

**CITY OF NORTH RIDGEVILLE
HOUSING COUNCIL MEETING
June 12, 2024
9:30 A.M.**

CALL TO ORDER AND PLEDGE OF ALLEGIANCE:

The meeting was called to order by Mayor Corcoran at 2:00 p.m. and led the Pledge of Allegiance.

ROLL CALL:

Present: Chairman Mayor Kevin Corcoran, Member Roxann Ramsey-Caserio, Member Jennifer Swallow, Member Frank Toth, Member Jaqueline, and Councilman Bruce Abens.

Also present: Finance Director April Wilkerson, North Ridgeville Schools Treasure/CFO Michael Pissini, Planning Economic Development Director Kim Lieber, Law Director Brian Moriarty, and Assistant Clerk of Council Fijabi Gallam.

Excuses: Member James Smolik

APPROVAL OF MINUTES:

CRA Housing Council Meeting Minutes dated April 19, 2023

The minutes were approved as submitted.

NEW BUSINESS:

Community Reinvestment Area Annual Review:

Finance Director April Wilkerson provided an update on the current Community Reinvestment Area (CRA) Agreements. The attached annual report contains further details. Ms. Wilkerson discussed the following points:

- There are currently eight active CRA agreements.
- One CRA agreement is set to end in 2023. The Finance Department is collaborating with the County to ensure that all necessary paperwork is updated.
- Except for Progressive North Ridgeville/Avenue at North Ridgeville, seven out of the eight CRA agreements are meeting the expectations outlined in their agreements.
- Progressive North Ridgeville/Avenue at North Ridgeville is complying with the required employee count. However, their total payroll falls short of the expectation by approximately \$15,000 to \$16,000 for the year 2023.
- Drug Mart is not meeting their expectations. They are currently behind by approximately \$5,000 in tax collection and have not met their target number of employees, currently employing only 6 individuals.

Mayor Corcoran shared that Drug Mart has raised concerns about their agreement, specifically regarding their property valuation. Drug Mart had initially anticipated a property value of over \$6 million, but it was valued at around \$4 million instead. As a result, their abatements are lower than expected since the abatement amount is based on property valuation. Drug Mart has requested if the schools would be willing to reduce the agreed amount because of the lower valuation. Mayor Corcoran expressed his disagreement with the idea of asking the schools to agree to a lower amount or seeking a revision of the City Council's legislation.

Member Roxann Ramsey-Caserio verified that Drug Mart had not contacted the schools regarding their concerns. In addition, she affirmed the accuracy of the Mayor's assumptions. Ms. Ramsey-Caserio made it clear that the schools would not agree to a reduction in the agreed amount.

North Ridgeville Schools Treasure/CFO Michael Pissini asked if Drug Mart had put forward a proposed resolution.

Mayor Corcoran stated that DrugMart had suggested decreasing their contribution to the schools because their tax abatement had been reduced by a certain percentage. Mayor Corcoran commented that this proposal was not a positive financial move.

Ms. Wilkerson inquired about the status of the donation from Drug Mart to the schools. It was noted that the donation has not been received yet and is now past the due date.

Ms. Wilkerson provided an update regarding the Avenue at North Ridgeville payroll commitment. It was noted that the commitment is not being met, as the company has 217 part-time employees and 84 full-time employees, instead of the expected 100 employees. As a result, the total payroll is not meeting expectations. The Administration will review the agreement with Avenue at North Ridgeville, taking into consideration the changes in recent CRA agreements. It was pointed out that these agreements no longer include a requirement for a specific total payroll, but only specify an expectation for the number of employees.

Planning and Development Director Lieber explained the revised rules for the Community Reinvestment Area Housing Council, which came into effect in September 2022. The updated regulations now allow negotiated agreements with applicants, taking into account various factors such as payroll and other separate criteria. This change has granted the Housing Council flexibility and removed the obligation to offer incentives to businesses solely based on job creation.

Mayor Corcoran emphasized the significance of a business's payroll rather than just the number of jobs created. He stressed that the amount of payroll that a business brings in is important.

RUF US, Inc. CRA Agreement:

Ms. Lieber provided details about RUF, a German-based company specializing in the construction and sale of briquetting systems. These systems are designed to turn scraps from wood, metal, or plastic manufacturing into reusable briquettes for fuel purposes. The company has expressed interest in the vacant 10-acre site adjacent to Dayton Freight on Taylor Parkway, where they plan to establish their sales office, headquarters, and production facility. The initial construction will involve a 25,000-square-foot facility, which may expand to 100,000 square feet in the future. To incentivize RUF's investment, the company has been offered a 75% 10-year abatement, encompassing a new facility, job creation, and an increase in payroll. Additionally, as part of the agreement, RUF will donate \$10,000 to the local school. The engineering plans for the

construction are currently under review, and the company anticipates completing the project by September 2025.

Mayor Corcoran provided that RUF plans have 17 full-time employees and one part-time employee in the first year.

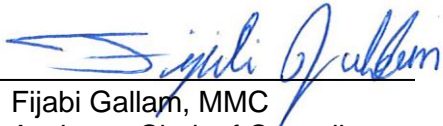
Member Toth inquired about the discrepancy in the property value assessment for the Drug Mart property.

Mayor Corcoran clarified that the County initially provided estimated figures for newly constructed buildings, but upon further evaluation, the accurate assessment of the property value turned out to be lower than the initial estimates.

ADJOURNMENT:

With no further business to address, the meeting was adjourned at 9:51 a.m.

Date Approved: April 9, 2025

A handwritten signature in blue ink, appearing to read "Fijabi Gallam", is written over a horizontal line.

Fijabi Gallam, MMC
Assistant Clerk of Council

**City of North Ridgeville
Tax Incentive Agreements
As of December 31, 2023**

<u>Active Community Reinvestment Area (CRA)</u>	<u>School Donation</u>	<u>Last Tax</u>	<u>Agreement</u>	<u>Notes</u>
		<u>Effective Year</u>	<u>Term</u>	
Rhenium Alloys, Inc	-	2026	2012 / 15 yrs	100% abatement through 2021 / 20% reduction annually beginning 2022 / 2026 0%
Arc Terra	\$2,500 thru 2024 \$10,000 thru 2026 /	2029	2020 / 10 yrs	100% abatement through 2024 / 20% reduction annually beginning 2025 / 2029 0%
Bright Path Kid's / Previously Young Explorer's Montessori	\$5,000 2027	2031	2022 / 10 yrs	100% abatement through 2026 / 20% reduction annually beginning 2027 to 80% / 2031 0%
Rudolph Libbe Group	-	2033	2019 / 15 yrs	100% abatement through 2028 / 20% reduction annually beginning 2029 / 2033 0%
Lemmon & Lemmon - Danbury Senior Living	50% of school tax	2034	2020 / 15 yrs	100% abatement through 2029 / 20% reduction annually beginning 2030 / 2034 0%
Progressive N. Ridgeville/Avenue at North Ridgeville	50% of school tax \$40,000 thru 2031 /	2034	2020 / 15 yrs	Abatement 100% through 2034
Isomer Group / Discount Drug Mart	\$25,000 thru 2033	2036	2022 / 15 yrs	Abatement 100% through 2036

<u>Upcoming Community Reinvestment Area (CRA)</u>	<u>School Donation</u>	<u>Last Tax</u>	<u>Agreement</u>	<u>Notes</u>
		<u>Effective Year</u>	<u>Term</u>	
RUF US Inc. - Anticipated project completion 12/31/2025	\$10,000	2036	2026 / 10 yrs	75% abatement through 2036

<u>Active Increment Financing Agreement (TIF)</u>	<u>School Donation</u>	<u>Last Tax</u>	<u>Final Debt</u>	<u>Notes</u>
		<u>Effective Year</u>	<u>Service</u>	
Riddell, Inc.	50% Income Tax Share	2034	2034	25 year tax exemption

**City of North Ridgeville
Tax Incentive Agreement Performance Update
As of December 31, 2023**

<u>Active Community Reinvestment Area (CRA)</u>	<u>Per Agreement</u>	<u>As Reported for 12/31/2023</u>	
	<u>Number of Employees</u>	<u>Number of Employees</u>	<u>Meeting Expectations</u>
Rhenium Alloys, Inc	50	54	Yes
Arc Terra	10	20	Yes
Bright Path Kids (Previously Young Explorer's)	26	16/12	Yes
Rudolph Libbe Group	50	64	Yes
Lemmon & Lemmon - Danbury Senior Living	50	47/17	Yes
Progressive N. Ridgeville/Avenue at North Ridgeville	100	217/84	Yes
Isomer Group / Discount Drug Mart	53/8	12/38	No