
779,700
(total appraised value)
(abated/TIF value)
Tax Year 2008 2009

Source of Verification: AUDITOR RECORDS

Job Commitment

Jobs to be Created 33
Jobs to be Retained 17
Full-Time:
Part-Time:
Other:
Additional Payroll: \$ 633,400
Job Commitment Time Frame: 12/31/2009
Neighborhood Involvement:
MAINTAIN MEMBERSHIP IN THE CHAMBER OF COMMERCE

Jobs Created 24
Jobs Retained 11
Source of Information: ODDO ANNUAL REPORT/COMPANY
Neighborhood Involvement:
CHAMBER OF COMMERCE MEMBERS
\$ 654,322

Granting Authority Verification
Jobs Created 24
Jobs Retained 11
Source of Verification: CITY AUDITOR
\$ 654,322

Real Estate Tax: Ann. Amt.: \$ 18,888.17
Personal Property Tax: Ann. Amt.:
First Source Complaint: ☐
Auditor's Comments: TENANTS: CONNELLS FLOWERS, ALADDINS EATERY, BARNETT REALTY, ROBINS INSURANCE GROUP
CURRENT JOB STATUS =

Delinquent Amt. Delinquent:
Delinquent Amt. Delinquent:
Foregone Tax/TIF Tax: \$ 24,130.93
Foregone Tax:
AUDITOR RECORDS
Source of Verification: