**Jason Jacobs**, At-Large/President of Council
**Georgia Awig**, At-Large
**Martin DeVries**, At-Large
**Holly A. Swenk**, Ward 1
**Eric Shaffer**, Ward 2
**Bruce F. Abens**, Ward 3
**Clifford Winkel**, Ward 4/President Pro-Tem
**Kevin Corcoran**, Mayor

CITY OF NORTH
Ridgeville
EST 1810

# Committee of the Whole

## CITY HALL COUNCIL CHAMBERS
## AGENDA OF JUNE 2, 2025
## 6:15 PM

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### ROLL CALL

### NEW BUSINESS

R 2025-62 A Resolution terminating the Community Reinvestment Area (CRA) tax abatement agreement between the City of North Ridgeville and Isomer Group, Inc.
(Introduced by Mayor Corcoran, First Reading on 05-05-2025)

### ADJOURNMENT

| | | | |
|---|---|---|---|
| DATE: | May 5, 2025 | 1ST READING: | May 5, 2025 |
| INTRODUCED BY: | | 2ND READING: | |
| REFERRED BY: | Mayor Corcoran | 3RD READING: | |
| TEMPORARY NO: | | ADOPTED: | |
| | | EFFECTIVE: | |

**RESOLUTION NO. 2025-62**

**A RESOLUTION TERMINATING THE COMMUNITY REINVESTMENT AREA (CRA) TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF NORTH RIDGEVILLE AND ISOMER GROUP, INC.**

**WHEREAS,** the Council of the City of North Ridgeville, Ohio, established standards for the terms and extent of the real property exemptions permitted within Community Reinvestment Area No. 14 by the passage of Resolution No. 768-94 and subsequent amendments thereto; and

**WHEREAS,** on or about December 12, 2019, the Tax Abatement Review Board reviewed the application submitted by Isomer Group, Inc. and found Isomer Group, Inc. to qualify for a Class 2 exemption under Section 3(C) of Resolution No. 768-94 as amended; and

**WHEREAS,** through Resolution 1476-2020, adopted February 3, 2020, which was later amended by Resolution 6010-2022, adopted May 16, 2022, the City entered into a CRA Tax Abatement Agreement with Isomer Group, Inc. for a fifteen (15) year term (Exhibit A); and

**WHEREAS**, Section 2 of the Agreement allows for the City to terminate or modify the exemptions from taxation granted under the Agreement if the property owner materially fails to fulfill its obligations; and

**WHEREAS,** Isomer Group, Inc. has failed to fulfill its obligations under the Agreement for minimum job creation and the required annual payment to the North Ridgeville City School District; and

**WHEREAS,** the Community Reinvestment Area Housing Council, in open meeting conducted on April 9, 2025, made a recommendation to Council that the Agreement with Isomer Group, Inc. be terminated.

**NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORTH RIDGEVILLE, LORAIN COUNTY, OHIO, THAT:**

**SECTION 1.** Pursuant to the terms of the CRA Tax Incentive Agreement between the City and Isomer Group, Inc., the tax abatement granted therein is hereby terminated. Isomer Group, Inc. shall be responsible for making the delinquent annual payments to the North Ridgeville City School District; however, no repayment of taxes that would have been payable had the property not been exempted from taxation will be required.

**SECTION 2.** The Clerk of Council will inform Isomer Group, Inc. of the termination and send a certified copy to the Lorain County Auditor and CRA Housing Council.

**SECTION 3.** It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were conducted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in accordance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

**SECTION 4.** This Resolution shall take effect and be in full force from and after the earliest period allowed by law.

PASSED:__________________________ ___________________________________

PRESIDENT OF COUNCIL

ATTEST:_______________________________

CLERK OF COUNCIL

APPROVED:_______________________ ___________________________________

MAYOR

# EXHIBIT "A"

## AMENDED COMMUNITY REINVESTMENT AREA AGREEMENT

**THIS AGREEMENT** is made and entered into by and between the City of North Ridgeville, Lorain County, Ohio, a municipal corporation, with its main offices located at 7307 Avon Belden Road, North Ridgeville, Ohio (hereinafter referred to as "the City"), and ISOMER GROUP, Inc., with their office located at 211 Commerce Drive, Medina, Ohio 44256 (hereinafter referred to as "the Property Owner"), which shall occupy the parcel to which the tax exemption shall apply.

**WITNESSETH THAT:**

**WHEREAS**, the City encouraged the development of real property and the acquisition of real property located in the area designated as a Community Reinvestment Area; and

**WHEREAS,** the Property Owner is desirous of establishing a Discount Drug Mart which will include, among other things, a general store, pharmacy, and wellness center (hereinafter referred to as "the Project"), within the boundaries of the aforementioned Community Reinvestment Area, provided that the appropriate development incentives are available to support the economic viability of said Project; and

**WHEREAS,** the Council of the City of North Ridgeville, Ohio, by Resolution No. 768-94 adopted June 20, 1994, and amended in Resolution No. 1415-2017, adopted December 4, 2017, has designated the area defined by the corporate boundaries of the City of North Ridgeville as a "Community Reinvestment Area" pursuant to Chapter 3735 of the Ohio Revised Code; and

**WHEREAS,** the Director of Development of the State of Ohio determined that the aforementioned area designated in Resolution Nos. 768-94 and 1415-2017 contained the characteristics set forth in Section 3735.66 of the Ohio Revised Code and confirmed said area as a Community Reinvestment Area under said Chapter 3735 of the Ohio Revised Code; and

**WHEREAS,** the City of North Ridgeville, having the appropriate authority for the stated type of said Project, is desirous of providing Property Owner with incentives available for the development of the Project in said Community Reinvestment Area under Chapter 3735 of the Ohio Revised Code; and

**WHEREAS,** Property Owner, by and through its designated agent, has submitted a proposed agreement application to the City of North Ridgeville (hereinafter referred to as "Application" and attached as Exhibit "B"); and

**WHEREAS,** the Mayor of the City of North Ridgeville has investigated the Application of the Property Owner and has recommended the same to Council on the basis that the Property Owner is qualified by financial responsibility and business experience to create and preserve employment opportunities in said Community Reinvestment Area, to establish a business that will be beneficial to the residents of the City, and to improve the economic climate of the City of North Ridgeville; and

**WHEREAS,** the North Ridgeville Tax Abatement Review Board has considered the Application in an open meeting and has voted to recommend approval of the Property Owner's request for a Community Reinvestment Area tax abatement agreement; and

**WHEREAS,** the project site, as proposed by the Property Owner, is located in the North Ridgeville School District, the Lorain County Joint Vocational School District, and the Board of Education of the City of North Ridgeville and have been notified in accordance with Section 5709.83 of the Ohio Revised Code or have otherwise agreed by separately executed contract to consent to the City's execution of the Abatement Agreement; and

**WHEREAS,** pursuant to Section 3735.67(A) and in accordance with the format required under Section 3735.671(B) of the Ohio Revised Code, the parties hereto desire to set forth their Agreement with respect to matters hereinafter contained;

**NOW, THEREFORE,** in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows:

1. Property Owner shall construct a free standing facility with square footage of approximately 28,000 including a general store, pharmacy and wellness center which will also include parking of approximately 125 spaces. Specifically, it will address patient health solutions including an all-purpose pharmacy with specialty pharmacy services, a full line of medical equipment and services including oxygen-ventilators, hospital beds, CPAPS, diabetic shoes and wheelchairs. It will also include groceries, health and beauty aids, household merchandise, fresh produce, hardware, full service deli, frozen foods, beer and wine, and school/office supplies.

   The Project will involve a total investment by the Property Owner of $6,650,000, as detailed in paragraph 12 of Exhibit B "Tax Incentive Request" form in new construction, machinery and equipment, and furniture and fixtures, plus or minus 10%, at the site. The Project will begin August of 2020 and will be completed by December of 2022.

   The Project shall introduce 53 full-time permanent employees and 8 part-time employees at the site. The estimated annual payroll for the employees shall be $1,500,000.

   Property Owner shall provide to the North Ridgeville Tax Abatement Review Board or other public Tax Incentive Review Council any information reasonable required by Council to evaluate the Property Owner's compliance with the Agreement, including returns filed pursuant to section 5711.02 of the Ohio Revised Code, if requested by Council.

2. The City hereby grants the Property Owner a Class 2 tax abatement for the real property improvements in the form of new construction of commercial structures made to the project site pursuant to Section 3735.67 of the Ohio Revised Code and shall be in the following amounts: 100% of the increase in real property taxes for the first ten (10) years after commencement of the exemption, 80% for the $11^{th}$ year, 60% for the $12^{th}$ year, 40% for the $13^{th}$ year, 20% for the $14^{th}$ year, and 0% for the $15^{th}$ year and any subsequent year. The exemption commences the first year for which improvements to the real property would first be taxable were that property not exempted from taxation.

| Year of Tax Exemption | Tax Exemption Amount |
|---|---|
| 1. | 100% |
| 2. | 100% |
| 3. | 100% |
| 4. | 100% |
| 5. | 100% |
| 6. | 100% |
| 7. | 100% |
| 8. | 100% |
| 9. | 100% |
| 10. | 100% |
| 11. | 80% |
| 12. | 60% |
| 13. | 40% |
| 14. | 20% |
| 15. | 0% |

Property owner must file the appropriate tax forms with the County Auditor to effect and maintain the exemptions covered in the Agreement.

Property owner shall not be required to pay an annual fee, the same having been waived by the City.

Property Owner shall pay all such real and tangible property taxes which are not exempted under this Agreement and are charged against such property, and shall file all Tax reports and returns as required by law. If the Property owner fails to pay such taxes or fails to file such returns and reports, all incentives granted under this Agreement are rescinded beginning with the year for which the taxes are charged or such reports or returns are required to be filed and thereafter.

The City of North Ridgeville shall perform such acts as are reasonably necessary and appropriate to effect, claim, reserve, and maintain exemptions from taxation granted under this Agreement including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions.

If for any reason the Community Reinvestment Area designation expires, the Director of the Ohio Department of Development revokes certification of the zone, or the City of North Ridgeville revokes the designation of the zone, entitlements granted under this Agreement shall continue for the number of years specified under this Agreement, unless the Property owner and/or its assignees materially fail to fulfill its obligations under this Agreement and the City terminates or modifies the exemptions from taxation granted under this Agreement.

If the Property Owner materially fails to fulfill its obligations under this Agreement, or if the City determines that the certification as to delinquent taxes required by this agreement are false or fraudulent, the City may terminate or modify the exemptions from taxation granted under this Agreement, and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under this Agreement.

3. Property Owner hereby certifies that at the time this Agreement is executed, the Property Owner does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which the Property Owner is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, the property Owner currently is paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof has filed a petition of bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against Property Owner. For the purposes of certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Ohio Revised Code governing payment of those taxes.

   Property Owner affirmatively covenants that it does not owe: (1) any delinquent taxes to the State of Ohio or a political subdivision of the State; (2) any monies to the State or a State agency for the administration or enforcement of any environmental laws of the State; and (3) any other monies to the State, a State agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not.

   Property Owner and the City of North Ridgeville acknowledge that this Agreement has been approved by formal action of the legislative authority of the City.

   The City has developed a policy to ensure recipients of Community Reinvestment Area tax benefits practice non-discriminating hiring in its operation. By execution of this

Agreement, Property Owner is committing to following non-discriminatory hiring practices acknowledging that no individual may be denied employment solely on the basis of race, religion, sex, disability, color, national origin, or ancestry.

Exemptions from taxation granted under this Agreement shall be revoked if it is determined that Property Owner, any successor property owner, or any related member (as those terms are defined in Section 3735.671 of the Ohio Revised Code) has violated the prohibition against entering into this Agreement under Division (E) of Section 3735.671 or Section 5709.62 or Section 5709.63 of the Ohio Revised Code prior to the time prescribed by that division or either of those sections.

4. Property Owner affirmatively covenants that it has made no false statements to the State or local political subdivision in the process of obtaining approval of the Community Reinvestment Area incentives. If any representative of Property Owner has knowingly made a false statement to the State or local political subdivision to obtain the Community Reinvestment Area incentives, Property Owner shall be required to immediately return all benefits received under the Community Reinvestment Area Agreement pursuant to O.R.C. Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the State, any State Agency, or a political subdivision pursuant to O.R.C. Section 9.66(C)(1). Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree pursuant to O.R.C. Section 2921.13(D)(1) which is punishable by a fine of not more than $1,000.00 and/or a term of imprisonment of not more than six months.

   This Agreement is not transferrable or assignable without the express, written approval of the City.

5. In consideration of the City's agreement to abate property taxes as authorized by State law and for the waiver of the annual fee noted in paragraph 2 above, Property Owner shall annually, on or before April 30$^{th}$, pay the City of North Ridgeville City Schools an amount equal to Forty Thousand Dollars ($40,000.00) in the first ten years and then in an amount equal to Twenty-Five Thousand Dollars ($25,000.00) in years eleven and twelve. Property Owner shall also make this annual payment in equal quarterly payments, if so requested by the North Ridgeville City Schools.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK WITH SIGNATURES APPEARING ON THE FOLLOWING PAGE.**

**IN WITNESS WHEREOF**, the City of North Ridgeville, Ohio, by its Mayor, and pursuant to Resolution No. 1567-2022, has caused this instrument to be executed this 3 day of August, 2022, and the Property Owner by John Gans, President of ISOMER GROUP, INC., have caused this instrument to be executed on this 2 day of August, 2022.

**CITY OF NORTH RIDGEVILLE**

By: ______________________________
Mayor Kevin Corcoran

-and-

**PROPERTY OWNER**

By: ______________________________ (John Gans)
John Gans, President

**APPROVED AS TO FORM:**

By: ______________________________
Brian Moriarty
Director of Law for the City of North Ridgeville

**EXHIBIT "B"**

# CITY OF NORTH RIDGEVILLE

OFFICE OF THE MAYOR

G. David Gillock, Mayor
Jeffry J. Armbruster, Safety-Service Director

TAX INCENTIVE REQUEST

Tax Incentive Request between the City of North Ridgeville located in the County of Lorain and ISOMER GROUP, INC. for Community Reinvestment Area (CRA).

1. a. Name of business, home or main office address, contact person and telephone number (attach additional pages if multiple enterprise participants):

ISOMER GROUP, INC.
Enterprise Name

JOHN GANS
Contact Person

211 COMMERCE DRIVE

330-725-2340
Telephone Number

MEDINA OHIO 44256
Address

JGANS@DISCOUNT-DRUGMART.COM
E-mail

b. Project site:

PARCEL #'S
07000111103084
07000111103085

TOM LUNT
Contact Person

330-725-2340
Telephone Number

N. RIDGEVILLE OHIO
Address

TLUNT@DISCOUNT-DRUGMART.COM
E-mail

2. a. Nature of business (manufacturing, warehousing, wholesale or retail stores or other):

RETAIL: HEALTH & WELLNESS - GROCERY & GENERAL MERCH-ANDISE

b. If a consolidation, what are the components of the consolidation? (must itemize the Location, assets and employment positions to be transferred):

NOT APPLICABLE

c. Form of business or enterprise (corporation, partnership, proprietorship or other:
CORPORATION

3. Name of principal owner(s) or officers of the business:
DON BOOTJEH (PRESIDENT)
MIKE EGY (SECRETARY / TRESURER)

4. Is business seasonal in nature? Yes____ No ✓

5. a. State the enterprise's current employment level at the proposed project site:
NOT APPLICABLE

b. Will the project involve the relocation of employment positions or assets from one Ohio Location to another? Yes____ No ✓

c. If yes, state the locations from which employment positions or assets will be relocated and the location to where the employment positions or assets will be located:

d. State the enterprise's current employment level in Ohio (itemized for full and part-time and permanent and temporary employees): 2,966 (FTEs)

e. State the enterprise's current employment level for each facility to be affected by the Relocation of employment positions or assets: NOT APPLICABLE

f. What is the projected impact of the relocation, detailing the number and type of employees and/or assets to be relocated? NOT APPLICABLE

6. Project Description: PLEASE SEE ATTACHED

- 3 -

7. Project will begin AUGUST, 20 20

and be completed DECEMBER, 20 20

8. a. Estimate the number of new employees the business intends to hire at the facility that is the project site (job creation projection must be itemized by full and part-time and by permanent and temporary): 53 (FTEs) 8 (PTEs)

9. a. Estimate the amount of annual payroll such new employees will add $ 1.5 MILLION (New annual payroll must be itemized by full and part-time and permanent and Temporary new employees). FTE = $1.3 MILLION PTE = $ 200,000.00

b. Indicate separately the amount of existing annual payroll relating to any job retention claim resulting from the project: $ NOT APPLICABLE

10. Market value of the existing site as determined for local property taxation:

$ 1.1 MILLION

11. a. Business's total current investment in the facility as of the proposal's submission:

$ -0-

b. State the business's value of on-site inventory required to be listed in the personal property tax return of the enterprise in the return for the tax years (stated in average monetary value per most recent 12 month period) in which the agreement is entered into (baseline inventory): $ NOT APPLICABLE

12. An estimate of the amount to be invested by the enterprise to establish, expand, renovate or Occupy a facility:

| | | |
|---|---|---|
| A. | Acquisition of Buildings: | $ NOT APPLICABLE |
| B. | Additions/New Construction: | $ 4.5 M |
| C. | Improvements to existing buildings: | $ NOT APPLICABLE |
| D. | Machinery & Equipment: | $ 750,000 K |
| E. | Furniture & Fixtures: | $ 300,000 K |
| F. | Inventory: | $ 1.1 M |
| | **Total New Project Investment:** | $ 6,650,000.00 MILLION |

13. a. Business requests the following tax exemption per Resolution 768-94:

Class 1 ______

Class 2 ✓

Class 3 ______

b. Business's reasons for requesting tax incentive (be quantitatively specific as possible):

PLEASE SEE ATTACHED

Applicant agrees to supply additional information upon request.

The applicant believes that the information contained in and submitted with this application is complete and correct.

ISOMER GROUP, INC.
Name of Enterprise (print)

10/1/2019
Date

Signature

JOHN GANS
Name (print)

PRESIDENT
Title (print)

Project description:

Construction of a free-standing building to house a general store- pharmacy- and wellness center. Building to be 28,000 square feet. Site will hold 125 parking spaces. Store- pharmacy and wellness center to stock more than 50,000 items.

Patient health solutions to include: all-purpose pharmacy- specialty pharmacy services - and a full line of medical equipment and services including oxygen- ventilators, cpaps- hospital beds - diabetic shoes and power wheelchairs. Professional staff will include pharmacists, registered nurses, respiratory therapists and pedorothists.

Items to include: groceries- health and beauty aids- household merchandise- fresh produce- hardware- full service deli- frozen foods- beer and wine- and school and office supplies. Services to include: photo center- sporting and event ticket purchase- UPS shipping- Western Union- Ohio Lottery- utility bill payments- and hunting and fishing licenses.

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Businesses reasons for requesting tax incentive:

Discount Drug Mart is an Ohio based employee owned company. We have 75 locations just in Ohio. Our stores employ more than 3,700 Ohioans including more than 225 pharmacists. We are a family run company as our founder's three sons and daughter manage the day to day operations.

The tax incentives associated with this project will allow us to be more competitive with out-of-state competitors (e.g. CVS in Woonsocket, Rhode Island & Walgreen's in Deerfield, Illinois). The tax incentives will increase our ability to better serve the residents of North Ridgeville. The tax incentives will ensure continued sound company growth. The store will be owned and occupied by Discount Drug Mart and will not depend on tenants or leases.